PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

OFFERING PLAN

TABLE OF CONTENTS
OFFERING PLAN
PART ONE

ARTICLE ONE - SPECIAL RISKS 2

ARTICLE TWO - INTRODUCTION 6

ARTICLE THREE - PROJECTED BUDGET FOR FIRST YEAR OF OPERATION OF THE HOMEOWNERS ASSOCIATION 14A

Revenues ....
Operating Expenses and Reserves ....
Comments ....
Timing of Construction ....
Effect on Common Charges ....
Projected Income and Expense, Including Amenities, Based on 100% Occupancy ....
Notes to 100% Occupancy Projection ....

ARTICLE FOUR - OPINION OF COUNSEL 14B

ARTICLE FIVE - DESCRIPTION OF COMMON AREAS AND FACILITIES 15

Roads, Parking Areas and Driveways 15
Security Lighting 16
Sub-Soil Conditions 16
Landscape 17
Storm Water Sewer System 17
Sanitary Sewer System 18
Water Service 18
Electricity 19
Telephone 19
Cable Television 20
Mailboxes 20
Signs 20
Refuse Disposal 20
Garages and Parking Areas 21

ARTICLE SIX - THE ASSOCIATION 22

Pumpkin Hill Homeowners Association, Inc 22
Additional Property 23
Easements Created by Declaration 24
Property Rights 25
Party Walls 25
Architectural Controls 26
Subordination of Mortgage to Declaration 26
Subordination to Mortgage 26
Insurance 26
Membership and Voting Rights 27
Assessments 29
Working Capital Fund 30
Master Water Meter Fee 31

Enforcement, Amendment and Duration of This Declaration 31

PART ONE
(Continued)

ARTICLE SEVEN - LOCAL GOVERNMENT APPROVAL 33

Zoning 33
Municipal Services 33
Public Transportation 33
Shopping Centers 34
Health Facilities 34
Educational & Religious Facilities 34

ARTICLE EIGHT - OBLIGATION OF THE SPONSOR 35

Completion of Construction 35
Construction of Association Property 35
Letter of Credit 36
Dissolution of Sponsor 37
Sponsor's Right to Access for Construction Purposes 37
Title Insurance 37
Subordination 37
Sponsor Obligation for Association Charges 38
Private Roads 38

ARTICLE NINE - TRUST FUNDS 39

ARTICLE TEN - MANAGEMENT AGREEMENT 40

No Contracts Binding Association 41

ARTICLE ELEVEN - IDENTITY OF PARTIES 42

Consultants 43

ARTICLE TWELVE - REPORT TO MEMBERS 46

ARTICLE THIRTEEN - DOCUMENTS ON FILE 47

ARTICLE FOURTEEN - GENERAL 48

Pending Litigation 48
Non-Discrimination 48
No Offering to Minors 48
No Prior Offering 48
Offering Plan is Fair Summary 48

PART TWO

EXHIBIT 1	- Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens
EXHIBIT 2	- Certification of Incorporation
EXHIBIT 3	- Bylaws and Homeowners Association Rules
EXHIBIT 4	- Management Agreement
EXHIBIT 5	- Site Plan
EXHIBIT 6	- Plot Plan
EXHIBIT 7	- Location Map
EXHIBIT 8	- Floor Plans of Buildings
EXHIBIT 9	- Contract of Sale
EXHIBIT A	- Certifications
EXHIBIT A-1	- Certification by Sponsor and Principals
EXHIBIT A-2	- Engineer's Certification
EXHIBIT A-3	- Expert's Certification

ARTICLE ONE - SPECIAL RISKS

Purchasers and prospective purchasers of lots in Pumpkin Hill Townhomes should be aware of the following special risks which are more fully described in this Offering Plan on the pages indicated:

1. The development of Pumpkin Hill Townhomes is to be in four (4) phases (see page 7 of this Offering Plan).

2. The Sponsor is not obligated to continue development beyond the thirty-two (32) lots comprising Phase I. The development of additional phases will depend upon the market acceptance of the lots, the availability of financing for construction and purchase money loans, and governmental controls (see page 7 of this Offering Plan).

3. The Maintenance Assessments in Pumpkin Hill Homeowners Association, Inc. will be divided into four (4) classes. One class will apply to owners of lots improved by a townhome model number 1B or 2B. Three other classes will apply to owners of lots improved by a townhome model number 1A, 2A or 2C, respectively. Also, owners of townhomes shall be assessed an extra fee for water where the number of residents in the townhomes exceeds two (2) persons (see Budget Exhibit "A" and page 18 of this Offering Plan).

4. The Sponsor will not dedicate the roads in Pumpkin Hill Townhomes. The roads, which will be maintained by the Pumpkin Hill Homeowners Association,

Inc., will be constructed in accordance with Town specifications, except that the roads will not contain a 60 foot right-of-way but will contain an approximate 20 foot right-of-way. There is no requirement for the posting of a Bond, and no Bond will be posted (see page 8 ot this Offering Plan).

5. The Sponsor will retain voting rights of the Board of Directors of Pumpkin Hill Homeowners Association, Inc. for 120 days after seventy-five percent (75%) of the lots in the project have been conveyed to purchasers or five years following conveyance of the first lot, whichever event first occurs.

6. The first meeting of the Board of Directors of the Association will not be held within six (6) months of the first lot closing.

7. The Sponsor will furnish, or cause to be furnished, Completion Bonds for the Pumpkin Hill Townhomes in the event of its dissolution or the non-completion of any such work for any reason whatsoever.

8. A portion of the property of the Pumpkin Hill Homeowners Association, Inc., measuring approximately 90 feet x 114.16 feet of vacant, unimproved land (bounded on the east by Sleepy Hollow, on the west by Spring Lake Apartments, on the south by Paul Road and shown as "restricted area" on the final site plan) is encumbered by a mortgage from Spring Valley Apartments, Inc. to the Dime Savings Bank of New York. This mortgage, which encumbers other lands of Spring Valley Apartments, Inc. to the west of the Pumpkin Hill property matures in April, 1988. The Sponsor has not assumed the mortgage nor will the Association assume the

mortgage, and there was no pro-rata division of any obligation under said mortgage. The mortgaged parcel was originally purchased for purposes of access, however, an additional parcel was purchased and therefore, the mortgaged parcel is no longer required for access. As of the date of this Offering Plan, the Sponsor is attempting to secure, but has not yet secured a release of the mortgage lien for this parcel.

Neither the Association, nor the Association members shall be liable for payment of any debt arising from this mortgage lien. In the event Dime Bank should foreclose on the property marked restricted area, said property may be sold in a foreclosure action and the Association may lose the property, however ingress and egress to Pumpkin Hill Townhomes will not be affected and no improvements to the project will be affected.

9. The Sponsor is not obligated to continue development beyond thirty-two (32) lots compromising Phase I. Therefore, the Sponsor is not obligated to build a pool, two tennis courts, a maintenance building or a recreational building as projected for Phase II in the event the Sponsor does not continue development beyond Phase I (see page 9 of this Offering Plan).

10. The Sponsor is not obligated to continue development beyond the thirty-two (32) lots comprising Phase I. In the event the Sponsor does not develop beyond the initial thirty-two (32) lots in Phase I, an approximate eleven percent (11%) increase may result in assessment fees due to the lack of additional Sponsor escrow (see Budget Footnotes to Schedule A Note 13 of this Offering Plan).

11. In the event the projected budget for reserves is inadequate for future maintenance, repair and replacement the Association members may be subject to a special assessment.

12. Association members shall be subject to a one-time charge of ONE HUNDRED AND TWENTY-FIVE DOLLARS ($125.00) for a water meter fee (see page 31 of the Offering Plan for greater detail).

MEMBERSHIP IN PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE TWO - INTRODUCTION

FOREST CREEK EQUITY CORP., a New York Corporation, is the sponsor of the Pumpkin Hill Homeowners Association, Inc. FOREST CREEK EQUITY CORP., hereinafter referred to as the "Sponsor", acquired the site for Pumpkin Hill on July 13, 1984. The Pumpkin Hill Townhomes development is located on Paul Road in the Town of Chili, Monroe County, New York and consists of approximately 30 acres.

The property consists of a "T" shaped parcel fronting 264 feet on Paul Road, 556.17 feet on Coldwater Road and is referred to in this Offering Plan as "Pumpkin Hill Townhomes".

Pumpkin Hill Townhomes are located on the west side of the Genesee River seven (7) miles west of the central business district of the City of Rochester. The immediate area adjacent to the project is commonly known as Chili Center, a name for the central business district of the Town of Chili. Additionally, the neighborhood enjoys the benefit of a grammar school, a parochial school, a shopping center and institutions of most denominations.

The Sponsor shall improve thirty-two (32) lots to be known as Pumpkin Hill Phase I on approximately 7.31 acres of land. A lot shall consist of a portion of the Pumpkin Hill Townhomes, excluding property owned by the Pumpkin Hill Homeowners Association, Inc., and each lot shall be identifiable as a separate parcel on the tax records of the Town of Chili, or shall be shown as a separate lot on the recorded or filed subdivision map for Pumpkin Hill Townhomes. Pumpkin Hill Phase I shall consist of thirty-two (32) lots, improved by townhomes in one of five (5) different styles as follows:

1A - Ranch - 1021 square feet
1B - Ranch - 1212 square feet
2A - 2 Story - 1268 square feet
2B - 2 Story - 1325 square feet
2C - 2 Story - 1169 square feet

During the offering of Pumpkin Hill Phase I, there will be available thirty-two (32) lots with improvements thereon, and offered in conjuction with the Homeowners Association membership. It is anticipated that there will be four stages of development for Pumpkin Hill and in the latter three stages, the Sponsor plans to improve an additional 140 lots, all of which will be incorporated into the Association. The Sponsor anticipates that in the event that the development is completed as presently contemplated, the Association will consist of 172 lots. Construction on Pumpkin Hill Phase I will be commenced in August, 1984, and it is anticipated to be completed by May, 1985. Construction on the succeeding phases of Pumpkin Hill Townhomes is expected to be completed by August of 1989.

BECAUSE OF A VARIETY OF CIRCUMSTANCES INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROLS, AND THE GENERAL CONDITION OF THE ECONOMY, THE SPONSOR GIVES NO ASSURANCE THAT ALL OR ANY ADDITIONAL PHASES NOW CONTEMPLATED WILL BECOME A REALITY.

The Pumpkin Hill Homeowners Association, Inc., hereinafter referred to as the "Association", shall acquire a fee simple interest in all common areas consisting of 21.19 acres of the total 30 acres. This will include all roads which shall remain privately owned, all lawns, two tennis courts, one pool, one recreational building and any other property not owned by the townhome owners. Each lot purchaser shall have title to exterior walls, townhome interiors, patios, fences and a small portion of land as shown on the Subdivision Map set forth in Exhibit 5.

The roads, drives, parking areas and walkways will not be dedicated to the Town of Chili and will be owned by the Homeowners Association. The cost of maintenance will be funded through the Association budget as a common expense. The roads will be built to Town of Chili specifications, except that concrete gutters shall only be 24" in width.

Water will be supplied by the Monroe County Water Authority and water mains will be dedicated to the Monroe County Water Authority. Therefore, Monroe County Water Authority will assume ownership and responsibility for the main water line with an easement granted to it by Sponsor prior to conveyance of the first townhome.

The Association will own and maintain the lateral water service lines between the principal main water line and the individual townhome units. The cost of maintenance of the lateral line shall be funded through the Association budget as a common expense. Townhome units will not be individually metered, thus the Association will fund common water charges through common charges.

The Association will own and maintain the entire storm water sewer system. However, the Town of Chili will be granted an easement along the storm water sewer system for access only. The cost of maintenance shall be funded through the Association budget as a common expense.

The main sanitary sewer system will be dedicated to the Gates-Chili-Ogden Sewer District. The Sewer District will be granted an easement over Association property to own and maintain the system.

The Association will own and maintain the sanitary service laterals between the main sanitary sewer lines and the individual townhomes. The cost of maintenance of the laterals shall be funded through the Association budget as a common expense.

The Sponsor anticipates that certain common area facilities owned by the Homeowners Association and available to its members, shall be built during Phase II, however the Sponsor has no obligation to develop Phase II and the common facilities associated therewith Phase II facilities shall include a pool with a maximum capacity of forty (40) people at any given time, two tennis courts with a maximum capacity of 8 people at any given time, and a recreational building with a maximum capacity of one hundred (100) people at any given time.

The pool shall be constructed in bean shape form with dimensions of 20' x 40'. The pool shall have a depth ranging between three feet to six feet six inches. The pool shall be constructed of reinforced concrete and shall have a minimum five foot walkway surrounding it. There will be no diving board, but there will be a ladder and recessed steps.

The two tennis courts shall be constructed by asphalt. The maintenance building shall be 1920 square feet and shall be used for a maintenance garage, office, work area, storage, and management office. Approximately one-third of this area will be heated. The building is to be a one story slab on grade and wood frame construction.

The community building will be approximately 1600 square feet heated space with a full basement of equal size. The ground floor will have a large community room with table and chair storage, a full service kitchen with closets and men's and women's toilet and shower rooms adjacent to the swimming pool. The floor will be entirely accessible to the physically handicapped. The basement area shall be used for mechanical equipment both for the building and the swimming pool. The building shall be frame construction on a concrete block foundation.

The Pumpkin Hill Homeowners Association, Inc. shall be an organization composed of all "Owners" of lots at Pumpkin Hill Development as defined in a certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, hereinafter referred to as the "Declaration" to be recorded in the Monroe County Clerks Office prior to the transfer of title to the first lot. Upon acceptance of a deed to any lot, the owner shall simultaneously become an association member. The Association will be formed prior to the transfer of title to the first lot for the purpose of insuring efficient preservation of the values and amenities of the Pumpkin Hill Townhomes (see Exhibit 2 for a copy of the Association's Certificate of Incorporation). The obligation to become a member of the Association is set forth in the purchase agreement (see Exhibit 9) and in the form of a deed (see Exhibit B-15) both of which ref . to the Declaration which governs the use and ownership of land within Pumpkin Hill Townhomes. A complete copy of the Declaration is set forth as Exhibit 1 of this offering.

The By-laws of the Association are set forth as Exhibit 3 of this offering plan. Members of the Association shall have the right to vote for the Board of Directors of the Association pursuant to the By-Laws and the Board of Directors will conduct the affairs of the Association. The Association shall be empowered to maintain and administer the use of community property and facilities and shall administer and enforce the covenants and restrictions contained in the Declaration, Certificate of Incorporation and By-laws and shall collect and disburse the assessments and charges as set forth in the Declaration.

The Association shall be responsible for the operation and maintenance of Association property and the exterior maintenance of townhomes including repair or replacement of siding, gutters, downspouts, roof, painting trim, patios and fences.

In addition, the Association shall maintain fire and casualty insurance covering townhomes and Association property. The Association will also hold reserves for any unforseen emergencies which the Board of Directors may deem proper.

The price of each townhome or lot shall include the cost of membership in the Association. Membership costs or assessments shall be set by the Sponsor alone and shall not be subject to review or approval by the Department of Law or by any other government agency.

Townhomes or lots may be purchased by any individual eighteen (18) years or older, partnerships or corporations provided that the property is used for residential purposes only, and not for commercial purposes. Rental of the townhomes must have prior written approval of the Board of Directors of the Pumpkin Hill Homeowners Association, Inc.

Purchasers of lots fully improved by Sponsor may sell or mortgage their lots to anyone without restriction. The townhome owners shall be provided with services from local government agencies including the Monroe County Sheriff, Chili Volunteer Fire Department, Monroe County Water Authority and Gates-Chili-Ogden Sewer District. All roads shall remain private and road maintenance and snow removal shall be provided by the Association as more fully set forth in the Declaration. The Association shall also be responsible for all repairs and maintenance necessary for a surface water drainage ditch or course and/or underground pipelines, catchbasins and other necessary appurtenences including, but not limited to a retention pond to hold water. The Town of Chili shall have no obligation to maintain or repair said drainage ditch or underground pipelines, catchbasins or other appurtenences including the retention pond pursuant to an easement agreement with the Town of Chili.

All areas adjoining the proposed four phases of Pumpkin Hill Townhomes are developed and neither the Sponsor nor any principal of Sponsor owns, in whole or in part, or has an option to acquire the adjoining areas for purposes of development.

The purpose of this offering plan is to set forth all the terms of the offer concerning the Homeowners Association. This offering is the first phase of an anticipated four phases of offerings. Sponsor intends to develop an additional 140 lots in one or more later phases, all of which will be incorporated into the Association. As the Sponsor incorporates additional lots, this Offering Plan will be amended and a revised estimate of monthly maintenance and utility charges to be assessed by the Association will be provided. Sponsor anticipates monthly maintenance and utility charges shall not increase substantially as phases are added, except for the adjustments due to inflation. As this plan is altered from time to time, amendments shall be filed with the Department of Law and all amendments will be given to purchasers and members of the Association.

The plan as presented to prospective purchasers contains all the detailed terms of the transaction as it relates to the Homeowners Association. Parts A, B & C of the Exhibits delivered to the Department of Law contain all of the documents referred to in the plan and copies of the plan and the Exhibits shall be made available to prospective purchasers and their attorneys without charge at the office of the selling agent and/or sponsor, which office is located at Suite 101, 80 West Main Street, Rochester, New York, 14614.

THE PURCHASE OF A HOME ASSOCIATED WITH MANDATORY MEMBERSHIP IN A HOME-OWNERS 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 shall be no minimum requirement for homes or lots sold before the sponsor may commence tranferring title.

SCHEDULE "A"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

PROJECTED SCHEDULE OF RECEIPTS AND EXPENSES
FOR THE FIRST YEAR OF OPERATION COMMENCING NOVEMBER 1, 1984

Projected Income (Note 1)
Maintenance Charges

Unit Type	Member Months*	(Note 2) Charge per Month	Total Charges	
1A	26	$75	$ 1,950	
2C	79	76	6,004	
2A	82	77	6,314	
1B	26	78	2,028	
2B	84	78	6,552	
	Total Estimated Charges		$22,848	
Estimated Receipts from Other Sources				
Sponsors Escrow - $250 per Unit @32			8,000	
	Total			$30,848

Projected Expenses

Labor (Contracted)(Note 3)	$ 7,260	
Utilities (Electricity and Gas for Common Properties)(Note 7)	700	
Water (Note 7)	1,132	
Management (Note 10)	3,564	
Repairs and Maintenance (Note 4)	1,082	
Supplies and Office Equipment	150	
Snow Removal (Note 6)	600	
Refuse Removal (Note 5)	2,020	
Insurance (Note 9)	2,878	
Accounting (Note 11)	250	
Legal (Note 11)	250	
Taxes		
New York State Franchise Tax	250	
Real Estate (Common Areas)(Note 8)	2,055	
Reserve (Note 12)	8,557	
Contingencies - Petty Cash	100	
Total		$30,848

* A member month represents a month for which a monthly maintenance charge will be due for an individual unit occupied by a purchaser. Member months are computed utilizing a projected sales schedule which is anticipated by the sponsor.

In any event, the charge per month for each unit represents the charge that would be due if all 32 units in Phase I were completed as of November 1, 1984. Please refer to Exhibit "D."

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A

Note 1 - Projected Income

The project will be comprised of 172 units with substantially 5 units per cluster. In each cluster, units vary as to square footage and type of construction, hence, the assessment for individual units vary. The project will be built in four (4) phases, with Phase I containing 32 lots. It is anticipated that total first year revenue and common charges for these units will be as follows:

Type of Unit	Square Footage	Monthly Assessment	First 12 Months Total Estimated # of Member Months	Total Estimated Charges
Small Ranch (1A)	1,021	$75	26	$ 1,950
Small 2 Story (2C)	1,169	76	79	6,004
Medium 2 Story (2A)	1,268	77	82	6,314
Large Ranch (1B)	1,212	78	26	2,028
Large 2 Story (2B)	1,325	78	84	6,552
Total Estimated Common Charges				$22,848
Add: Sponsors Working Capital Escrow - $250 per Unit				8,000
Total Estimated Revenue - First 12 Months				$30,848

Monthly assessment fees are payable to the Association on a monthly basis and are due on the first day of every month. The fee will be prorated for the first month of occupancy, with the full month's common charge assessment due thereafter.

The sponsor will provide a $250 escrow per unit sold prior to closing. This will be reimbursed to the sponsor by the buyer at closing.

Note 2 - Basis for Common Charges

Common charges are based on the following allocation:

Total First Year Costs - Variable by Unit	
Insurance - Variable portion of Fire and General Liability	$ 2,200
Roofs	1,000
Staining and Painting	500
	$ 3,700
Total Costs for the First Year	- 30,848
% of Costs - Variable	12%

The basic allocation method which approximates the difference in costs is square footage.

Type	Square Footage	% of Base	% Variable Cost	Allocation % to Base	$ Increase to Base
1A	1,021	100%	12%	N/A	$74.50
2C	1,169	114%	12%	1.7%	75.77
2A	1,268	124%	12%	2.9%	76.66
1B	1,212	119%	12%	2.3%	76.21
2B	1,325	130%	12%	3.6%	77.18

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A CONTINUED

Note 2 - Continued

The large ranch (Type 1B) has more exterior area in proportion to its interior square footage, hence, an additional allocation is applicable as follows:

Type	$ Assessment *	Adjustment for Exterior (Roof and Painting)	$ Common Charge
1A	$75	$---	$75
2C	76	---	76
2A	77	---	77
1B	77	1	78
2B	78	---	78

* All assessments are rounded up to the nearest whole dollar.

Note 3 - Labor (Contracted)

Payroll includes approximately 1,100 man hours of labor for the Phase I period. Payroll taxes required by government agencies are included at 10% of gross payroll. The wage rate is $6 per hour.

Labor will be utilized for general maintenance, certain lawn and garden care functions, some snow removal, gutter maintenance and other services requiring labor.

Services to be provided will include:

a. Mowing for 20 week season, averaging once per week.

b. Edge trimming lawns thrice yearly.

c. Application of grub proofing, fertilizer, weed killers thrice yearly (materials and supply costs are included elsewhere).

d. Cultivating plant beds and manual weeding thrice yearly.

Note 4 - Repairs and Maintenance

Repairs and maintenance represent Phase I expenses for general maintenance including fertilizers, minor repair materials, and other miscellaneous supplies.

Note 5 - Refuse Collection

Refuse collection is based on an estimate of $6.80 per unit per month from Waste Management Company of New York (297 member months @$6.80 per Exhibit "C").

Note 6 - Snow Removal

Snow removal costs are based on an estimate of $4,000 per year for the total project, including maintenance of road, drives and parking lots. The estimate is for 20 trips at $200 per trip. A pro-rata share of $600 is estimated for the first 12 month period.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A CONTINUED

Note 7 - Utilities, Water

Utilities and water expense is based on estimates provided by Passero Associates, the arechitects, Rochester Gas and Electric Corporation, and the Town of Chili for the completed project as follows:

	Estimated Annual Cost for 100% Occupancy	Estimated 1st Year Cost
Utilities: Street Lighting	$5,000	$ 700
Water: 12,818,400 gal. @60¢/1,000	$7,690	$1,132

First year expense for utilities is projected at 14% (Exhibit "C").

First year expense for water is per Passero Associates.

Note 8 - Real Estate Taxes

Real estate taxes are based on estimates for Phase I from the Town of Chili. Phase I assessment is estimated at $6,850, with a tax rate of $300 per thousand for all applicable taxes. (First year cost $300 @$6.85 = $2,055.)

Note 9 - Insurance

Insurance expense is based on a quote for premium cost by project phase from Liberty Mutual , Rochester, New York as follows:

	100% Occupancy	Phase I	Phase II	Phase III	Phase IV
Fire, Liability and Directors Liability	$10,180	$2,110	$4,503	$ 7,387	$10,180
Workmen's Comp. (2.59 per $100)	991	248	878	902	991
Disability	210	70	140	210	210
Business Auto	725	---	---	725	725
Umbrella ($2,000,000)	450	450	450	450	450
	$12,556	$2,878	$5,971	$ 9,674	$12,556

Fire coverage is for $11,355,000 on buildings including $25,000 on contents, with a $500 deductible. General liability is for $1,000,000 each occurrence and aggregate.

For the first year, fire coverage is for $2,080,000 on buildings with no contents coverage, with a $500 deductible. General liability is for $1,000,000 each occurrence and aggregate.

The coinsurance provision has been waived and includes replacement cost coverage on the buildings and contents. Officers' and Directors' liability insurance is for $1,000,000.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A CONTINUED

Note 10 - Management

The management fee is based on the following schedule per an agreement with Forest Creek Equity Corporation:

	Fee Per Unit Per Month
Phase I	$12.00
Phase II	11.50
Phase III	11.00
Phase IV	10.50
100% Occupancy	10.00

This is the going rate in the Rochester area for the services provided. Forest Creek Equity Corporation is also the sponsor for the project. The 100% occupancy charge is based on 1984 costs. The management fee above represents a base 1984 amount and increases of 5% per year are expected in the base fee.

Note 11 - Legal and Accounting

Legal fees were estimated by the law firm of Gallo and Iacovangelo for $500 per year. The first year cost was estimated at one-half this rate, per agreement.

Accounting fees were estimated by the public accounting firm of Jerald J. Rotenberg & Co., Certified Public Accountants for $500 to $1,500 per year. The first year cost was estimated at $250, per agreement.

Note 12 - Reserves (Refer to Exhibit "F")

Working Capital

Working capital reserves are set aside for unexpected costs which may arise during the first 12 months. The reserve is approximately two months common charges per unit occupied.

Once all units have been sold, the working capital reserve will not increase, hence, the 100% Occupancy Projection does not include an annual increase to this reserve.

Road Resurfacing

Every 20 years the 92,000 square feet of roadways will be spot leveled and resurfaced with one (1) inch topping. A unit price of $.35 per square foot has been obtained from a contractor currently performing similar work in the Rochester area. Leveling has been estimated for those areas that may deviate from original grade by more than one (1) inch in ten (10) feet. This estimate takes into account the quality of the original roadway specification:

12" crushed stone base, compacted in two (2) lifts

2" base course

1" top course, applied in second year of service after patch leveling

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A CONTINUED

Note 12 - continued

Drive Resurfacing

Drive resurfacing is estimated for every 15 years. The 60,000 square feet of drives will require one inch topping at a unit price of $.30 per square foot.

Seal Drives

Every five years the drives and parking areas will be sealed. It is estimated that the 60,000 square feet of surface will cost $.10 per square foot.

Road Gutters, Walks

Every 10 years the 10,640 linear feet of gutters will require replacement at a cost of $.10 per linear foot. The 15,000 square feet of walks will be resurfaced every 10 years at a cost of $.40 per square foot.

Roofs

Roofs are fiberglass shingle and are guaranteed for 20 years. An estimate of $1,000 per unit has been obtained from Perna Homes, Inc.

Staining and Painting

Staining and painting is estimated at $400 per unit every 5 years. A major portion of this expense will be provided by HOA employees. The exterior of the units will be comprised of a variety of materials with varying maintenance requirements:

a. Windows: Vinyl clad, requiring virtually no maintenance for at least 20 years.
b. Doors: Paint door and frame every five (5) years.
c. Cedar accents: Stain every five (5) years.
d. Vinyl clapboard siding: Virtually no maintenance for at least 20 years.
e. Wood trim, porch posts and privacy fence: Painting every five (5) years.
f. Brick: Virtually no maintenance for over 20 years.
g. Block: Where painted, repaint every five (5) years.
h. Caulking: Specification for original construction is butyl caulk and sealant, with estimated life of 20 years. Recaulking open joints due to settlement or improper installation scheduled every five (5) years.

Note: Amenities are not included in Phase I construction. The pool, tennis courts, street lighting, maintenance building and recreation building will be constructed in Phase II and result in increases as detailed in the schedule of "Effect on Common Charges."

The 100% occupancy projections enclosed reflect the reserves and expenses allocated for the amenities. These include periodic resurfacing of tennis courts, replacement of lighting, pool renovations and normal repair to buildings.

Note 13 - Special Risk

The sponsor is not obligated to continue development beyond the 32 lots comprising Phase I. In the event that the sponsor does not develop beyond the initial 32 lots in Phase I, an approximate 11% increase may result in assessment fees due to the lack of additional sponsor escrow.

SCHEDULE "B"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

PROJECTED INCOME AND EXPENSE FOR
100% OCCUPANCY AND PHASES II, III, IV

	100% Occupancy *	Phase II *	Phase III *	Phase IV *
Allocation of Income:				
Small Ranch (1A)	$ 15,606	$ 6,426	$ 11,016	$ 15,606
Small Two Story (2C)	42,780	17,670	30,690	42,780
Medium Two Story (2A)	43,332	17,898	31,086	43,332
Large Ranch (1B)	16,218	6,678	11,448	16,218
Large Two Story (2B)	43,884	19,080	31,482	43,884
	$161,820	$ 67,752	$115,722	$161,820
Sponsor Working Capital Escrow ($250/each sold)	---	10,000	12,750	12,250
Total	$161,820	$ 77,752	$128,472	$174,070

Allocation of Expenses: **				
Labor (Contracted)	$ 35,732	$ 21,998	$ 32,513	$ 35,732
Heating	2,700	675	2,700	2,700
Utilities (Electricity & Gas for Common Property)	5,000	1,850	3,250	4,700
Utilities (for Amenities)	4,000	1,000	4,000	4,000
Water	6,200	2,294	4,030	5,828
Management	20,640	8,682	14,696	20,265
Repairs & Maintenance	11,500	2,164	3,246	11,500
Repairs & Maintenance (Amenities)	1,032	258	1,032	1,032
Supplies & Office Equipment	972	291	638	972
Snow Removal	4,000	1,480	2,600	3,760
Refuse Removal	14,035	5,134	9,085	13,124
Insurance	12,556	5,971	9,674	12,556
Accounting	1,000	1,000	1,000	1,000
Legal	500	500	500	500
NYS Franchise Taxes	250	250	250	250
Taxes (Real Estate)	10,470	6,705	8,460	10,470
Vehicles & Equipment	6,500	1,453	6,500	6,500
Reserve (Exh. B)	24,533	15,847	24,098	38,981
Contingencies, Petty Cash	200	200	200	200
Total	$161,820	$ 77,752	$128,472	$174,070

* Refer to Exhibit A for monthly assessments and number of units per phase.

** Refer to Schedule C for the method of allocation by phase.

SCHEDULE "C"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

ALLOCATION OF EXPENSES

	ALLOCATION BY PHASE			
Expense	I	II	III	IV
Labor	(D)	(D)	(D)	(D)
Heating (for Amenities)	N/A	(F)	(A)	(A)
Utilities (Electricity & Gas for Common Property)	(B)	(B)	(B)	(B)
Utilities (for Amenities)	N/A	(F)	(A)	(A)
Water	(B)	(B)	(B)	(B)
Management	(D)	(D)	(D)	(D)
Repairs & Maintenance	(G)	(G)	(G)	(G)
Repairs & Maintenance (Amenities)	N/A	(F)	(A)	(A)
Supplies & Office Equipment	(B)	(B)	(B)	(B)
Snow Removal	(B)	(B)	(B)	(B)
Refuse Removal	(B)	(B)	(B)	(B)
Insurance	(D)	(D)	(D)	(D)
Accounting	(A)	(A)	(A)	(A)
Legal	(A)	(A)	(A)	(A)
Taxes (Real Estate)	(D)	(D)	(D)	(D)
Vehicle & Equipment	(E)	(E)	(E)	(E)
Reserves	(C)	(C)	(C)	(C)
Contingencies, Petty Cash	(B)	(B)	(B)	(B)

(A) Total expense per 100% occupancy projections.

(B) Percentage of total occupancy (total member months are 172 X 12 = 2,064). (Refer to Exhibit "C")

(C) Based on rate per member per month.

(D) Actual calculations as detailed by bids and estimates.

(E) All work requiring vehicles is included in other Phase I costs. A tractor will be added in Phase II and a truck in Phase III.

(F) Amenities are to be constructed during Phase II. Expense for Phase II is estimated to be one-fourth of total expense per 100% occupancy projections.

(G) Repairs and maintenance for Phases I, II, and III are estimated to be considerably lower proportionally than in Phase IV and 100% Occupancy, since the project is relatively new, and certain landscaping and repair services are not anticipated to be necessary.

EXHIBIT "A"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

SCHEDULE OF UNITS COMPLETED BY PHASE

	Monthly Assessment *	100% Occupancy	Phase II	Phase III	Phase IV
Small Ranch (1A)	$76.50	17	7	12	17
Small Two Story (2C)	77.50	46	19	33	46
Medium Two Story (2A)	78.50	46	19	33	46
Large Ranch (1B)	79.50	17	7	12	17
Large Two Story (2B)	79.50	46	20	33	46
Total Units		172	72	123	172

* Monthly assessments includes $1.50, which will be added in Phase II for amenities per Exhibit "D".

Note: Phase I schedule is detailed in Note 1.

EXHIBIT "B"

SCHEDULE OF RESERVES

	100% Occupancy	Phase II	Phase III	Phase IV
Reserves				
Road Resurfacing	$ 1,750	$ 647	$ 1,138	$ 1,645
Drive	1,300	481	845	1,222
Seal Drives	1,300	481	845	1,222
Road Gutters, Walks	800	296	520	752
Roofs	7,265	2,688	4,722	6,829
Staining	3,550	1,313	2,307	3,337
Miscellaneous	6,818	3,294	3,797	6,786
Amenities Repair	1,750	647	1,138	1,645
Working Capital	----	6,000	8,786	15,543
Total	$24,533	$15,847	$24,098	$38,981

Note: Phase I schedule is detailed in Note 12.

Note: Once all units have been sold, the working capital reserve will not increase, hence, the 100% Occupancy Projection does not include an annual increase to this reserve.

EXHIBIT "C"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

TIMING OF CONSTRUCTION

Construction Phase	Period	# Units Sold	Total Member Months for Period	Additional Construction
I	11/1/84 - 10/31/85	32	297 (14%) *	Initial Improvements
II	11/1/85 - 10/31/86	40	755 (37%) **	Tennis Courts, Pool, Recreation and Maintenance Buildings
III	11/1/86 - 10/31/87	51	1,336 (65%)	N/A
IV	11/1/87 - 10/31/88	49	1,930 (94%)	N/A
	Total	172		

* Represents percentage of occupancy to total occupancy at completion (297 ÷ 2,064).

** Calculated at (32 X 12) + (297 at 125%).

EXHIBIT "D"

EFFECT ON COMMON CHARGES

Phase	Projected Date	Charges for Each Unit Type (1A)	(1B)	(2A)	(2B)	(2C)
I	11/1/84	$75.00	$78.00	$77.00	$78.00	$76.00
II	11/1/85	76.50	79.50	78.50	79.50	77.50
III	11/1/86	76.50	79.50	78.50	79.50	77.50
IV	11/1/87	76.50	79.50	78.50	79.50	77.50

Note: The Effect on Charges does not anticipate Inflation
Inflation would increase the charge base accordingly. The effect contemplates the increase in amenities provided and other increases which are not allocated by unit.

13

EXHIBIT "E"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

COMPARISON OF EXPENSE PROVISIONS TO FINAL BIDS SUBMITTED
PER 100% OCCUPANCY

	Expense Provision	Final Bid
Labor (Contracted)	$ 35,732	$ 35,732
Heating	2,700	2,667
Utilities (Common Property)	5,000	4,977
Utilities (Amenities)	4,000	3,900
Water	6,200	7,690
Management	20,640	20,640
Repairs and Maintenance	11,500	9,460
Repairs and Maintenance (Amenities)	1,032	964
Supplies and Office Equipment	972	972
Snow Removal	4,000	4,000
Refuse Removal	14,035	14,035
Insurance	12,556	12,556
Accounting	1,000	1,000
Legal	500	500
NYS Franchise Tax	250	250
Taxes (Real Estate)	10,470	10,470
Vehicles and Equipment	6,500	6,500
Reserves:		
Road Resurfacing	1,750	1,610
Drive	1,300	1,200
Seal Drives	1,300	1,200
Road Gutters, Walks	800	706
Roofs	7,265	8,600
Staining/Painting	3,550	3,550
Miscellaneous	6,818	6,841
Amenities Repair	1,750	1,600
Contingencies, Petty Cash	200	200
Total	$161,820	$161,820

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EXHIBIT "F"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

SCHEDULE OF PROJECTED FIRST YEAR RESERVES

Reserves	100% Occupancy	First Year
Working Capital	$ ---	$4,800
Road Resurfacing	1,750	245
Drive Resurfacing	1,300	182
Seal Drives	1,300	182
Road Gutters, Walks	800	112
Roofs	7,265	1,017
Staining and Painting	3,550	497
Miscellaneous	6,818	1,522
Amenities - Repair and Maintenance	1,750	---
	$24,533	$8,557

Note: Reserve amounts are based on member months of participation. (Ex., Road resurfacing per member per month is $.85 or $1,750 ÷ 2,064. 2,064 represents the total member months at 100% occupancy. Hence, the first year reserve amount is approximately $.85 X 297 member months per Exhibit "C".)

Note: Once all units have been sold, the working capital reserve will not increase, hence, the 100% Occupancy Projection does not include an annual increase to this reserve.

Waste Management of New York — Rochester
101 Ontario Street
East Rochester, New York 14445
716/385-1100

A Waste Management Compan

July 24, 1984

Mr. Bernard Iacovangelo
80 West Main Street
Rochester, New York 14614

Dear Mr. Iacovangelo:

In regards to our recent meeting concerning waste removal and disposal service in the Chili area please accept the following for your consideration.

Supply once per week service to 172 units - $6.80 each per month.

Included in the above rate would be one six cubic yard container emptied once per week for maintenance use.

Should you have any questions regarding service or rates please give us a call.

Very truly yours,

Chick Duell

Chick Duell
Sales Manager

CD:jh

JERALD J. ROTENBERG & CO.
CERTIFIED PUBLIC ACCOUNTANTS
500 FIRST FEDERAL PLAZA
ROCHESTER, NEW YORK 14614

JERALD J. ROTENBERG, C.P.A.
JOSEPH C. ANGE, JR., C.P.A.
STANLEY UNDERBERG, C.P.A.
JAMES H. COHEN, C.P.A.
ROCCO N. PLATINO, C.P.A.
HARVEY G. LEVY, C.P.A.
JOHN L. WORBOYS, C.P.A.

TELEPHONE 546-1158
AREA CODE 716

September 13, 1984

Pumpkin Hill Homeowners Association, Inc.
849 Paul Road
Rochester, New York 14624

Gentlemen:

Per your request, we have estimated our annual fee for accounting services to be $500 to $1,500. These accounting services consist of certification of year end financial statements, preparation of Federal Tax Form 1120-H and State Tax Form CT-3.

Please feel free to contact us if we can be of further assistance.

Very truly yours,

JERALD J. ROTENBERG & COMPANY
Certified Public Accountants

RNP/ls

16

GALLO & IACOVANGELO
ATTORNEYS AND COUNSELORS AT LAW
SUITE 200 WEGMAN BUILDING
80 WEST MAIN STREET
ROCHESTER, NEW YORK 14614

TELEPHONE 454-7145
AREA CODE 716

LOUIS J. GALLO
FRANK B. IACOVANGELO
BERNARD J. IACOVANGELO
ROSS J. CAMMARATA

TIMOTHY K. McCUSKER
HOWARD A. STARK
JEFFREY K. NEWMAN
DONALD E. SNYDER, JR.
STUART B. COOPER
DAVID J. GUTMANN
JOSEPH W. JACEK, JR.
POLLY J. FEIGENBAUM
JEREMY R. FEEDORE

September 13, 1984

Pumpkin Hill Townhomes
Forest Creek Equity Corp.
80 West Main Street
Rochester, New York 14614

Gentlemen:

I am writing this letter to you in response to your request for a proposed legal fee for the Pumpkin Hill Homeowners Association, Inc. during the first year of operation.

Our estimated legal fee for the first year is $500.00. This fee would include consultations, perfection of liens and other legal services related to the functioning of the association.

Sincerely yours,

GALLO & IACOVANGELO

Ross J. Cammarata

ROSS J. CAMMARATA

RJC/glg

GALLO & IACOVANGELO
ATTORNEYS AND COUNSELORS AT LAW
SUITE 200 WEGMAN BUILDING
80 WEST MAIN STREET
ROCHESTER, NEW YORK 14614

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DAVID J. GUTMANN
JOSEPH W. JACEK, JR.
POLLY J. FEIGENBAUM
JEREMY R. FEEDORE

TELEPHONE 454-7145
AREA CODE 716

August 20, 1984

Forest Creek Equity Corp.
80 West Main Street
Rochester, New York 14614

Attention: Mr. Bernard J. Iacovangelo,
President

Re: Pumpkin Hill Homeowners Association, Inc.

Gentlemen:

In response to your request for our opinion in conjunction with your proposed sale of lots at Pumpkin Hill Townhomes with mandatory membership in the Pumpkin Hill Homeowners Association, Inc. (the "Association"), a not-for-profit corporation, please be advised as follows:

Association Validly Formed

The Association was validly formed under the Not-For-Profit Corporation law of the State of New York.

Taxation of Lot Owners

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

16

Taxation of the Association

Section 528 of the Internal Revenue Code exempts qualifying homeowners' associations from income taxes on "exempt function income". Exempt function income includes membership dues, fees, and assessments received from Association members. Income which is not exempt function income is subject to income tax at the current rate of 30%. Examples of non-exempt function income are interest earned on a sinking fund for capital improvements, amounts from non-members for the use of Association facilities, and amounts paid by Association members for special use of the Association facilities.

In order to qualify for this limited Federal tax exemption, an association must meet the following requirements:

1. It must be organized and operated to provide for the management, maintenance and care of the association properties;
2. At least 60% of its annual gross income must be received as membership dues, fees, or assessments from the lot owners;
3. At least 90% of the association's annual expenditures must be for the acquisition, construction, management, maintenance and care of association property;
4. No part of the association's earnings may inure to the benefit of any individual except through a rebate of excess membership dues or by virtue of the acquisition or upkeep or upkeep of association properties;
5. The association must file the appropriate election for the year with the Internal Revenue Service.

Based on our review of the estimates or projected income and expenses which you have provided, it is our opinion that the Association can qualify for the limited income tax exemption for homeowners associations under Section 528 of the Internal Revenue Code. We point out, however, that qualifying under Section 528 is determined on a year by year basis. The Association must therefore carefully monitor its operation to insure that the requirements set out above, as well as those that may be added by new legislation or administrative action, are satisfied each year. We also point out that the tax exemption is limited, so that even in years when the exemption applies, the Association may nonetheless incur Federal tax liability on non-exempt function income.

The tax status of homeowners associations is unclear under the New York State tax statutes. For that reason, no opinion is expressed regarding the liability of the Association for any New York State taxes.

Compliance with Zoning Ordinances

You have received from the Town of Chili final site plan approval for Sec. 1 on May 8, 1984 and final townhome approval on June 12, 1984. Based on these approvals, it is our opinion that the proposed Pumpkin Hill Townhomes will be in compliance with the zoning ordinances of the Town of Chili.

Enforceability of Declaration Provisions

We believe the provisions of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (the "Declaration") to be enforceable under current law. However, because of the relatively recent popularity of homeowners associations throughout the United States, the case law with respect to enforceability of covenants, conditions and restrictions, such as are contained in the Declaration, is new and developing. In addition, the enforceability of some provisions of the Declaration will depend on factors other than the actual text of the document such as the establishment, reasonableness, dissemination and timeliness and uniformity of enforcement of rules, regulations and architectural standards by the homeowners association.

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

We understand that this letter will be made a part of the Pumpkin Hill Homeowners Association, Inc. Offering Plan.

Very truly yours,

GALLO & IACOVANGELO

Ross J. Cammarata

Ross J. Cammarata

RJC/amb

17

ARTICLE FIVE - DESCRIPTION OF COMMON AREAS AND FACILITIES

The Sponsor shall develop a residential community with 172 lots and dwelling townhomes over approximately 30 acres of land. Phase I shall be constructed on approximately 7.31 acres of the development and will be improved by 32 townhomes. The Sponsor anticipates developing one or more phases including an additional 140 lots, all of which shall become a part of the Association, for a projected total of 172 townhomes. Construction of Pumpkin Hill Phase I shall commence in August, 1984, and is anticipated to be completed by May, 1985. A site plan of Phase I and the three anticipated succeeding phases shall be set forth in Exhibit 5 attached hereto.

BECAUSE OF A VARIETY OF CIRCUMSTANCES INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL, SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROL AND THE GENERAL CONDITION OF THE ECONOMY, SPONSOR GIVES NO ASSURANCE THAT ALL OR ANY ADDITIONAL PHASES NOW CONTEMPLATED WILL BECOME A REALITY.

All areas contained in Phase I which are not contained within the perimeter of the lot lines shown in a cluster formation on the filed Subdivision Map, set forth at Exhibit 5 shall be known as common areas. These common areas shall be conveyed to the Association prior to closing title to the first lot of Phase I. The common areas for Phase I shall consist of roadways, parking areas, walkways and landscaped areas.

Roads, Parking Areas and Driveways

The roads and parking areas of Pumpkin Hill Townhomes will be constructed with a base of twelve inch (12") crushed stone, two inch (2") AC binder and one inch (1") AC top. The roads and parking areas shall not be dedicated and will be owned by the Association. The cost of maintenance will be funded through the Association budget as a common expense.

Each townhome will have a single blacktop driveway consisting of 8" crushed stone and 2" A.C. top which will be maintained through funds collected in the Association's maintenance assessments.

The Private roads shall be constructed in substantial conformity with local government standards except that the roads shall have twenty-four inch (24") concrete gutters on each side. The private roads are not capable of being dedicated to the Town. The location of streets, drives, catchbasins and drainage are fully referenced in the Subdivision Map attached hereto as Exhibit 5.

Security Lighting

The Sponsor shall install six to eight (6-8) security lights along the sides of the private roads within the development, which lights shall be paid for by the Association. A monthly rental charge will be collected in the Association fees for the cost of running a cable from Rochester Gas and Electric Company for purposes of this lighting.

Sub-Soil Conditions

Testing of the soil indicates that the land at Pumpkin Hill Townhomes has a load bearing capacity and porosity sufficient to support buildings. There is no moisture or seepage and no corrective action is needed. Soil conditions for the site were determined by digging three (3) deep holes. Groundwater occurred at a depth of four (4) feet below surface at elevation 564.0$\pm$. The soil consisted of 0-15 inches of topsoil, 15"-45" of silty sand and 45"-84" of sand with some clay. No rock was encountered down to a depth of seven (7) feet. Subsoil was determined sufficient to support townhome structures.

Landscape

Landscaping will be in substantial conformity with the landscape plans prepared by Reiman, Buechner Landscape Architects, consultants to the Sponsor. Copies of such plans are available for the examination of prospective purchasers upon request to the Sponsor.

Storm Water Sewer System

Surface water for Pumpkin Hill Subdivision will be collected by means of storm receivers and carried by storm sewers to the existing Town's storm sewer system. The storm sewers at Pumpkin Hill Townhomes will be constructed of corrugated metal pipe. The main storm sewer lines will not be dedicated to the Town of Chili. The Town of Chili will be granted an easement over Association property to maintain the system in the event of an emergency.

The Association will own and maintain the storm sewer laterals between the principal storm sewer lines and the individual townhomes. Maintenance should be limited to leakage and structural failure for laterals. The cost of such lateral line maintenance shall be funded through the Association budget as a common expense.

The Association will be granted an easement over individual lots to own or maintain the lines.

Six catch basins shall be constructed at low points and street intersections. Two yard drains shall be constructed and 64 roof drains shall be constructed.

Sanitary Sewer System

The sanitary sewer system of Pumpkin Hill Townhomes will be constructed of asbestos, cement and eight inch (8") pipe throughout. The main sanitary sewer system will be connected to and become part of the Gates-Chili-Ogden Sanitary Sewer System. The main sewer system within Pumpkin Hill Townhomes will be dedicated to the Gates-Chili-Ogden Sewer District. The cost and maintenance shall be funded through County taxes and Pure Waters billing. The Gates-Chili-Ogden Sewer District will be granted an easement over Association property to own and maintain the system. The Association will own and maintain the sanitary service laterals between the main sanitary sewer lines and the individual townhomes. Maintenance shall be limited to leakage and structure failure for laterals. The cost and maintenance of the laterals shall be funded through the Association budget as common expense. The Association will be granted an easement over individual lots to own and maintain the lines.

Water Service

Water will be supplied by the Monroe County Water Authority. Phase I shall have a master water meter for all lots. The Association will fund common water charges through maintenance assessments. Townhomes having more than two occupants shall be charged an additional Two Dollars ($2.00) per person each month for extra water usage.

Main water line construction shall conform to the standard drawing specifications and requirements of the Monroe County Water Authority. The Association will own and maintain the service lines between principal main water line and the individual townhouses. Maintenance shall be limited to leakage and structure failure of the laterals. The cost and maintenance of the lateral lines shall be funded through the Association budget as a common expense. The Association will be granted the easement over individual lots to own and maintain the lines.

Electricity

Electricity will be supplied by the Rochester Gas & Electric Corporation. The entire installation will be Underground Residental Distribution Lines (U.R.D.) and will be in conformity with the standards promulgated by the New York State Building Construction Code, the National Electrical Code and the New York Board of Underwriters. The U.R.D. will be installed by Rochester Gas & Electric Corporation on permanent easements to be granted by the Sponsor prior to the conveyance of common areas. The installation, to and including the transformers, will be owned, operated and maintained by the Rochester Gas & Electric Corporation. Each lot will have its own meter and each lot owner will be responsible for the cost of electric service attributable to his lot.

Telephone

Telephone service will be by means of underground lines installed by the Rochester Telephone Company over easements granted by the Sponsor prior to the conveyance of the first lot.

Cable Television

Sponsor has been advised by Greater Rochester Cablevision that cable television service will be available to Pumpkin Hill Townhomes. Each lot owner may participate in the service by paying a monthly charge directly to Greater Rochester Cablevision. Sponsor makes no representation as to when such cable television service will be initially available or as to the cost of such service. The Declaration prohibits the erection of exterior television antennas on lots at Pumpkin Hill Townhomes without the prior consent of the Association's Architectural Committee.

Mailboxes

U. S. Post Office Department has advised the Sponsor that mail delivery will be made to cluster mailbox units. The cluster mailbox units will be owned and maintained by the U.S. Post Office Department. Keys will be issued by the Post Office. A One Dollar ($1.00) security deposit for each key will be collected by the Post Office.

Signs

Road signs, entrance gate signs and construction signs during the construction stages will be provided throughout the site. An entry sign will be provided at the road entrance of Pumpkin Hill Townhomes.

Refuse Disposal

Refuse collection will be performed on a regular schedule by Waste Management of New York, Rochester. The cost of refuse disposal will be paid from Association maintenance assessments.

Garages and Parking Areas

A one-car garage attached to each townhome allows capacity for two parking spaces, one in the garage and one in the driveway. Eight (8) additional parking spaces will be constructed in Phase I, thirty-seven (37) additional spaces are contemplated in Phase II, twelve (12) in Phase III and eight (8) in Phase IV. These additional spaces will be for the use of Association members and the public as may be established by the Board of Directors subject to approval by a majority of Association members.

Additional information describing water service, sanitary sewer system, storm water sewer system, and roadways is set forth in the Engineer's Report at Exhibit A-2.

ARTICLE SIX - THE ASSOCIATION

SUMMARY OF CERTAIN PROVISIONS OF THE DECLARATION

Pumpkin Hill Homeowners Association, Inc.

The Pumpkin Hill Homeowners Association, Inc. hereinafter referred to as the "Association" shall be formed prior to the sale of the first lot in Phase I pursuant to the Not-For-Profit Corporation Laws of the State of New York. A Certificate of Incorporation of the Homeowners Association is set forth as Exhibit 2. The Sponsor shall record and file a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens prior to the transfer of title to any lot or townhome, which Declaration shall govern the use and operation of the same. The Declaration shall remain in full force and effect against the property and the owners for a period of not less than twenty (20) years from the date the Declaration is recorded and shall then be automatically and without further notice extended for successive periods of ten (10) years. The Declaration provides those provisions shall run with the land and shall be enforceable by the Sponsor of the Association and the owner of any lot. By accepting a deed, lease or other instrument conveying any interest in a lot, the grantee, leasee or any other person accepting such interests, covenants to observe, perform and be honored by the provisions of the Declaration including the personal responsibility for payment of all charges and assessments which may become liens, during the time such person holds an interest in said lot.

The Association has been formed to preserve the values and amenities of the common areas, to maintain and administer community property and facilities, to administer and enforce certain protective covenants and restrictions set forth in the Declaration, and to collect and disburse common assessments and charges as more specifically set forth:

The Association shall be responsible for the operation and maintenance of Association property and the exterior maintenance of townhomes including repair or replacement of siding, gutters, downspouts, roof, painting trim, patios and fences.

In addition, the Association shall maintain fire and casualty insurance covering townhomes and Association property. The Association will also hold reserves for any unforseen emergencies which the Board of Directors may deem proper.

The Association shall supervise the exterior improvements in Pumpkin Hill Development by establishing an Architectural Committee.

Membership in the Association is mandatory for all lot or townhome owners.

Additional Property

The Sponsor, its successors and assigns, shall have the right to bring additional property within the scheme of this Declaration at any time by making amendments to the Declaration. Additions of property authorized under this Article shall be made by filing and recording a Supplemental Declaration with respect to additional property and which will extend the scheme of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens contained in this Declaration to said additional property and shall thereby subject such additions to assessment for the just share of Association expenses. Said additional property shall consist of up to, but not greater than, 172 lots.

Easements Created by Declaration

Sponsor reserves the right to grant easements, both temporary and permanent, to all public authorities and public and private utilities over any part of the common areas. The Declaration also provides for 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, telephone, electricity and master television antenna system. The Association and its agents and employees shall have an easement to enter all common areas and any residence to perform duties of maintenance and repair, and to prevent damage to other residences.

In addition, the Association shall have the right to grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

The Sponsor shall also have a right of ingress and egress, over, upon and across common areas or additional land which may be added to the property and the right to store materials thereon and make use thereof as may be necessary incident to construction, development and sales of townhomes, operation of the Association and maintenance of the common areas.

An easement is also given for common area encroachments upon any lot, and townhome or lot encroachments upon any other townhome or lot as the result of construction, settling, shifting, building or altering common areas.

Property Rights

Every owner shall have a right and the easement of enjoyment in and to common areas which shall be appurtenent to and shall pass with the title to every lot subject to By-Laws and Rules and Regulations of the Association, subject to the rights of the Association to charge reasonable admissions or entrance fees to use the recreational facilities situated upon the common areas and subject to the right of the Association to suspend an owner's voting rights and rights to use recreational facilities for any infraction of the Association's published Rules and Regulations.

Party Walls

Each wall built as part of the original construction of a townhome and placed on the dividing line between the lots shall constitute a party wall. The cost of reasonable repair and maintenance of the wall shall be shared by the owners of said wall, each owner being responsible for ordinary maintenance and repair of their respective sides of said wall. If substantial repairs to the wall are necessary, the cost of such repair shall be born equally by the two townhome owners. If an owner, who by his negligent or willful acts causes damage to the party wall, then the cost of such repair shall be charged to the responsible party.

Architectural Controls

All Association members shall be subject to certain restrictions in the Declaration including certain architectural controls prohibiting the erection of any buildings, fences, walls, or structures upon the properties, and the exterior addition, change or alteration of any building or lot unless such alteration has been first submitted and approved in writing by the architectural committee. In addition the Homeowners Association shall forbid the use of any property for commercial activity, except that property used by the Sponsor for the purposes of construction and sales promotion.

Subordination of Mortgage to Declaration

The mortgage for any land or construction loan for any part of the Pumpkin Hill Townhomes shall be made subordinate to the Declaration or shall include a covenant insuring that the Association and/or the townhome or lot owner's undisturbed use of the premises for the purposes described herein in the event of foreclosure.

Subordination to Mortgage

To the extent permitted by law, the lien of the Association for maintenance assessments or other charges, fees, late charges or fines levied by the Association becoming payable on or after the date of recording of the first mortgage on any lot shall be subordinate to said first mortgage lien.

Insurance

The Homeowners Association shall be obligated to maintain insurance for all Association property covering fire and casualty, liability, officers and directors liability, insurance covering the full replacement costs of any repair or reconstruction work on all townhomes and umbrella coverage as deemed necessary.

Membership and Voting Rights

Any individual, eighteen (18) years or older, partnership or corporation who obtains fee simple title to any lot in Pumpkin Hill Townhomes, Phase I shall automatically become a member of the Association, which membership is mandatory. The owners of any additional properties which may become subject to the Declaration shall automatically become members of the Association.

Pumpkin Hill Homeowners Association, Inc. was incorporated under Section 402 of the Not-For-Profit Corporation Laws of the State of New York and filed on August 20, 1984. The business and affairs of the Association shall be managed by a five member Board of Directors, however, until five years have elapsed from the date of conveyance of the first townhome lot or until 120 days after seventy-five percent (75%) of the townhome lots have been sold by the Sponsor, whichever occurs first, the Board of Directors shall consist of such Officers & Directors as the Sponsor shall designate. During the time that the Sponsor is in control of the Board of Directors, no mortgage will be placed on the Homeowners Association property without the consent of at least fifty-one percent (51%) of the townhome owners, excluding Sponsor. While the Sponsor is in control of the Board of Directors, certified financial statements will be provided each year to members.

Thereafter the five member Board of Directors shall be composed of owners, co-owners, spouses of owners or mortgagees of townhomes or in the case of corporate owners or mortgagees of townhomes, officers, directors, shareholders, or employees of such corporations or officers or employees of fiduciaries.

At the first annual meeting after the Sponsor has relinquished control, an election shall be held of members, at which time the Board of Directors shall be fixed as follows:

Two (2) members shall be elected for three (3) years
Two (2) members shall be elected for two (2) years
One (1) member shall be elected for (1) year

The first meeting of the Board shall be held within fifteen (15) days of the first annual meeting of Association members at which Board members are elected.

Officers and Directors may be removed from office with or without cause by a majority of voting Association members.

The Association shall have one class of voting membership with one (1) vote for each member. A quorum for voting purposes requires members holding the aggregate in excess of fifty percent (50%) of the voting interests.

For purposes of amending the Declaration or By-laws, a vote of two-thirds (2/3) of all voting members is necessary. A vote is required for any extraordinary item with a necessary two-thirds (2/3) consent of the total vote.

The names and addresses of existing officers and directors of the Association are:

Bernard J. Iacovangelo, President, located at Suite 200, 80 West Main Street, Rochester, New York

James Perna, Vice-President, located at 849 Paul Road, Rochester, New York

Frank B. Iacovangelo, Secretary located at Suite 200, 80 West Main Street, Rochester, New York

James J. Valerio, Treasurer, located at 849 Paul Road, Rochester, New York

Each of the above individuals are principals of the Sponsor.

Assessments

The Association's costs and expenses for maintenance and operation, including a reserve for capital improvements, and for working capital, if any, shall be allocated among lot owners and assessed by the Board of Directors. Assessments shall commence on the day in which the first lot is transferred from the "Sponsor" to an owner or on such other date as may be determined by the "Sponsor". The first assessment shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors and thereafter assessment shall be fixed on a full year basis. The Board of Directors shall fix the amount of the assessment against each lot at least thirty (30) days in advance of the annual assessment period. The assessment shall be due and payable on a monthly basis unless the Board of Directors establishes other periods for payment. Any owner of a lot shall by taking title to said lot, covenant and agree to pay the annual maintenance assessments payable monthly and any special assessments payable when due to carry out Association functions. The Sponsor shall pay assessments, including supplemental charges, for each unsold lot or townhouse owned by the Sponsor. All maintenance and special assessments become a lien and charge against the lot and also become a personal obligation of the lot owner who owns the lot at the time the assessment becomes due. If any assessments, special assessments, or installment thereof is not paid within fifteen (15) days of the due date, the Association may impose a late charge not to exceed ten percent (10%) of the overdue amount, and if the assessment is not paid within thirty (30) days after the due date, it shall bear interest from the due date at such rate as may be fixed by the Board of Directors, such rate not to exceed the maximum rate of interest then permitted by law. Any deliquent assessment together with interest thereon and costs of collection shall become a continuing lien on the property and a personal obligation of the owner. Any owner having deliquent assessments may be prohibited from the use or enjoyment of the Association property, however, this prohibition shall not exempt the lot owners from his obligation to pay the assessment nor shall it suspend the owners voting rights. The Homeowners Association may levy fines or other penalties from time to time for violation of their rules and regulations.

Working Capital Fund

The Sponsor shall advance to the Association TWO HUNDRED AND FIFTY DOLLARS ($250.00) per lot for each lot in a given phase prior to conveyance of the first lot in such phase. The purchase agreement set forth as Exhibit B-12 requires the initial purchaser of each lot to reimburse the sponsor for the TWO HUNDRED AND FIFTY DOLLARS ($250.00) per lot for purposes of working capital of the Association. Reimbursement shall be made at the time of closing title to the lot. The advance shall be used for such purposes as the Board of Directors, in its sole discretion, may determine including unforseen expenditures or to acquire additional equipment or services. The Working Capital Fund shall be replenished from funds collected in the assessments from lot owners. While the Sponsor is in control of the Board of Directors, the Working Capital Fund shall not be used to reduce projected Association charges. The amount allocated to the working capital and/or reserve fund together with the continued collection of reserve funds in future years in accordance with the estimate of such funds as projected in the initial budget for the Association is sufficient to cover forseeable capital expenditures. Neither the Department of Law nor any other Governmental agency has passed upon the adequacy of the working fund established by the Sponsor.

Master Water Meter Fee

The Sponsor shall install a master water meter for the Pumpkin Hill Townhomes and charge a fee of ONE HUNDRED AND TWENTY-FIVE DOLLARS ($125.00) to each owner for the cost of such installation. The choice of the master water meter was made for the benefit of the townhome owners as it will substantially reduce the cost of water from the Monroe County Water Authority. Current estimates indicate the ordinary water rate from Monroe County Water is ONE DOLLAR AND TWENTY-NINE CENTS ($1.29) per thousand gallons of water. A bulk rate is also available at SIXTY CENTS ($0.60) per thousand gallons of water if more than 50,000 gallons of water are used per month. It is anticipated that ten (10) townhomes will average in excess of 50,000 gallons per month in the course of ordinary usage.

Enforcement, Amendment And Duration of This Declaration

The Association or any owner shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, protective covenants, reservations, liens and charges now and hereinafter imposed by the provisions of this Declaration. Each person or entity acquiring an interest in a lot or other portion of the property at Pumpkin Hill Townhomes whether by deed, lease or other instrument, covenants and agrees for himself, his heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration including personal responsiblity for the payment of all charges which may become liens against his property and which become due while he is the owner thereof. Unless otherwise provided, the Declaration may be amended or rescinded upon the consent, in writing, of not less than two-thirds (2/3) of the votes of all lot owners subject to the Declaration except that until five (5) years from the date of the first townhome conveyance or within 120 days after the Sponsor has sold seventy-five percent (75%) or more of the lots subject to the Declaration whichever shall first occur, the written consent of Sponsor will be required for any amendment which adversely affects the interest of Sponsor. Provisions of the Declaration shall, unless amended or rescinded, continue with full force and effect against both property and owners for a period of not less than twenty (20) years from the date the Declaration is recorded and shall be automatically and without further notice extended for successive periods of ten (10) years.

ARTICLE SEVEN -

LOCAL GOVERNMENT APPROVAL - SURROUNDING AREAS & FACILITIES

Zoning

The property is in the RM zone which permits for multi-family residential development. The proposed multi-family residential use does not involve nor necessitate a use variance.

The Town of Chili Zoning Board of Appeals approved area variances on April 27, 1984 to allow a 25' front lot line setback from the roadway where a 40' requirement is set forth on the zoning ordinance on an interior roadway and to allow a 25' east side lot line setback where a 40' setback is required.

The Town of Chili Planning Board gave preliminary site plan approval on April 17, 1984 and revised preliminary site plan approval for Phase I of Pumpkin Hill Townhomes on May 8, 1984 at which time final approval was waived.

Municipal Services

This site is protected by the Monroe County Sheriff Department and the Town of Chili Volunteer Fire Department. All lots will be serviced by the Monroe County Water Authority and Gates-Chili-Ogden Sewer District.

Public transportation

Pumpkin Hill Townhomes are located near public bus service, providing public transportation.

Shopping Centers

Pumpkin Hill Townhomes are located within seven miles of Marketplace Mall and within one mile of the Chi-Paul Plaza (a strip shopping center), a K-Mart Department Store and Bells Supermarket.

Health Facilities

Pumpkin Hill Townhomes are located approximately four (4) miles from St. Mary's Hospital, five (5) miles from Park Ridge Hospital and seven (7) miles from the Strong Memorial Hospital. Westgate Medical Center is located four (4) miles from the site. There are also numerous private medical and dental offices in the immediate vicinity of the site.

Educational & Religious Facilities

Pumpkin Hill Townhomes is located in the Churchville-Chili and Gates-Chili School Districts. There is also St. Pius X parochial school located approximately one mile from Pumpkin Hill Townhomes. There are also a number of houses of religious worship of all major religious denomonations located within five (5) miles of Pumpkin Hill Townhomes

ARTICLE EIGHT - OBLIGATIONS OF THE SPONSOR

The following are the obligations of the Sponsor with respect to this Offering Plan and with respect to the Homeowners Association:

Completion of Construction

The Sponsor shall be responsible for completing construction of the common areas and facilities of Pumpkin Hill Phase I as set forth in this offering plan and any amendments hereto.

Sponsor anticipates construction of townhomes and Association property as follows:

	Begin Construction of Townhomes	Completion of Townhomes	Construction of Association Property
Phase I	August, 1984	May, 1985	December, 1984
Phase II	February, 1985	April, 1986	December, 1985
Phase III	February, 1986	June, 1987	December, 1986
Phase IV	June, 1987	June, 1989	December, 1988

Construction of Association Property

Financing for construction of Homeowners Association property has been firmly committed by Central Trust Company. The Sponsor shall construct the Association property and complete the Association property in accordance with the building plans and specifications identified in the plan, however the Sponsor shall have an absolute right to substitute equipment or materials and make modifications of design provided that the Sponsor may not substitute equipment or materials of lesser quality or design. The Sponsor agrees to pay for the authorized and proper work involved in the construction, establishment and sale of all the Association property that the Sponsor is obligated to complete under the plan. The Sponsor agrees to cause all mechanics liens with respect to construction to be promptly discharged or bonded. The Sponsor shall file the Declaration and convey the Association property to the Association prior to closing title to the first townhome or lot in Phase I.

The Sponsor shall complete construction of all streets, sidewalks and parking facilities serving a townhome or building in which the townhome is located and any other facilities vital to the health and safety of the owners prior to closing title to the first townhome. If the municipality permits occupancy and the Sponsor's escrow funds for completion, closing may occur if the facilities are not vital to the health and safety of the owners. The Sponsor shall deliver a set of "as built" plans of common property improvements to the Board of Directors of the Association including specifications of roads, sewers and/or water lines and a representation that the plans or specifications are in substantial compliance with the terms of the offering plan. If the plans or specifications as built, are not in substantial compliance with the terms of the offering plan, then the plan must be amended and recission must be offered to all purchasers and members. The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions and shall indemnify the Board of Directors involving any such actions.

Letter of Credit

The Sponsor has obtained a Letter of Credit from Central Trust Company for the completion and guarantee of construction on the sanitary sewer system, storm sewer, water system and landscaping.

Dissolution of Sponsor

Sponsor may dissolve or liquidate after the completion of Phase I and such dissolution or liquidation shall in no way effect Sponsor's obligations under the plan.

Sponsor's Right to Access For Construction Purposes

Sponsor has the right of ingress and egress over the common areas for purposes of completing construction of the Association property or townhomes to be built in conjunction with the Association. In any event the Sponsor causes damage to any owners property or to the Association property during the period of construction, the Sponsor shall be obligated to repair any damages in a good and workman-like manner and the Sponsor may not substitute equipment or materials of a lesser quality or design for such repair.

Title Insurance

Title to the Association property for Phase I shall be insured at closing by a Title Company authorized to do business in New York State. The amount of coverage for the Association property shall be THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS ($325,000.00). If the Sponsor elects to construct Phase II, III or IV of Pumpkin Hill Townhomes, the Sponsor shall increase the title insurance to fully cover the total value of the improved common property.

Subordination

Any mortgages or liens remaining on the property after closing on the first townhome or lot shall be subordinate to the Declaration.

Sponsor Obligation for Association Charges

Sponsor shall be obligated for Association Charges including supplemental charges on all unsold townhomes or lots in Phase I.

Private Roads

In the event that private roads and/or sewers and/or water lines have not been completed prior to conveyance to the Association the Sponsor shall post a bond or escrow funds or provide other adequate security in amounts to be determined by a licensed engineer, which amount shall not be less than the amount required to complete such construction to the required specifications.

ARTICLE NINE - TRUST FUNDS

Deposits taken pursuant to a purchase agreement between Sponsor and purchasers for townhomes or lots within the Pumpkin Hill Townhomes shall be placed promptly in a segregated special escrow account. These deposits may be released by signature of Joseph A. Taddeo, Jr., attorney at law, with offices at 58 North Fitzhugh Street, Rochester, New York, 14614, at closing or prior to closing if the purchaser rescinds or defaults. The Sponsor is responsible for complying with the escrow and trust fund provisions of GBL Section 352-e(2)(b) and Section 252-h.

Sponsor must amend the plan before posting a bond on terms acceptable to the Department of Law in order to comply with the escrow and trust fund provisions of the GBL.

Deposits will be held at Central Trust Company, 44 Exchange Street, Rochester, New York in the Pumpkin Hill Townhome escrow account. The deposits will not receive interest.

ARTICLE TEN - MANAGEMENT AGREEMENT

FOREST CREEK EQUITY CORP. shall be the managing agent of the property with its office at Suite 101, 80 West Main Street, Rochester, New York, 14614. The management agreement provides that the Agent shall have the responsibility of managing the townhome development in accordance with sound commercial practices and in conformity with the Association's By-Laws and Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens.

The Agent shall be responsible for the following matters: 1) Collecting Association fees and proceeding with legal actions for the collection of said fees; 2) the Agent shall use due diligence to attract and sell any townhomes owned by the Association; 3) Repair or alteration of the premises in accordance with the direction of the Board of Directors. 4) Contracting for utilities, extermination and other services as the agent shall deem advisable. 5) Employing, directing, controlling, and discharging all persons performing services on the premises; 6) Taking care of the accounting and payment of expenses for proper management of the property.

In return for performing these duties, the Agent shall receive a fee based on the following schedule:

	Fee Per Unit Per Month
Phase I	$12.00
Phase II	11.50
Phase III	11.00
Phase IV	10.50
100% Occupancy	10.00

This is the going rate in the Rochester area for the services provided. The Association shall reimburse the agent for the amount of any charges paid by Agent and required for preparation of the townhome development if necessary funds are not available to the Agent from revenues received from Association fees. The management agreement shall commence on November 1, 1984 and continue for a term of five (5) years. Termination may be effected at any time by either party without cause on ninty (90) days prior written notice. This management agreement is non-assignable by the Agent.

No Contracts Binding Association

Except for the provisions of the Management Agreement referred to above, the Sponsor has entered into no contract which will be binding upon the Association. The Sponsor, however, reserves the right to enter into contract substantially in accordance with the description of services and charges set forth in the Estimate of Operating Expenses and Reserves at page 5 of this Offering Plan.

ARTICLE ELEVEN - IDENTITY OF PARTIES

FOREST CREEK EQUITY CORP., a Corporation organized under the laws of the State of New York, was formed on May 7, 1984 and amended July 2, 1984 and is located at Suite 101, 80 West Main Street, Rochester, New York 14614. The controlling principals of FOREST CREEK EQUITY CORP. are:

Bernard J. Iacovangelo, President - With offices at 80 West Main Street, Rochester, New York, 14614, Bachelor of Business Administration, St. John Fisher College, 1970. Juris Doctorate, John B. Stetson University College of Law, 1973. Admitted to New York Bar, 1974. Mr. Iacovangelo has extensive experience in management and maintenance and is responsible for Forest Creek's initial management of Pumpkin Hill Homeowners Association, Inc. and for personnel management at the managerial level. Mr. Iacovangelo is a partner in the law firm of Gallo & Iacovangelo, which law firm represents Forest Creek Equity Corp.

James Perna, Vice-President - With offices at 849 Paul Road, Rochester, New York, 14623. Mr. Perna is a residential homebuilder and has extensive experience in all aspects of site development. He is responsible for the site development and unit construction and for supervision of field superintendents and subcontractors. He directly supervises all aspects of construction.

Frank B. Iacovangelo, Secretary - With offices at 80 West Main Street, Rochester, New York, 14614, Bachelor of Arts, St. John Fisher College, 1962. Juris Doctorate, Catholic University School of Law, 1965. Mr. Iacovangelo is responsible for arranging all interim and permanent financing for the project. Mr. Iacovangelo is partner in the law firm of Gallo & Iacovangelo, which law firm represents Forest Creek Equity Corp.

James J. Valerio, Treasurer - With offices at 849 Paul Road, Rochester, New York, 14623, Bachelor of Arts, State University of New York at Brockport, 1975. Mr. Valerio is the Project Coordinator. He has extensive experience in job costing, planning, monitoring and supervising single family home construction.

Frank B. Iacovangelo and Bernard J. Iacovangelo have been involved in the planning stages of the project and have obtained financing for the project. Neither Frank B. Iacovangelo nor Bernard J. Iacovangelo have offered any properties for sale as cooperatives, condominiums, subdivisions or planned unit development homes or lots within the past five years. James J. Valerio and James Perna have been involved in the construction and physical development of the project. James Perna and James J. Valerio have offered other projects for sale during the past five (5) years, including homes in the following subdivisions: Renaissance Estates, Scenic View Subdivision, Section 4, Renaissance Estate, South and Clay Hill Farms Subdivision, Sections 1, 2, 3 and 4.

Consultants

In an effort to develop and sell lots at Pumpkin Hill Subdivision, the Sponsor has retained a number of professional consultants to assist it. These include:

Budget Review - Jerald J. Rotenberg and Co., C.P.A., 500 First Federal Plaza, Rochester, New York.

Survey and Engineering - Passero-Scardetta & Associates Architects Engineers, 145 Lake Avenue, Rochester, New York.

Legal Counsel - Gallo & Iacovangelo, 80 West Main Street, Suite 200, Rochester, New York, who prepared the Offering Plan and who shall represent the Sponsor in townhome or lot closings, along with all other legal matters.

Architect - Passero-Scardetta & Associates Architects Engineers, 145 Lake Avenue, Rochester, New York.

Managing Agent - The Sponsor, Forest Creek Equity Corp., Suite 101, 80 West Main Street, Rochester, New York, shall perform these duties.

Landscape Architect - Reiman-Buechner Partnership, 130 Spring Street, Rochester, New York.

Selling Agent - John T. Nothnagle, Inc., a New York corporation was formed in 1976 and is the listing broker for Forest Creek Equity Corp. Raymond Nothnagle is President of John T. Nothnagle, Inc. Philip R. Nothnagle is the Vice-President of John T. Nothnagle, Inc. John T. Nothnagle, Inc. is currently operating with a staff of approximately 400 Sales Associates.

Pumpkin Hill Townhomes will be offered through John T. Nothnagle, Inc. by Joan Rosati. Mrs. Rosati is a licensed Real Estate Broker, who received her Real Estate License and became a member of the Rochester Real Estate Board.

ARTICLE TWELVE - REPORT TO MEMBERS

It is the obligation of the Association to give all members annually a financial statement prepared by a Certified Public Accountant and prior notice of the bi-annual members meeting.

ARTICLE THIRTEEN - DOCUMENTS ON FILE

The Sponsor shall keep copies of the plan, Parts A, B, and C of the Exhibits and documents referred to in the plan on file and available for inspection and copying at 80 West Main Street, Suite 101, Rochester, New York for a period of six (6) years from the date of the first closing.

ARTICLE FOURTEEN - GENERAL

Pending Litigation

Neither the Sponsor nor its principals are involved in any legal proceedings the outcome of which may materially affect the offering, the property or the Sponsor's capacity to perform all of his obligations on to the plan or the operation of the Association.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that the Sponsor and the Association will not discriminate against any person because of race, creed, color, sex, national origin or ancestry in the sale of lots or in the offering of memberships in the Association.

No Offering to Minors

This plan is not offered to persons less than eighteen (18) years of age.

No Prior Offering

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

Offering Plan is Fair Summary

This Offering Plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of a material fact relating to the offering. Any information or representation which is not contained in this Offering Plan must not be relied upon. This Offering Plan may not be modified orally. No person has been authorized to make any representations which are not expressly contained herein.

FOREST CREEK EQUITY CORP.

BY Bernard J. Iacovangelo, President

BERNARD J. IACOVANGELO, PRESIDENT

TABLE OF CONTENTS

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

Article One - Definitions 2

Section 1.01 Definitions 2

Article Two - Properties Subject to This Declaration 3

Section 2.01 Initial Property 3
Section 2.02 Additional Property 4

Article Three - Property Rights 4

Section 3.01 Owners Rights 4
Section 3.02 Sponsor's Rights 5

Article Four - Easements 5

Section 4.01 Easements for Utilities 5
Section 4.02 Easements for Encroachments 5
Section 4.03 Additional Easements 6
Section 4.04 Easement in Favor of the "Sponsor" 7

Article Five - Party Walls 7

Section 5.01 Party Walls 7
Section 5.02 Repair and Maintenance of Party Walls 7
Section 5.03 Exposure of Wall 8
Section 5.04 Party Wall Rights Run With the Land 8
Section 5.05 Arbitration 8

Article Six - Association Membership, Voting Rights, and Directors 9

Section 6.01 Formation 9
Section 6.02 Membership 9
Section 6.03 Voting 9
Section 6.04 Election of Directors 9
Section 6.05 Powers and Duties of the Board of Directors 10
Section 6.06 Indemnification of Officers and Directors 10

Article Seven - Assessments 10

Section 7.01 Creation of a Lien and Personal Obligation of Assessment 10
Section 7.02 Purpose of Maintenance Assessment 11
Section 7.03 Commencement and Notice of Assessment 12
Section 7.04 Basis for Maintenance Assessment 12
Section 7.05 Change in Basis of Assessments 13
Section 7.06 Working Capital Fund 14
Section 7.07 Master Water Meter Fee 14

Article Seven - Assessments (Continued)

Section 7.08	Special Assessments	15
Section 7.09	Nonpayment of Assessment	17
Section 7.10	Right to Maintain Surplus	17
Section 7.11	Subordination of the Lien to Mortgages	17
Section 7.12	Subordination of Mortgage	17

Article Eight - Maintenance 18

Section 8.01	Maintenance by the Association	18
Section 8.02	Maintenance of Townhomes with Respect to the Townhomes	18
Section 8.03	Quality and Frequency of Maintenance and Repairs	19
Section 8.04	Access for Repairs	19

Article Nine - Exterior Maintenance 19

Section 9.01	Exterior Maintenance	19

Article Ten - Architectural Control 20

Section 10.01	Architectural Control	20
Section 10.02	Liability of Architectural Committee	20

Article Eleven - Use Restriction 21

Section 11.01	Use Restriction	21

Article Twelve - Insurance and Casualty Damage 21

Section 12.01	Insurance	21
Section 12.02	Deductible	22
Section 12.03	Restoration or Reconstruction After Fire or Other Casualty	22
Section 12.04	Condemnation	23

Article Thirteen - General Covenants and Restrictions 24

Section 13.01	Enforcement	24
Section 13.02	Severability	24
Section 13.03	Declaration Runs With the Land	24
Section 13.04	Amendment	25
Section 13.05	Inspection and Right of Entry	26
Section 13.06	Captions	27
Section 13.07	The Right Reserved to Impose Additional Protective Covenants	27
Section 13.08	Provisions Relating to Mortgagees	27
Section 13.09	First Mortgagees	29

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

THIS DECLARATION made this ______day of _______________, 1984, by FOREST CREEK EQUITY CORP., a corporation organized and existing under the laws of the State of New York, having its principal offices at 80 West Main Street, Rochester, New York 14614, hereinafter referred to as "Sponsor".

WITNESSETH

WHEREAS, the "Sponsor" is the owner of certain real property in the Town of Chili, Monroe County, New York, more particularly described in "Schedule A" annexed hereto and made a part hereof.

WHEREAS the "Sponsor" desires to develop as a residential community with residential lots and dwelling units to be individually owned and with certain open spaces and common facilities available for the benefit of said community, and

WHEREAS, the "Sponsor" desires to provide for maintenance of said common areas and for the preservation of the values and amenities in said common areas by the creation of an association which shall be empowered to maintain and administer the community property and facilities and which shall administer and enforce the covenants and restrictions and which shall collect and disburse the assessments and charges all as set forth herein, and

WHEREAS, the "Sponsor has incorporated the Pumpkin Hill Homeowners Association, Inc. pursuant to the Not-for-profit Corporation Laws of the State of New York for purposes of exercising the functions as set forth herein,

NOW THEREFORE, the "Sponsor" declares that the real property described in "Schedule A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions for purposes of protecting the value and desirability of said real property and which shall run with the real property and be binding on all parties having any right, title or interest in the property, their heirs, successors and assignments and shall inure to the benefit of each owner.

ARTICLE ONE - DEFINITIONS

Section 1.01 Definitions

The following words, phrases or terms when used in this Declaration or in any Supplemental Declaration shall have the following meanings:

1. Association shall mean and refer to the Pumpkin Hill Homeowners Association, Inc.
2. Common Areas shall mean and refer to all property owned by the Association now or hereafter for the common use and enjoyment of the homeowners.
3. Declaration shall mean and refer to this document of protective covenants, conditions, restrictions, easements, charges and liens as of from time to time may be supplemented, extended or amended.
4. Eligible Holder of Lot Mortgages shall mean and refer to the holder, insurer or guarantor of any lien of mortgage given by a lot owner covering his lot which is 1) a purchase money mortgage or 2) any mortgage taken or acquired by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

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, and which plot is identifiable as a separate parcel according to the Town of Chili tax records.

6. **Member** shall mean and refer to each holder of a membership interest in the Pumpkin Hill Homeowners Association, Inc.

7. **Owner** shall 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 Property.

8. **Property** shall mean and refer to all the properties as are subject to this Declaration and such additions as may hereafter be brought within the jurisdiction of the Association.

9. **Sponsor** shall mean and refer to Forest Creek Equity Corp.

10. **Townhome** shall mean a single family dwelling on the property that it is attached to at least one other townhome by means of a party wall or otherwise.

ARTICLE TWO - PROPERTIES SUBJECT TO THIS DECLARATION

Section 2.01 Initial Property

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

<u>SCHEDULE A</u>

ALL THAT TRACT AND OR PARCEL OF LAND SITUATED IN PART OF TOWN LOT 110, OF THE JOHN SMITH ALOTMENT, IN THE TOWN OF CHILI, COUNTY OF MONROE, STATE OF NEW YORK AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE CENTERLINE OF PAUL ROAD (PROPOSED 70 FEET WIDE), LOCATED 707.77 FEET WESTERLY FROM THE INTERSECTION OF CENTERLINES OF PAUL ROAD AND CHILI AVENUE; THENCE, NORTH 00° 46' 55" WEST, 35 FEET TO A POINT ON THE NORTHERLY STREET LINE OF PAUL ROAD AND BEING THE POINT OF BEGINNING; THENCE,

1. SOUTH 89° 13' 05" WEST, ALONG THE SAID LINE A DISTANCE OF 264.0 FEET; THENCE,

2. NORTH 0° 46' 55" WEST, A DISTANCE OF 114.16 FEET; THENCE,

3. SOUTH 89° 13' 05" WEST, A DISTANCE OF 113.63 FEET; THENCE,

4. NORTH 0° 46' 55" WEST, A DISTANCE OF 335.84 FEET; THENCE,

5. NORTH 0° 46' 55" WEST, ALONG A PHASE LINE, A DISTANCE OF 20.00 FEET TO AN ANGLE POINT; THENCE,

6. NORTH 89° 13' 05" EAST, ALONG A PHASE LINE, A DISTANCE OF 60.00 FEET TO AN ANGLE POINT; THENCE,

7. SOUTH 00° 46' 55" EAST, ALONG A PHASE LINE, A DISTANCE OF 8.69 FEET TO AN ANGLE POINT; THENCE,

8. NORTH 58° 59' 28" EAST, ALONG A PHASE LINE, A DISTANCE OF 48.58 FEET TO AN ANGLE POINT; THENCE,

9. NORTHEASTERLY, ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 407.00 FEET AND A CENTRAL ANGLE OF 18° 35' 37", A DISTANCE OF 132.08 FEET TO AN ANGLE POINT; THENCE,

10. SOUTH 88° 39' 13" EAST, ALONG A PHASE LINE, A DISTANCE OF 104.35 FEET TO AN ANGLE POINT; THENCE,

11. NORTH 62° 29' 11" EAST, ALONG A PHASE LINE, A DISTANCE OF 83.40 FEET TO AN ANGLE POINT; THENCE,

12. NORTH 86° 07' 00" EAST, ALONG A PHASE LINE, A DISTANCE OF 128.82 FEET TO AN ANGLE POINT; THENCE,

13. NORTH 72° 37' 00" EAST, ALONG A PHASE LINE, A DISTANCE OF 168.12 FEET TO AN ANGLE POINT; THENCE,

14. NORTH 00° 46' 55" WEST, ALONG A PHASE LINE, A DISTANCE OF 187.00 FEET TO AN ANGLE POINT; THENCE,

15. NORTH 48° 03' 42" WEST, ALONG A PHASE LINE, A DISTANCE OF 80.00 FEET TO AN ANGLE POINT; THENCE,

16. NORTH 31° 48' 50" EAST, ALONG A PHASE LINE, A DISTANCE OF 29.50 FEET TO AN ANGLE POINT; THENCE,

17. NORTH 89o 13' 05" EAST, ALONG A PHASE LINE, A DISTANCE OF 257.88 FEET TO AN ANGLE POINT; THENCE,

18. SOUTH 00o 46' 55" EAST, ALONG A PHASE LINE, A DISTANCE OF 88.00 FEET TO AN ANGLE POINT; THENCE,

19. SOUTH 89o 13' 05" WEST, ALONG A PHASE LINE, A DISTANCE OF 35.00 FEET TO AN ANGLE POINT; THENCE,

20. SOUTH 00o 46' 55" EAST, ALONG A PHASE LINE, A DISTANCE OF 230.00 FEET TO A POINT ON THE PROPERTY LINE BETWEEN FOREST CREEK EQUITY CORP., REPUTED OWNER ON THE NORTH AND NOW OR FORMERLY WESLEY F. MOFFETT JR. ET. AL. ON THE SOUTH; THENCE,

21. SOUTH 89o 13' 05" WEST, ALONG SAID PROPERTY LINE, A DISTANCE OF 284.00 FEET; THENCE,

22. SOUTH 00o 49' 15" EAST, CONTINUING ALONG SAID PROPERTY LINE, A DISTANCE OF 538.84 FEET; TO A POINT ON THE PROPERTY LINE BETWEEN FOREST CREEK EQUITY CORP., REPUTED OWNER ON THE NORTH AND NOW OR FORMERLY SELDEN A. AND JUDITH C. MARSHALL ON THE SOUTH; THENCE,

23. SOUTH 89o 13' 05" WEST, ALONG SAID PROPERTY LINE, A DISTANCE OF 72.80 FEET TO A POINT; THENCE,

24. SOUTH 00o 46' 55" EAST, CONTINUING ALONG SAID PROPERTY LINE, A DISTANCE OF 114.16 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF PAUL ROAD, BEING THE POINT AND PLACE OF BEGINNING, PARCEL CONTAINING 7.31 ACRES OF LAND MORE OR LESS.

ALL AS SHOWN ON A MAP ENTITLED, "PUMPKIN HILL TOWNHOMES, FINAL SITE PLAN, PHASE I," DRAWING NO. 8301J-12A, AS PREPARED BY PASSERO ASSOCIATES.

Section 2.02 Additional Property

The "Sponsor", its successors and assigns shall have the right to bring additional property within the scheme of this Declaration. The additions of property authorized under this article shall be made by filing and recording a Supplemental Declaration with respect to additional property and which shall extend the scheme of protective covenants, conditions, restrictions, easements, charges and liens contained in this Declaration to said additional properties and shall thereby subject such additions to assessment for the just share of Association expenses. This Supplemental Declaration may contain complementary additions and modifications of this Declaration as may be necessary to reflect the different character, if any of the added properties.

ARTICLE THREE - PROPERTY RIGHTS

Section 3.01 Owners Rights

Every owner shall have a right and easement of enjoyment in and to common areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

1. The right of the Association pursuant to its bylaws to adopt rules and regulations governing the use of the common areas and facilities, and governing the personal conduct of Association members and their guests and to establish penalties for infraction of said rules and regulations.
2. The right of the Association to charge reasonable admission and/or fees for use of any recreational facilities situated upon the common areas.
3. The right of the Association to suspend an owners voting rights and to suspend the owners right to use recreational facilities during any

period in which an assessment against his lot remains unpaid and for any infraction of the Association's published rules and regulations.

Section 3.02 Sponsor's Rights

NOTWITHSTANDING any other provisions herein contained: The "Sponsor": reserves the right to operate a Sale Center at 101 A 105 A Sleepy Hollow and to maintain five (5) model units. Prospective purchasers and others shall be allowed to visit the Sale Center and model units until the marketing and sale of all townhomes are complete, including additional phases of development. The "Sponsor" shall also have the right to use portions of the common elements for sales promotions including private roads, parking spaces, and to erect and maintain on the common area advertising direction and signs for Sponsors sales and marketing.

ARTICLE FOUR - EASEMENTS

Section 4.01 Easements for Utilities

"Sponsor" reserves the right to grant easements, both temporary and permanent, to all public authorities and public and private utility companies over any part of the common areas described herein.

Section 4.02 Easements for Encroachments

If any portion of the common areas encroach upon the lot, or if any lot encroaches upon any other lot or upon any portion of the common areas, as a result of the construction of any building or as a result of settling or shifting of any building, or as a result of alterations or refurbishing of the common areas, or one or more lots made by or with the consent of the Board of Director's, a valid easement for the encroachment and for the maintenance of the same so long as the building or buildings stand shall exist. In the event any building, townhome, any adjoining townhome or any adjoining common areas, shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceeding, and then rebuilt, encroachments of parts of the common areas upon any townhome, unit bought, or any lot or townhome upon any other lot or townhome, or upon any portion of the common areas, due to such rebuilding, shall be permitted, and valid easements for such encroachments and maintenance thereof shall exist so long as the building or buildings shall stand.

Section 4.03 Additional 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, telephone, electricity and the master television antenna system. This easement shall permit the erection and maintenance of necessary poles and other equipment on property and shall permit the placement and maintenance of electrical or telephone wires and conduits, sewer and water lines, on above or below any residential land owned by any owner. An easement is hereby granted to the Pumpkin Hill Homeowners Association, Inc., its officers, agents, employees and employees of any Management Company having a contract with the Association over all of the common areas and to enter any residence to perform the duties or maintenance and repair of the residences or common areas, to maintain any utilities for which an easement has been granted and to prevent damage to any other residence. In addition, the Association shall have the right to grant permits, licenses and easements over common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

Section 4.04 Easement in Favor of the "Sponsor"

The "Sponsor" and any persons it may select shall have the right of ingress and egress over, upon and across the common areas, or any additional land which may be hereafter added to the property and the right to store materials thereon and make such other use thereof as may be reasonably necessary incident to construction development and sales of the town homes, operation of the association and maintenance of the common areas and to perform any operations as in the sole opinion of the "Sponsor" may be reasonably required, convenient or incidental to the construction and sale of residences.

ARTICLE FIVE - PARTY WALLS

Section 5.01 Party Walls

Each wall built as part of the original construction of a townhome and placed on the dividing line between the lots shall constitute a party wall.

Section 5.02 Repair and Maintenance of Party Walls

The costs of reasonable repair and maintenance of a party wall shall be shared by the owners of said wall, each townhome owner being responsible for the ordinary maintenance and repair of their respective sides of said party wall. As it shall become necessary to make substantial repairs or rebuild a party wall, the costs of such repairing or rebuilding shall be born equally by the two townhome owners.

Section 5.03 Exposure of Wall

Notwithstanding any other provision of this article, any owner who by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the entire cost of furnishing necessary protection against such elements and the necessary repair caused by such elements. The Association shall have an easement to enter upon any townhome in order to effect the necessary repairs or maintenance of said party wall, and charge the cost of such repair to the responsible party or parties. If any party wall is repaired or rebuilt it shall stand upon the same place and be of the same or similar materials as the original wall. All labor performed shall be performed in a good and workmanlike manner.

Section 5.04 Party Wall Rights Run With the Land

The rights of support, quiet enjoyment, entry to repair or restore and contribution for the costs of same as described in this article shall run with the land and be binding upon all heirs, successors and assigns of each townhome owner.

Section 5.05 Arbitration

In the event of any dispute arises concerning a party wall each owner shall choose from a list of arbitrators provided by the Board of Directors of the Association one arbitrator and such arbitrator shall choose one additional arbitrator and the decision shall be by a majority of all the arbitrators.

ARTICLE SIX - ASSOCIATION MEMBERSHIP, VOTING RIGHTS, AND DIRECTORS

Section 6.01 Formation

Pursuant to the Not-For-Profit Corporation Laws of the State of New York, the "Sponsor" has formed the Association to own, operate and maintain the Association property and to enforce the protective covenants, conditions or restrictions set forth in this Declaration and in the certificate of incorporation and by-laws of the Association, and as they may be amended from time to time.

Section 6.02 Membership

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

Section 6.03 Voting

The Association shall have one (1) class of voting membership and each member including the "Sponsor" shall be entitled to no more than, nor less than, one (1) vote.

Section 6.04 Election of Directors

The nomination and election of directors and the filing of vacancies on the Board of Directors shall be governed by the by-laws of the Association.

Section 6.05 Powers and Duties of the Board of Directors

The powers and duties of the Board of Directors shall be as set forth in the by-laws of the Association.

Section 6.06 Indemnification of Officers and Directors

Every director and officer of the Association shall be and is hereby indemnified by the Association against any expenses or liabilities, including counsel fees reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which such officer or director may be a party or in which such officer or director may become involved by reason of being or having been a director or officer of the Association, whether or not such person is a director or officer at the time when such expenses are incurred except in the case where the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties.

ARTICLE SEVEN - ASSESSMENTS

Section 7.01 Creation of a Lien and Personal Obligation of Assessment

Each lot owner, by accepting a deed therefore, whether or not such deed or any other instrument pursuant to which title is obtained so expressly provides, shall be deemed to covenant and agree to pay to the Association:

1. Annual assessments or charges for maintenance and operation of Association property (common areas), including payment of property tax assessments for all real property taxes on the common areas and for all casualty and liability insurance covering Association property obtained pursuant to Article 13 of this declaration. This assessment shall also

include a reserve fund for periodic maintenance, repair and replacement of improvements to the common areas.

2. Special assessments.
3. Working Capital assessments.

The assessments shall be fixed, established and collected from time to time as hereinafter provided. Each assessment together with such interests thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the lot against which the assessment is made and shall also be the personal obligation of each owner of such lot at the time the assessment falls due.

The sponsor will be obligated for association charges including supplemental charges on all unsold townhomes or lots.

Section 7.02 Purpose of Maintenance Assessment

The maintenance assessment shall be used to fund maintenance, preservation, operation and improvement of Association Property and for the promotion of recreation, safety and welfare of the members of the Association. The assessment funds shall be used for the payment of taxes on Association property, utility services to property which is commonly metered or billed, refuse collection, snow removal, vehicles and equipment used in maintenance, management, legal and accounting fees, all casualty, liability and other insurance covering association property, maintenance, repair and replacement of all facilities commonly serving the Association members both on and off the lots including landscaped areas, roads, patios, fences and townhome exteriors as more fully set forth in Article 10. This assessment shall also include a reserve fund for periodic maintenance, repair and replacement of improvements to the common area which the Association is obligated to maintain.

Section 7.03 Commencement and Notice of Assessment

Assessments shall commence on the day in which the first lot is transferred from the "Sponsor" to an owner or on such other date as may be determined by the "Sponsor". The first assessment shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors. Thereafter, assessments shall be fixed on a full year basis. The Board of Directors shall fix the amount of the assessment against each lot at least thirty (30) days in advance of the annual assessment period. The assessment shall be due and payable on a monthly basis unless the Board of Directors establishes other periods for payment.

Section 7.04 Basis for Maintenance Assessment

The annual maintenance assessment shall be calculated in the following manner:

There shall be four (4) classes of maintenance assessments varying according to townhome styles:

Large 2 Story (2B)	1325 square foot = $78.00/month
Medium 2 Story (2A)	1268 square foot = $77.00/month
Large Ranch (1B)	1212 square foot = $78.00/month
Small 2 Story (2C)	1169 square foot = $76.00/month
Small Ranch (1A)	1021 square foot = $75.00/month

In addition, all townhomes with greater than two (2) occupants shall be charged an additional TWO DOLLARS ($2.00) per month for increased usage of water.

The following items shall be considered common expenses and shall be included in the maintenance assessment for all townhomes: Payroll and payroll taxes, maintenance and operation, including grounds maintenance-supplies, refuse collection, snow removal, reserves (including road resurfacing, drive resurfacing, seal roads and drives, road gutters and walks, roofs, staining and miscellaneous) vehicle and equipment, utilities, insurance, real estate taxes, management, legal and accounting and miscellaneous.

Section 7.05 Change in Basis of Assessments

The Association may change the basis of determining the maintenance assessment provided for above by obtaining the consent of not less than two thirds (2/3) of the total votes of members voting in person or by proxy in a meeting called for this purpose. Written notice of the meeting for this purpose shall be given at least thirty (30) days in advance to all voting members. No change in the basis of maintenance assessments which adversely affects the interest of the sponsor with respect to unsold lots shall be valid except with the specific consent of the sponsor in writing for a period of five (5) years from the date of the first townhome conveyance or within 120 days after the sponsor has sold seventy-five percent (75%) or more of the lots then subject to the declaration, whichever period shall occur first. A written certification of any such change shall be executed by the Board of Directors and recorded in the Monroe County Clerk's Office.

Section 7.06 Working Capital Fund

The Sponsor shall advance to the Association TWO HUNDRED AND FIFTY DOLLARS ($250.00) per lot for each lot in a given phase prior to conveyance of the first lot in such phase. The purchase agreement set forth as Exhibit ____ requires the initial purchaser of each lot to reimburse the sponsor for the TWO HUNDRED AND FIFTY DOLLARS ($250.00) per lot for purposes of working capital of the Association. Reimbursement shall be made at the time of closing title to the lot. The advance shall be used for such purposes as the Board of Directors, in its sole descretion, may determine including to meet unforseen expenditures or to acquire additional equipment or services. Working capital fund shall be replenished from funds collected in the assessment from lot owners. While the 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 upon the adequacy of the working fund established by the Sponsor.

Section 7.07 Master Water Meter Fee

The Sponsor shall install a master water meter for the Pumpkin Hill Townhomes and charge a fee of ONE HUNDRED AND TWENTY-FIVE DOLLARS ($125.00) to each owner for the cost of such installation. The choice of the master water meter was made for the benefit of the townhome owners as it will substantially reduce the cost of water from the Monroe County Water Authority. Current estimates indicate the ordinary water rate from Monroe County Water is ONE DOLLAR AND TWENTY-NINE CENTS ($1.29) per thousand gallons of water. A bulk rate is also available at SIXTY CENTS ($0.60) per thousand gallons of water if more than 50,000 gallons of water are used per month. It is anticipated that ten (10) townhomes

44

will average in excess of 50,000 gallons per month in the course of ordinary usage.

Section 7.08 Special Assessments

In addition to the annual maintenance assessment, the Association may levy a special assessment for any purpose deemed necessary by the Board of Directors. For any special assessment in excess of twenty percent (20%) of the then current amount of annual maintenance assessment, consent of two-thirds (2/3) of the total votes of the owners shall be required. A meeting of Association members shall be called at least thirty (30) days in advance for the purpose of voting on special assessments.

Section 7.09 Nonpayment of Assessment

If an assessment or installment is not paid on the due date, then such assessment payment shall be deemed delinquent. Any delinquent assessment payment, together with interest thereon and costs of collection, shall there upon become a continuing lien on the property and shall bind such property in the hands of the then owner and such owner's heirs, devisees, personal representatives, successors and assigns.

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

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed the maximum rate of interest then permitted by law.

The Association may bring an action at law against the owner who is personally obligated to pay the assessment or foreclose the lien against the property including interest, costs and reasonable attorneys fees of any such action. Each lot owner, by his acceptance of the deed to a lot, hereby expressly grants Pumpkin Hill Homeowners Association, Inc. the right and power to bring all actions against such owner personally for the collection of each charge as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens including foreclosure by an action brought in the name of the Association in a like manner as a mortgage lien on real property and such owner hereby expressly grants the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all lot owners. The Association, acting on behalf of the lot owners shall have the power to bid for an interest foreclosed upon a foreclosure sale and to acquire and hold, lease, mortgage and convey the same. 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. Dissatisfaction with the quantity or quality of maintenance services furnished by the Association shall under no circumstances entitle any lot owner to withhold or fail to pay the assessments due to the Association for the lot or lots owned by such owner.

45

Section 7.10 Right to Maintain Surplus

The Association shall not be obligated in any calendar year to spend all sums collected in such year by way of maintenance assessments or otherwise and may carry forward as surplus any balances remaining. The Association is not obligated to apply any such surpluses towards the reduction of the amount of the maintenance assessment in the succeeding year but may carry forward from year to year such surpluses as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and achievement of the purposes of the Association.

Section 7.11 Subordination of the Lien to Mortgages

Lien of the assessments provided for herein, and fees, late charges, fines or interest levied by the Association shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not effect the assessment lien, however the sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 7.12 Subordination of Mortgage

The mortgage for any land or construction loan for any part of the Pumpkin Hill Townhomes shall be made subordinate to the Declaration or shall include a covenant insuring that the Association and/or the townhome or lot owner's undisturbed use of the premises for the purposes described herein in the event of foreclosure. Subordination to mortgage, to the extent permitted by law, the lien of the Association for maintenance assessments or other charges, fees, late charges or fines levied by the Association on or after the date of recording of the first mortgage on any lot shall be subordinate to said first mortgage lien.

ARTICLE EIGHT - MAINTENANCE

Section 8.01 Maintenance by the Association

The Association shall be responsible for all maintenance and or repair and or replacement to the improvements on the Association property; all roadways, parking areas and walkways on the Association property, all snow removal from roadways, parking areas and walkways on Association property, all landscape areas on Association property, all hydrants of the Association property and waterlines connected therewith and all pipes, drainage facilities, wires, conduit and public utility lines owned by the Association and for which the utility company or other entities are not responsible. Such costs shall be funded from the maintenance assessments.

Section 8.02 Maintenance of Townhomes with Respect to the Townhomes

The Association shall repair, replace any exterior siding, gutters, downspouts, roofs including garages, and paint the exterior trim, windows and doors and maintain patios, but the Association shall not repair or replace broken window panes or doors. The Association shall paint and repair or replace all fences or railings installed by the "Sponsor" and shall maintain, replace and repair all walkways. Costs of all maintanance performed by the Association shall be funded from the maintenance assessments.

46

Section 8.03 Quality and Frequency of Maintenance and Repairs

All maintenance, repair and replacements whether or not performed by the Association shall be of a quality and appearance consistent with the enhancement and preservation of the appearance and values of the property. The Association may establish reasonable schedules and regulations for maintenance repair or replacement which schedules and regulations shall take into account the useful life of any painting and exterior materials in the enhancement and preservation of the appearance and value of the property.

Section 8.04 Access for Repairs

The Association, its employees, contractors and agents shall upon reasonable notice to owners have the right to enter upon any portion of the owners property and into and upon any townhome at a reasonable hour to carry on its functions, as provided for in this Article except that in an emergency the Association shall have the right without notice to enter upon any portion of the property or enter into any townhome to make necessary repairs and to prevent damage to any unit or any portion of the property. Repair of any damage caused from gaining access shall be the expense of the Association.

ARTICLE NINE - EXTERIOR MAINTENANCE

Section 9.01 Exterior maintenance

In addition to maintaining the common areas the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder. Maintenance shall include painting, repairing, replacing and caring for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, patios, fences and other exterior improvements. Such exterior maintenance shall not include glass surfaces or doors, screens or screen doors, exterior door and window fixtures. Any maintenance or repair necessitated by the willful or negligent acts of an owner, his family, guests, or invitees shall be added to and become a part of the assessment to which said owner's lot is subject.

ARTICLE TEN - ARCHITECTURAL CONTROL

Section 10.01 Architectural Control

An architectural committee consisting of three or more representatives shall be appointed by the Board of Directors of the Pumpkin Hill Homeowners Association, Inc. to establish and enforce the architectural standards for Pumpkin Hill. These standards shall include prohibitions against the erection of any buildings, fences, walls, or structures upon the properties or the exterior addition, change or alteration of any building or lot unless such alteration has been first submitted and approved in writing by the architectural committee. The committee shall be obligated to respond within thirty (30) days of receipt of any plan and if the commitee fails to approve or disapprove such design and location within sixty (60) days after receipt of same, this article will have been deemed to be fully complied with and committee approval will not be required. This prohibition is established to maintain the harmony of the external design, perspective and location of structures in Pumpkin Hill Townhomes.

Section 10.02 Liability of Architectural Committee

No action taken by the architectural committee or any member, employee or agent

47

thereon shall entitle any person to rely thereon with respect to conformity with laws, regulations, codes or ordinances or with respect to physical or other conditions of any lot or other portion of the property. Neither the Association nor the architectural committee or any agent thereon shall be liable to anyone submitting plans to them for approval or to any owner, member, or other person, in connection with the submission of plans or the approval or disapproval thereof including without limitation mistakes in judgement, negligence or nonfeasance. Every person submitting plans to the architectural committee agrees by submission of such plans that no action or suit will be brought against the Association or the architectural committee or any members, subcommittee, employee, or agent thereof in connection with such submission.

ARTICLE ELEVEN - USE RESTRICTION

Section 11.01 Use Restriction

No commercial or business activity shall be permitted upon the properties and all owners shall be bound by the by-laws and rules and regulations a copy of which is annexed hereto and made a part hereof. No owner shall be entitled to rent his townhome without the prior written approval of the Board of Directors.

ARTICLE TWELVE - INSURANCE AND CASUALTY DAMAGE

Section 12.01 Insurance

The Board of Directors of the Association shall obtain and maintain in force and effect a policy of insurance in an amount determined by the Board of Directors to be appropriate or relevant to cover fire and casualty insurance on

Association property, liability insurance on Association property, directors and officers liability insurance, insurance to cover the full replacement cost of any repair or reconstruction work on all Townhomes, and any additional umbrella coverage as may be deemed necessary or desirable.

Section 12.02 Deductible

The deductible, if any, on any insurance policy purchased by the Association shall be a common expense provided that the Board of Directors of the Association may assess any deductible amount necessitated by the gross negligence or wanton malicious act of any owner against such owner. The Association may pay the deductible portion for which the owner is responsible, and the amounts so paid together with interest and cost of collection, including attorney's fees shall be a charge and continuing lien upon the lot involved and shall constitute the personal obligation of such owner and shall be collectible in the same manner as assessments pursuant to this declaration.

Section 12.03 Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of any townhome, insured through insurance obtained by the Board of Directors as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property and the Board of Directors or the insurance trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments. If the owners of seventy-five percent (75%) or more of all townhomes do not duly and promptly resolve to proceed with the repair and restoration, the net proceeds of the insurance policy, if any, shall be divided among the townhomes in pro-

48

portion to the damage to the insured property in relation to the total damage to all the insured property, provided that no payment shall be made to a townhome owner until there is first been paid out of such townhome owner's share all liens on such owners townhome. In the event that insurance proceeds are insufficient to pay all the costs of restoring or repairing the property to the same condition as formerly existed, the Board of Directors shall levy a special assessments to make up the deficiencies against all owners of the damaged townhomes in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each townhome and any negligence which in the opinion of the Board contributed to the damage or loss. In the event that insurance proceeds exceed the cost of repair and reconstruction, such expenses shall be paid over to their respective mortgagees and townhome owners in such proportion as the Board of Directors deems fair and equitable taking into account the damage sustained to each townhome and provided that no part of the distribution that results from an assessment paid by a townhome owner shall be made to all townhome owners and the mortgagees as their interest may appear.

Section 12.04 Condemnation

In the event of a loss or of condemnation rewards for losses to, or a taking of, common property a distribution cannot be made by the Association in any way which conflicts with the rights of any first mortgagee of any lot pursuant to the mortgage on said lot.

The Association shall represent, or appoint any Agent to represent, townhome and/or lot owners in any condemnation proceeding or in negotiations, settlements and agreements with the condemning authority for the acquisition of the common areas, or parts thereof.

Proceeds or awards of settlement shall be payable to the Association or trustee of the Association for the use and benefit of Association members and their mortgagees as their interests may appear.

ARTICLE THIRTEEN - GENERAL COVENANTS AND RESTRICTIONS

Section 13.01 Enforcement

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

Section 13.02 Severability

Invalidation of any of these covenants or restrictions by judgment or court order shall in no way effect the other provisions which shall remain in full force and effect.

Section 13.03 Declaration Runs With the Land

Each person or entity acquiring an interest in a lot or other portions of the property of Pumpkin Hill Townhomes, whether by deed, lease or any other instrument, covenants and agrees for himself, his heirs, successors and assigns to observe, perform and be bound by the provisions of the declaration including personal responsibility for the payment of all charges which may become liens against his property and which become due while he is the owner thereof and also covenants to incorporate this declaration by reference of any deed, lease or other instrument for the transferring and interest in such lot or other portion of the property.

Section 13.04 Amendment

Unless otherwise specifically provided, this declaration may be amended or rescinded upon the consent, in writing, of the owners of not less than two-thirds (2/3) of all the lots which are subject to this declaration. In addition, the approval of eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages, shall be required to add or amend any material provisions of the Declaration of the project, which establish, provide for, govern or regulate any of the following:

a. Voting;
b. Assessments, assessment liens or subordination of such liens;
c. Reserves for maintenance, repair and replacement of the common areas;
d. Insurance or Fidelity Bonds;
e. Rights to use of the common areas;
f. Responsibility for maintenance and repair of the several portions of the project;
g. Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project, other than Phases I through IV of Pumpkin Hill Townhomes;

h. Boundaries of any lot;

i. The interests in the general common areas;

j. Convertibility of lots into common areas or of common areas into lots;

k. Leasing of lots;

l. Imposition of any right of first refusal or similar restriction on the right of a lot owner to sell, transfer, or otherwise convey his or her lot;

m. Any provisions which are for the express benefit of eligible mortgage holders.

Until five (5) years from the date of the first townhome conveyance or within 120 days after the sponsor has sold seventy-five percent (75%) or more of the lots subject to this declaration, whichever period occurs first, the written consent of the sponsor will be required for any amendment which adversely affects the interest of the sponsor. The owner of every lot shall receive written notice of every proposed amendment or recisson to this declaration at least thirty (30) days prior to the date set for voting on said amendment or recision. Any amendment to the declaration must be recorded in the Monroe County Clerk's Office and shall not become effective until the date of recording. The provisions of this declaration shall unless amended or recinded continue with full force and effect against both the property and the owners for a period of not less than twenty (20) years from the date this declaration is recorded and shall then be automatically and without further notice extended for successive periods of ten (10) years.

Section 13.05 Inspection and Right of Entry

Any agent of the Association or architectural committee may at any reasonable

50

time or times upon not less than twenty-four (24) hours notice to the owner, enter upon a lot or other portion of the property and inspect improvements thereon for the purpose of ascertaining whether maintenance construction or alteration of structure or other improvements comply with the Declaration or other rules and regulations issued pursuant thereto. Neither the Association or such agents shall be deemed to have committed a trespass or other wrongful act by reason of such enter inspection.

Section 13.06 Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof. Any notice required to be sent to the "Sponsor", owner, or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid to the last known address to the person who appears as the "Sponsor", owner, or mortgagee on the records of the Association at the time of such mailing period.

Section 13.07 The Right Reserved to Impose Additional Protective Covenants

The "Sponsor" reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 13.08 Provisions Relating to Mortgagees

Any eligible holder of any lot mortgage at its request is entitled to timely written notification of the following:

A. Any condemnation loss or any casualty loss which affects a material portion of the project or any lot on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder.

B. Any delinquency in the payment of assessments or charges owed by an owner of a lot subject to a first mortgage held, insured or guaranteed by such eligible holder, which remains uncured for a period of sixty (60) days.

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

D. Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as follows:

1. Any restoration or repair of project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

2. Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project property must require the approval of eligible holders

51

holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

3. Unless the formula for reallocation of interests in the common areas after a partial condemnation or partial destruction of the Pumpkin Hill Townhomes is fixed in advance by the constituent documents or by applicable law, no reallocation of interests in the common areas resulting from a partial condemnation or partial destruction of such a project may be effected without the prior approval of eligible holders holding mortgages on all remaining lots whether existing in whole or in part, and which have at least fifty-one (51%) percent of the votes of such remaining lots subject to eligible holder mortgages.

4. When professional management has been previously required by any eligible mortgage holder, whether such entity became an eligible mortgage holder at that time or later, any decision to establish self-management by the Association shall require the prior consent of owners of lots to which at least two-thirds (2/3) of the votes in the Association are allocated and the approval of eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

Section 13.09 First Mortgagees

First Mortgagees of lots in Pumpkin Hill Townhomes may pay taxes or other charges which are in default and which may or have become a charge against any of the common areas and pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of policy for such property. Any first mortgagees may making such payment shall be owed immediate reimbursement therefor from the Association.

IN WITNESS WHEREOF, The undersigned being the "Sponsor" herein has hereunto set his hands and seal this 23rd day of October, 1984.

FOREST CREEK EQUITY CORP.

Sponsor

By: Bernard J. DiStefano, President

ACKNOWLEDGEMENT

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

On this 23rd day of October, 1984, before me personally came Bernard J Sacovangelo, to me known and who, by me being duly sworn did depose and say:

That he/she resides at 7 DaVinci Drive, County of Monroe and State of New York, that he/she is the President of Forest Creek Equity Corp an authorized Corporation, the Corporation described in and which executed the foregoing Instrument; that such seal affixed to said Instrument is such corporate seal; that it was affixed to said Instrument by order of the Managing Partner of such Corporation in writing, and that he/she signed his/her name thereto by like order.

Polly J. Feigenbaum
NOTARY PUBLIC: STATE OF NEW YORK

POLLY J. FEIGENBAUM
Notary Public, State of New York
Monroe County
My Commission Expires March 30, 1986
REG# 4803519

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OFFERING PLAN

THIS OFFERING RELATES SOLELY TO MEMBERSHIP IN THE PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC. AND THE DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS APPLICABLE TO ALL LOTS SOLD AT PUMPKIN HILL TOWNHOMES, 840-844 PAUL ROAD, TOWN OF CHILI, COUNTY OF MONROE, STATE OF NEW YORK. PUMPKIN HILL TOWNHOMES IS BOUNDED ON THE EAST BY COLDWATER ROAD, ON THE WEST BY SPRING LAKE APARTMENTS, ON THE NORTH BY SPRING VALLEY SUBDIVISION, AND ON THE SOUTH BY PAUL ROAD. THIS OFFERING IS THE FIRST PHASE OF AN ANTICIPATED FOUR PHASE DEVELOPMENT. A MAXIMUM 140 ADDITIONAL TOWNHOMES MAY BE OFFERED IN SUBSEQUENT PHASES: $218,000 (PHASE II) 40 LOTS, $59,500 (PHASE III) 51 LOTS AND $68,500 (PHASE IV) 49 LOTS.

APPROXIMATE AMOUNT OF OFFERING:	SEVENTY THOUSAND DOLLARS for Phase I. (Cost of common areas and facilities, included in the price of thirty-two (32) lots in Phase I.)
NAME AND ADDRESS OF SPONSOR:	FOREST CREEK EQUITY CORP. 80 West Main Street, Suite 101 Rochester, New York 14614 Phone: (716) 454-7145
NAME AND ADDRESS OF SELLING AGENT	JOHN T. NOTHNAGLE, INC. 1485 Monroe Avenue Rochester, New York 14618 Phone: (716) 442-1800

THE DATE OF THE FIRST OFFERING OF THIS PLAN IS OCTOBER 25, 1984. THIS PLAN MAY NOT BE USED AFTER OCTOBER 24, 1985 UNLESS EXTENDED BY AMENDMENT.

THIS PLAN HAS BEEN AMENDED. SEE INSIDE FRONT COVER.

SEE PAGE 2 FOR SPECIAL RISKS TO PURCHASER.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE PUMPKIN HILL HOMEOWNER'S ASSOCIATION, INC. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THE 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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CERTIFICATE OF INCORPORATION

OF

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

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

The undersigned, being of the age of eighteen years or over, for the purpose of forming a corporation pursuant to the Not-for-Profit Corporation Law of the State of New York, hereby certifies:

1. The name of the corporation is Pumpkin Hill Homeowners Association, Inc., hereinafter called the Association.

2. The Association is a corporation as defined in Section 102 (a) (5) of the New York State Not-for-Profit Corporation Law. The Association does not contemplate pecuniary gain or profit to its members thereof, and the specific purposes for which it is formed are to provide management, maintenance, care, improvement, preservation and architectural control of the residence lots and common area within that certain tract of property located on Paul Rd. and Coldwater Rd. in the Town of Chili, Monroe County, New York, known as Pumpkin Hill Subdivision and being the premises described in that certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens recorded in the Monroe County Clerk's office and any supplements or additions thereto, and to promote the health, safety and welfare of the residents within the above property and any additions thereto as may hereafter be brought with the jurisdiction of this Association and for these purposes:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens hereinafter called the Declaration, applicable to the property and to be recorded in the Office of the Monroe County Clerk, and as the same may be amended from time to time as therein provided:

(b) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) To acquire, by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) To borrow money, and, with the assent of two-thirds of the voting members, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Except in the case of all roads, to dedicate, sell 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 to by the members; no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds of the voting members, agreeing to such dedication, sale or transfer;

14

(f) To participate in mergers and consolidations with other non profit corporations organized for the same purposes, or annex additional residential property and common area, provided that any such merger or consolidation shall have the assent of two-thirds of the voting members;

(g) To act as purchasing agent for goods and services for the members of the corporation only;

(h) To have and exercise any and all other powers, rights and privileges which a corporation organized under the Not-for-Profit Corporation Law of the State of New York, by law may now or hereafter have or exercise;

3. This homeowners Association shall be a type A corporation as defined by Section 201 of the New York Not-for-Profit Corporation Law. The lawful public or quasi-public objective of the Corporation is the improvement of the quality of life of the residents of Pumpkin Hill Subdivision in the Town of Chili, Monroe County, New York who are members of this Association by providing for Common Areas to be managed jointly by the members, including recreational facilities for the use of the members of the Association.

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

5. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the

Association, including the Sponsor, as that term is defined in the Declaration, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

6. The affairs of this association shall be managed by a board of directors, who need not be members of the Association. The number of directors of the Association shall be not less than three nor more than nine. The number of directors may be changed by amendment by the By-Laws of the association.

At the first annual meeting the members shall elect one-third of the directors for a term on one year, one-third of the directors for a term of two years and one-third of the directors for a term of three years; at each annual meeting thereafter the members shall elect one-third of the directors for a term of three years.

7. The Association may be dissolved with the assent given in writing and signed by not less than three-fourths of the voting members. Upon disolution of the Association, other than incident to a merger or a consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created, or for general welfare of the residents of the town in which the property is located. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to similar purposes.

8. The duration of the corporation shall be perpetual.

55

9. Amendment of this certificate of incorporation shall require the assent of two-thirds of the entire voting membership.

10. The territory in which the Association's operations are principally to be conducted shall be Monroe County, New York, but the activities of the Association shall not be limited thereto.

11. The office of the corporation is to be located in the Town of Chili, Monroe County, New York.

12. The Secretary of State, pursuant to Chapter 564 of the N.Y.S. Laws of 1981, Section 402(a)(7), is hereby designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary shall mail a copy of any process against the corporation served upon him is: c/o Gallo & Iacovangelo, Esqs., 80 West Main St., Suite 200, Rochester, NY 14614.

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

IN WITNESS WHEREOF, the undersigned has subscribed and affirmed this certificate as true under the penalties of perjury this 7th day of August, 1984.

Bernard J. Iacovangelo

Bernard J. Iacovangelo
80 West Main St.
Suite 200
Rochester, NY 14614

TABLE OF CONTENTS

ARTICLE	TITLE		PAGE
ONE	PLAN OF TOWNHOME OWNERSHIP		
	Section 1-01.	Townhome Lot Ownership	1
	Section 1-02.	Applicability of By-Laws	1
	Section 1-03.	Applicability to Persons	1
	Section 1-04.	Membership in the Association	2
	Section 1-05.	Office	2
TWO	BOARD OF DIRECTORS		
	Section 2-01.	Number and Qualifications	3
	Section 2-02.	Powers and Duties	3
	Section 2-03.	Election and Terms of Office	6
	Section 2-04.	Vacancies	7
	Section 2-05.	Removal of Board Members	7
	Section 2-06.	Organizational Meetings	8
	Section 2-07.	Regular Meetings	8
	Section 2-08.	Special Meetings	8
	Section 2-09.	Waiver of Notice	8
	Section 2-10.	Quorum of Board of Directors	9
	Section 2-11.	Fidelity Bonds	9
	Section 2-12.	Compensation	10
	Section 2-13.	Liability of Board Directors	10
THREE	LOT OWNERS		
	Section 3-01.	Bi-Annual Meetings	11
	Section 3-02.	Special Meetings	11
	Section 3-03.	Place of Meetings	12
	Section 3-04.	Notice of Meetings	12
	Section 3-05.	Quorum; Majority Voting	12
	Section 3-06.	Order of Business	13
	Section 3-07.	Title to Lots	13
	Section 3-08.	Voting	14
FOUR	OFFICERS		
	Section 4-01.	Designation	15
	Section 4-02.	Election of Officers	15
	Section 4-03.	Removal of Officers	15
	Section 4-04.	President	15
	Section 4-05.	Vice-President	16
	Section 4-06.	Secretary	16
	Section 4-07.	Treasurer	17
	Section 4-08.	Agreements, Contracts, Deeds, Checks and Other Instruments	17
	Section 4-09.	Compensation of Officers	17

56

TABLE OF CONTENTS
(Continued)

ARTICLE	TITLE		PAGE
FIVE	OPERATION OF PROPERTY		
	Section 5-01.	Determining Common Charges	18
	Section 5-02.	Collection of Assessments	19
	Section 5-03.	Obligation to Pay Common Charges	19
	Section 5-04.	Default in Payment of Common Charges	20
	Section 5-05.	Foreclosure of Liens for Unpaid Common Charges	20
	Section 5-06.	Common Surplus	21
	Section 5-07.	Maintenance and Repair	21
	Section 5-08.	Use of Lots	22
	Section 5-09.	Modifications by Lot Owners	23
	Section 5-10.	Right of Entry	23
	Section 5-11.	Modifications by Board of Directors	24
	Section 5-12.	Repair or Reconstruction	24
	Section 5-13.	Fire and Extended Coverage Insurance	25
	Section 5-14.	Liability Insurance	26
	Section 5-15.	Right of Owners to Insure Lots	26
	Section 5-16.	Use of Common Elements and Facilities	26
	Section 5-17.	Rules of Conduct	27
	Section 5-18.	Abatement of Violations	27
SIX	MORTGAGES		
	Section 6-01.	Notice to Board of Directors	28
	Section 6-02.	Payment of Assessments	28
	Section 6-03.	Notice of Unpaid Common Charges	28
	Section 6-04.	Notice of Default	28
	Section 6-05.	Notice of Action	29
	Section 6-06.	Inspection of Books	29
SEVEN	SALES AND LEASES OF LOTS		
	Section 7-01.	Compliance with Article	30
	Section 7-02.	Financing Acquisition of Lots by Board of Directors	30
	Section 7-03.	Leasing of Lots	30
	Section 7-04.	Payment of Assessment	32
EIGHT	CONDEMNATION		
	Section 8-01.	Condemnation of Association Property	33
NINE	RECORDS		
	Section 9-01.	Records; Certification by Certified Public Accountants	34
	Section 9-02.	Fiscal Year	34

TABLE OF CONTENTS
(Continued)

ARTICLE	TITLE		PAGE
TEN	MISCELLANEOUS		
	Section 10-01.	Notices	35
	Section 10-02.	Invalidity	35
	Section 10-03.	Captions	35
	Section 10-04.	Waiver	36
	Section 10-05.	Gender; Singular/Plural	36
	Section 10-06.	References to the Sponsor	36
ELEVEN	AMENDMENTS TO BY-LAWS		
	Section 11-01.	Amendments	37
	Section 11-02.	Amendments Affecting Sponsor	38
TWELVE	CONFLICTS		
	Section 12-01.	Conflicts	39
THIRTEEN	DEFINITIONS		
	Section 13-01.	Definitions	40

BY-LAWS OF PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE ONE

PLAN OF TOWNHOME OWNERSHIP

Section 1-01. Townhome Lot Ownership.

The property of the PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC., Town of Chili, Monroe County, State of New York (hereinafter called the "PROPERTY") has been submitted to the provisions of a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") recorded in the Office of the County Clerk, Monroe County, simultaneously herewith, and shall hereinafter be known as "PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC." hereinafter referred to as the "Association".

Section 1-02. Applicability of By-Laws.

The provisions of these By-Laws are applicable to the property of the Association and to the use and occupancy thereof. The term "PROPERTY" as used herein shall include the land, the buildings and all other improvements thereon owned in fee simple absolute, and all easements, rights, and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the said Declaration.

Section 1-03. Applicability to Persons.

All present and future owners, lessees, and mortgagees, their employees, and any other person who may use the facilities of the property in any manner shall be subject to these By-Laws, the Declaration, and rules and regulations pertaining to the use and operation of the Association Property.

Acquisition, rental or occupancy of any lot on the property shall be sufficient to signify acceptance and ratification of the provisions of the aforementioned instruments, and in agreement to comply therewith.

Section 1-04. Membership in the Association.

The members of the Association shall be the record owners of a fee or undivided fee interest in any of the lots within the Property, provided that any person or entity holding such interest merely as security for the performance of any obligation shall not be a member. The Association shall have one (1) class of members.

Forest Creek Equity Corp. (hereinafter called "Sponsor"), may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Memberships in the Association shall not otherwise be transaferable or assignable.

Section 1-05. Office.

The office of the Association and of the Board of Directors shall be located at PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC., 840 Paul Road, Chili, New York.

ARTICLE TWO

BOARD OF DIRECTORS

Section 2-01. Number and Qualifications.

The affairs of the Association shall be governed by a Board of Directors. Until five (5) years have elapsed from the date of conveyance of the first townhome lot or until 120 days after 75% of the townhome lots have been sold by Sponsor and paid for (whichever shall first occur) and thereafter until their successors shall have been elected by the members, the Board of Directors shall consist of such of the officers and directors of Sponsor as Sponsor shall from time to time designate. Thereafter, the Board of Directors shall be composed of five (5) persons, all of whom shall be owners, co-owners, spouses of owners, or mortgagees of lots, or, in the case of corporate owners or mortgagees of lots, officers, directors, shareholders, or employees of such corporations, or in the case of fiduciary owners, shall be the fiduciary or officers or employees of such fiduciaries.

Section 2-02. Powers and Duties.

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things, except as by law, or by the Certification of Incorporation, or by the Declaration, or by these By-Laws, may not be delegated to the Board of Directors by the members. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

A. Care, upkeep, maintenance and operation of the common elements;

B. The determination of amounts required to defray common expenses of the Association (such as amounts required for operation and maintenance of the common elements);

C. Collection of common charges from members;

D. Maintenance of detailed and accurate records, in chronological order, of receipts and disbursements arising from the operation of the property, which records shall be made available for examination by members at convenient hours on weekdays;

E. Authorization and prosecution of suits to foreclose liens for non-payment of common charges, or to recover money judgments for unpaid common charges, on behalf of all members;

F. Authorization and prosecution of actions or proceedings on behalf of the owners of two (2) or more lots as their respective interests may appear, with respect to any cause of action relating to the common elements or to more than one (1) lot;

G. Employment and dismissal of personnel necessary or appropriate for the maintenance and operation of the property, the common areas and facilities and the restricted common areas and facilities;

H. Adoption and amendment of rules and regulations not inconsistent with these By-Laws, covering the details of operation and use of the property;

I. Establishment of bank accounts in the name of the Association, and authorization of signatories therefore;

J. Purchasing, leasing, or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all members, lots offered for sale, lease or surrender by their owners to the Board of Directors;

K. Purchasing lots at foreclosure or other judicial sale in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all members;

L. Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with lots acquired by, and subleasing lots leased by the Board of Directors or its designee, corporate or otherwise on behalf of all members;

M. Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing lots on behalf of all of the members;

N. Procuring of insurance for the Association Property, including the lots thereof, as set forth in Article Five, Section 5-13 and 5-14, hereof;

O. Contracting for and/or making of repairs, additions, and improvements to the property, and for repairs to and restoration of the property in accordance with the provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

P. Levying fines against members for violations of the rules and regulations established by it to govern the conduct of the members, provided, however, that no fine may be levied in an amount in excess of TWENTY-FIVE DOLLARS ($25.00) for any one (1) violation. But for each day a violation continues after notice, it shall be considered a separate violation. Such fines may be collected as if they were common charges owed by the member(s) against whom the fines are levied. Where a member is fined for an infraction of the rules and regulations and fails to pay the fine within ten (10) days after notification thereof, the Board may levy an additional fine or fines to enforce payment of the initial fine. Where a member persists in violation of the rules and regulations, the Board may require him to post a bond to secure future compliance with the rules and regulations;

Q. Controlling the use of all common elements of the property, including restricted common elements;

R. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (1) the consent two-thirds (2/3) in number of all voting Association members, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of THREE THOUSAND DOLLARS ($3,000.00) and (2) no lien to secure repayment of any sums borrowed may be created on any lot without the consent of the lot owner;

S. Employment of a Managing Agent and/or Manager at such reasonable compensation and to perform such duties as the Board of Directors may authorize; provided however, that the Board of Directors shall not delegate to any such Managing Agent and/or Manager any of the powers set forth in subsections F., H., I., K., L. and M., of this Section;

T. Exercising all other necessary and proper actions for the sound management of the Association and fulfillment of the terms and provisions of the Association Certificate of Incorporation, Declaration and By-Laws.

Section 2-03. Election and Terms of Office.

At the first annual meeting of members, the terms of office of the Board of Directors shall be fixed as follows:

60

A. The terms of office of two (2) members shall be set at three (3) years;

B. The terms of office of two (2) members shall be set at two (2) years; and

C. The terms of office of one (1) member shall be set at one (1) year.

At the expiration of the initial term of office of each Board Member, his successor shall be elected to serve for a term of three (3) years. Board Members shall hold office until their successors have been elected and hold their first meeting.

Section 2-04. Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members, shall be filled by vote of the majority of the remaining Board Members, even though they may constitute less than a quorum; each person so elected shall hold office until his successor is elected at the next annual meeting of Association members.

Section 2-05. Removal of Board Members.

At any regular or special meeting duly called, any one or more members of the Board of Directors may be removed with or without cause by a majority of voting Association members, and a successor may then and there be elected to fill the vacancy so created. Any Board Members so elected shall serve for the unexpired term of his predeceasor in office. Any Director whose removal has been proposed by the Association member shall be given an opportunity to be heard at the meeting at which a vote is to be taken on the issue of his removal.

Section 2-06. Organizational Meetings.

The first (1st) meeting of the Board of Directors shall be held within fifteen (15) days of the first (1st) bi-annual meeting of Association members at which Board Members are elected and at such place as may be fixed by the Board of Directors. No notice shall be necessary to the newly elected Board of Directors in order legally to constitute such a meeting, providing a majority of the Board shall be present.

Section 2-07. Regular Meetings.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least twelve (12) of such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Board Member personally, or by mail, telephone, or telegraph at least three (3) business days prior to the date set for such meeting.

Section 2-08. Special Meetings.

Special meetings of the Board of Directors may be called by the President, and shall be called by the President or Secretary on the written request of at least two (2) Board Members on two (2) business days' notice to each Board Member, given personally or by mail, telephone, or telegraph. Any such notice shall state the time, place, and purpose of the meeting.

Section 2-09. Waiver of Notice

Any Board Member may at any time waive notice of any meeting of the Board of

61

Directors in writing, and any such written waiver shall be deemed equivalent to the giving of the notice required herein. Attendance by any Board Member of any meeting of the Board shall constitute a waiver by him of notice of the time and place thereof. If all Board Members are present at any meeting of the Board, no notice shall be required, and any business may be transacted at any such meeting.

Section 2-10. Quorum of Board of Directors.

At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting. At any such subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 2-11. Fidelity Bonds.

The Board of Directors shall in their discretion, obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums of such bonds shall constitute a common expense.

Section 2-12. Compensation.

No member of the Board of Directors shall receive compensation from the Association for acting as such, provided, however, that nothing herein contained shall be construed to preclude any Board Member from serving the Association or the Board of Directors in any other capacity and receiving compensation therefore.

Section 2-13. Liability of Board Directors.

The members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liabilities to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Certificate of Incorporation, the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every agreement made by the Board of Directors or by the Managing Agent or by the Manager on behalf of the Association shall provide that the members of the Board of Directors, or the Managing Agent, or the Manager, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

62

ARTICLE THREE

LOT OWNERS

Section 3-01. Bi-Annual Meetings.

Within 120 days after 75% of the Townhome lots have been sold by Sponsor and paid for or within five (5) years from the date of conveyance of the first Townhome lot, whichever shall first occur, sponsor shall notify all lot owners thereof, and the first bi-annual meeting of members shall be called by the President to be held within thirty (30) days thereafter. At such meeting officers and directors of the Sponsor holding office as members of the Board of Directors shall resign, and all lot owners, including Sponsor, shall elect a new Board of Directors. Thereafter, bi-annual meetings of members shall be held, at the property, on the first Monday in February and August of each succeeding year, or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice by the Board of Directors delivered to the members not less than fifteen (15) days prior to the date fixed for said meeting. At such meetings there shall be elected by ballot of the members, a Board of Directors in accordance with the requirements of Section 2-03 of these By-Laws. The members may also transact such other business of the Association as may properly come before the meeting.

Section 3-02. Special Meetings.

The President may, and shall if directed by resolution of the Board of Directors or by Petition signed and presented to the Secretary by members representing twenty-five percent (25%) of the voting Association membership, call a special meeting of the Association. The notice of any special meeting shall state the time and place of the meeting, and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3-03. Place of Meetings.

Meetings of the Association shall be held at the principal office of the Association, or at such other suitable place convenient to the members as may be designated by the Board of Directors.

Section 3-04. Notice of Meetings.

It shall be the duty of the Secretary to mail a notice of each bi-annual or special meeting, stating the purpose, the time and the place thereof, to each Association member, at least ten (10), but not more than thirty (30) days prior to such meeting. Any notice so mailed shall be considered served.

Section 3-05. Quorum; Majority Voting.

At all meetings of the Association, members holding in the aggregate in excess of fifty percent (50%) in voting interests, shall constitute a quorum for transaction of business. If a quorum is present at a meeting, the acts of a majority of voting members present shall bind all members for all purposes other than those for which a higher percentage is required by law, by the Declaration or by these By-Laws. If, at any meeting of members, less than a quorum is present, a majority of voting members present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. At any such subsequent meeting at which a quorum is present, any busi-

63

ness which might have been transacted at the meeting as originally called may be transacted without further notice. As used in these By-Laws, the term "majority of members" shall mean those members holding in excess of fifty percent (50%) in the aggregate in voting interests.

Section 3-06. Order of Business.

The order of business at all meetings of Association members shall be as follows:

A. Roll call;

B. Proof of notice of meeting or waiver of notice;

C. Reading of minutes of the preceding meeting;

D. Reports of officers;

E. Report of Board of Directors;

F. Reports of committees;

G. Election of voting inspectors (when appropriate);

H. Election of members of Board of Directors (when required);

I. Unfinished business;

J. New business.

Section 3-07. Title to Lots.

Title to lots may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or a partnership, or in the name of a fiduciary.

Section 3-08. Voting.

The Association shall have one class of voting membership. Members shall be entitled to no more than, nor less than one vote. The appointment of any proxy shall be made in a writing filed with the Secretary, and shall be revocable at any time by notice in writing to the Secretary.

64

ARTICLE FOUR

OFFICERS

Section 4-01. Designation.

The principal officers of the Association shall be President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by and from the Board of Directors. The Board of Directors may also appoint an Assistant Vice-President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary.

Section 4-02. Election of Officers.

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board of Directors.

Section 4-03. Removal of Officers.

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4-04. President.

The President shall be the chief executive officer of the Association, shall supervise the functions of the other officers, shall preside at all meetings of the Association members and shall preside at all meetings of the Board of

Directors. He shall keep the Board of Directors fully informed, and shall freely consult with them concerning the activities of the Association. He shall have the power to sign alone, unless the Board of Directors shall specifically require an additional signature, in the name of the Association all contracts, agreements, deeds, leases, checks, and other instruments of the Association authorized either generally or specifically by the Board of Directors. He shall perform all duties incident to the office of President, subject however, to the control of the Board of Directors.

Section 4-05. Vice-President.

The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 4-06. Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors and of the Association members; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary, subject however, to the control of the Board of directors and such other duties as shall from time to time be assigned to him by the Board of Directors.

65

Section 4-07. Treasurer.

The Treasurer shall have the custody of all funds and securities of the Association which may come into his hands. He shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Association, and shall deposit all monies and other valuable effects of the Association in the name and to the credit of the Association in such banks or depositories as the Board of Directors may designate. Whenever required by the Board of directors, he shall render a statement of his accounts. He shall at all reasonable times exhibit his books and accounts to any officer or member of the Board of Directors of the Association, and shall perform all duties incident to the office of Treasurer, subject however, to the control of the Board of Directors, and such other duties as shall from time to time be assigned to him by the Board of Directors. The Treasurer shall, if required by the Board of Directors, give security for the faithful performance of his duties as the Board of Directors may require.

Section 4-08. Agreements, Contracts, Deeds, Checks and Other Instruments.

All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any one (1) officer of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 4-09. Compensation of Officers.

The salaries, if any, of all officers shall be set by the Board of Directors, in their discretion, and the fact that any officer is a member of the Board of Directors shall not preclude him from receiving his salary, if any, or from voting on any resolution providing for the same.

ARTICLE FIVE

OPERATION OF PROPERTY

Section 5-01. Determining Common Charges.

Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of any alteration, addition or improvement to, common elements ("common expenses") shall be determined by the Board of Directors and shall be borne by the Association members. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association which budget shall include projections of common expenses, common revenues (from sources other than assessments of lot owners), the amount of common charges required to meet the excess of the former over the latter, and an allocation and assessment of such common charges against lot owners as provided in the Declaration. As used in these By-Laws, the term "common expenses" or "common charges" shall mean expenses or charges for which lot owners are proportionately liable, and shall include, but shall not be limited to the following:

A. All expenses of administration, maintenance, repair and replacement of the common elements;

B. Insurance premiums on all policies of insurance obtained by the Board of Directors, Managing Agent or Manager, as the case may be, pursuant to Sections 5-13 and 5-14 of this Article;

C. Working capital reserve;

D. General operating reserve;

E. Capital Improvement fund;

66

F. All other amounts that the members may agree upon or that the Board of Directors may deem necessary or appropriate for the operation, administration, and maintenance of the Association property;

G. All other amounts designated common expenses by the Declaration, by these By-Laws, or by law.

The Board of Directors shall furnish all lot owners and mortgagees with copies of the budget by which the allocations and assessments of common charges are based.

Section 5-02. Collection of Assessments.

The Board of Directors shall assess common charges against the lot owners from time to time, and at least annually, and shall advise each lot owner in writing of the amount of common charges payable by him. If any common charges remain unpaid for more than ten (10) days from the date due, the Board of Directors shall take prompt action to collect the same and impose a late charge as the Board of Directors deems reasonable, not to exceed ten percent (10%) of the amount of such overdue assessment or installment thereof, provided such late charges are equitable and uniformly applied.

Section 5-03. Obligation to Pay Common Charges.

All lot owners are obligated to pay common charges assessed by the Board of Directors at such times as the Board may determine. No lot owner may exempt himself from liability for any assessment for common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his lot. In all voluntary conveyances of lots, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover against the grantor any amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Board of Directors, or the Managing Agent or the Manager, setting forth the amount of unpaid assessments. In such event, the grantee shall not be liable for any amount in excess of the amount set forth in such statement. A mortgagee or other purchaser of a lot at a foreclosure sale, shall not be liable for non-payment of any common charges assessed prior to the date of the foreclosure sale and such lot shall not be subject to a lien for non-payment of such charges.

Section 5-04. Default in Payment of Common Charges.

In the event of default by any lot owner in paying the common charges assessed against his lot by the Board of Directors, such lot owner shall be obligated to pay the maximum legal interest rate permissible by law (or such lower interest rate as may be fixed by the Board of Directors), on such common charges from the due date thereof, together with all expenses, including reasonable attorneys' fees incurred by the Board of Directors in any proceeding brought to collect such common charges, or to foreclose a lien for non-payment thereof.

Section 5-05. Foreclosure of Liens for Unpaid Common Charges.

The Board of Directors have the right and duty to attempt to recover unpaid common charges, together with interest thereon, and expenses of the proceeding, including reasonable attorney's fees, (1) in an action to recover a money judg-

67

ment brought against any lot owner in default on his obligation to pay the common charges, or (2) by foreclosure of the lien, on any lot in respect to which such default has occurred. The suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien, securing the same, and foreclosure shall be maintainable notwithstanding the pendency of a suit to recover a money judgment. In any such foreclosure, the lot owner shall be required to pay reasonable rental for the lot for any period prior to sale, and the Board of Directors, as Plaintiff in such a foreclosure, shall be entitled to the appointment of a receiver to collect the same.

Section 5-06. Common Surplus.

The Association shall not be obligated in any calendar year to spend all sums collected in such year by way of maintenance assessments or otherwise and may carry forward as surplus any balance remaining. The Association shall not be obligated to apply any such surpluses towards the reduction of the amount of the maintenance assessment in the succeeding year but may carry forward from year to year such surpluses as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and effectuation of the purposes of the Association.

Section 5-07. Maintenance and Repair

All maintenance and repairs and the responsibility therefore shall be in accordance with the provisions of Articles Nine and Ten of the Declaration, which provisions shall become a part of these By-laws as if fully set forth herein.

Section 5-08. Uses of Lots.

In order to provide for a more congenial occupancy of the Association property and for the protection of the values of the lots, the use of the Association property shall be restricted to and shall be in accordance with the following provisions:

a. Lots shall be used for residential purposes only.

b. Common elements may be used only for the furnishing of the services, the facilities and the other uses for which they are reasonably suited.

c. No nuisance shall be allowed on the Association property, nor shall any use or practice be allowed which is a source of annoyance to owners or occupants of the townhomes or which interferes with the peaceful possession or proper use of the Association property by its owners or occupants.

d. No immoral, improper, offensive or unlawful use shall be made of the Association property or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Association property, shall be complied with at the full expense of the respective lot owners or the Board of Directors, whoever shall have the obligation to maintain or repair such part of the property.

e. Lot owners shall not allow anything be done or kept in their lot which would increase the rate of fire insurance thereon or on the Association as a whole.

f. No townhome may be rented without the prior written consent of the Board of Directors.

Section 5-09. Modifications by Lot Owners

No lot owner shall make any structural addition or alteration in or to his townhome without the prior written consent of the Architectural Committee pursuant to Article Ten of the Declaration. On request by any lot owner for approval of a proposed addition or alteration, the Architectural Commitee shall answer the same within sixty (60) days after receipt thereof, and failure to do so within the stipulated time shall constitute a consent. Any application to any governmental authority for a permit to make any addition or alteration in or to any townhome shall be executed by the Architectural Committee only. The Association, the Board of Directors and the Architectural Committee shall not, however, be liable to any contractor, sub-contractor, or material man, or to any person claiming injury to person or property as a result of such addition or alteration. The provisions of this section shall not apply to lots owned by sponsor until such lots shall have been initially sold by sponsor and paid for.

Except as provided herein, no lot owner shall construct any additions to the exterior of his townhome, make structural changes to any of the common elements, or excavate or otherwise alter common elements, whether such common elements be located in, under, or adjacent to the building.

Section 5-10. Right of Entry

Each lot owner shall grant a right of access to his townhome to the manager and/or the managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his townhome and threatening another townhome or a common element, or for the purpose of performing installation, alterations or repairs to the mechanical or electrical services or other common elements in his townhome or elsewhere in the building, or to correct any condition which violated the provision of any mortgage covering another lot, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the lot owner. In case of an emergency, such right of entry shall be immediate, whether the lot owner is present at the time or not.

Section 5-11. Modifications by Board of Directors.

Any additions or alterations in or to the common elements costing THREE THOUSAND DOLLARS ($3,000.00) or less may be made by the Board of Directors without the approval of members or lot mortgagees, and the cost thereof shall be treated as common expenses. Whenever, in the judgment of the Board of Directors, the common elements require additions or alterations costing in excess of THREE THOUSAND DOLLARS ($3,000.00) the making of such additions or alterations shall require approval by a majority of voting members, and by those mortgagees holding first mortgages on fifty-one percent (51%) of the lots. After such approval has been obtained, the Board of Directors shall proceed with the additions or alterations, and the cost thereof shall be treated as common expenses.

Section 5-12. Repair or Reconstruction.

Except as regarding eligible holders of mortgages as provided in Section 13.08 of the Declaration, if seventy-five percent (75%) or more of the property is

65

destroyed or substantially damaged and seventy-five percent (75%) or more of the voting lot owners do not duly and promptly resolve to proceed with repair or restoration, then the property, or so much thereof shall remain, shall be subject to an action for partition at the suit of any lot owner or lienor as if owned in common. In such event, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered as one fund and shall be divided among all lot owners proportionately; provided however, that no payment shall be made to a lot owner until there has been paid out of his share of such fund all liens on his lot.

In all other cases, in the event of damage to or destruction of the property, the Board of Directors shall arrange for the prompt repair and restoration of the property, including individual lots therein, but not including furniture, furnishings, decorations, fixtures, equipment, or other personal property installed in the townhomes by lot owners. The Board of Directors shall disburse the proceeds of all insurance policies, in appropriate progress payments, to the contractors engaged in repair and restoration work. Costs of repair and restoration in excess of insurance proceeds shall be treated as common expenses.

Section 5-13. Fire and Extended Coverage Insurance

The Board of Directors, managing agent, or manager, as the case may be, shall obtain and continue in effect, insurance against loss by fire and other casualties normally covered under broad form fire and extended coverage insurance as written in New York, covering all Association property, all structural portions of the Association property, and all lots, but not including furniture, fixtures, decorations, equipment, or other personal property placed therein by lot owners, in at least an amount satisfactory to mortgagees holding first mortgages on the individual lots and in accordance with Article Twelve of the Declaration. The premiums for such insurance shall be a common expense to be paid by monthly assessments levied by the Board of Directors.

Section 5-14. Liability Insurance.

The Board of Directors, managing agent, or manager, as the case may be, shall obtain and continue in effect, insurance against liability for personal injury and death and for damage to property arising from accidents occuring within the Property in amounts satisfactory to mortgagees holding first mortgages on the individual lots. Such amounts shall be determined by the governing board and the premiums for such insurance shall be a common expense.

Section 5-15. Right of Owners to Insure Lots.

Any insurance obtained or maintained by the Board of Directors, managing agent, or manager, as the case may be, shall be without prejudice to the rights of lot owners to obtain and maintain such lot insurance as they see fit.

Section 5-16. Use of Common Elements and Facilities.

A lot owner shall not place or cause to be placed in the common facilities or areas, other than an area to which such lot owner has sole access, and other than the areas designed as storage areas, any furniture, packages, merchandise or object of any kind.

70

Section 5-17. Rules of Conduct.

Rules and regulations concerning the use of the common elements and of individual lots may be promulgated and amended from time to time by the Board of Directors with the approval of a majority of lot owners. Copies of all such rules and regulations shall be furnished by the Board of Directors to each lot owner prior to their effective date. Initial rules and regulations, shall be effective until amended by the Board of Directors with the approval of a majority of voting lot owners, are annexed hereto and made a part hereof as "Schedule A".

Section 5-18. Abatement of Violations.

Violation of any provision of the Declaration, of these By-Laws, or any rule or regulation adopted pursuant hereto, shall give the Board of Directors, acting on behalf of all lot owners, the right, in addition to any other rights set forth herein:

a. To enter any lot in or as to which such violation or breach exits and to summarily abate and remove, at the expense of the defaulting lot owner, any thing or condition constituting such violation or breach, and the Board of Directors shall not be deemed guilty of trespass in so doing; or,

b. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE SIX

MORTGAGES

Section 6-01. Notice to Board of Directors.

The lot owner who mortgages his lot shall, within fifteen (15) days after such mortgage has been executed, notify the Board of Directors of the name and address of his mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Lots".

Section 6-02. Payment of Assessments.

No lot owner shall be permitted to convey, mortgage, pledge, sell, or lease his lot unless and until he has paid in full to the Board of Directors all unpaid charges theretofore assessed his lot, and until he has satisfied all unpaid liens against his lot other than mortgage liens.

Section 6-03. Notice of Unpaid Common Charges.

The Board of Directors, whenever so requested in writing by a mortgagee of a lot, shall promptly report any unpaid common charges or any default by the owner of the mortgaged lot.

Section 6-04. Notice of Default.

Upon giving notice to a lot owner of a default, whether in payment of common charges or otherwise, the Board of Directors shall send a copy of such notice to each holder of a mortgage secured by such lot whose name and address appears in the book entitled "Mortgagees of Lots".

Section 6-05. Notice of Action.

Upon written request to the Association any eligible mortgage holder shall be entitled to timely written notice of:

a. Any condemnation loss or any casualty loss which affects a material portion of the project or any lot on which there is a first mortgage held by such eligible mortgage holder;

b. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

c. Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in Article Eleven of these By-Laws.

Section 6-06. Inspection of Books.

Lot owners and lot mortgagees shall be permitted to inspect the books of accounts of the Association at reasonable times during business hours, but not more often than once per month.

ARTICLE SEVEN

SALES AND LEASES OF LOTS

Section 7-01. Compliance with Article.

No lot owner may sell or lease his lot or any interest therein except by complying with the provisions of this Article.

Section 7-02. Financing Acquisition of Lots by Board of Directors.

Acquisition of lots by the Board of Directors may be financed from special assessments pursuant to the Declaration, working capital, and common charges in the hands of the Board of Directors. The Board of Directors is also authorized to borrow money to finance the acquisition of such lots; provided however, that no lien or encumbrance on any property, other than the lot to be acquired, may be suffered to secure such financing.

Section 7-03. Leasing of Lots.

No lot owner may lease his lot or any part thereof, except with the written consent of the Board of Directors and in accordance with the following provisions:

a. No lot owner shall lease his townhome for a period of less than thirty (30) days.

b. Any lease must be consistent with the Declaration, By-Laws and rules and regulations of the Association, as the same may be amended from time to time and must provide that the lessee must comply therewith. Said lease must further provide that if the lessee fails to comply with the aforementioned provisions, the Board of Directors shall have the power to terminate such lease and/or bring a summary proceeding to evict the leasee in the name of the landlord.

c. Said lease must further provide that it may not be modified, amended, extended or assigned, without prior written consent of the Board of Directors and that the lessee shall not sublet the demised premises or any part thereof without prior written consent of the Board of Directors.

d. Said lease must further provide that if the landlord fails to pay common charges or special assessments assessed against the lot owner, the Board of Directors can evict the lessee on not less than thirty (30) days prior written notice of foreclosure of the lien of such lot.

e. Except as otherwise provided herein, such lease shall be an approved form of Association lease, whose such modifications shall be approved in writing by the Board of Directors.

f. A copy of said lease shall be delivered to the Board of Directors, to be kept in the permanent records of the Association.

g. Leases made in violation of these provisions shall be voidable by the direction of the Board of Directors. If the Board of Directors so elects, the landlord shall be deemed to have authorized the Board of Directors to institute legal proceedings to evict the lessee in the name of the owner, as landlord, and the landlord shall reimburse the Board of Directors for all costs incurred in connection therewith, including, but not limited to, reasonable attorney's fees.

Section 7-04. Payment of Assessment.

No lot owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his lot unless and until he shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against his lot and until he shall have satisfied all unpaid liens against such lot, other than permitted mortgages.

73

ARTICLE EIGHT

CONDEMNATION

Section 8-01. Condemnation of Association Property.

Except as regarding eligible holders of mortgages as provided in Section 13.08 of the Declaration, in the event of a taking in condemnation or eminent domain of part or all of the Association property, the award made for such taking shall be payable to the Board of Directors. If seventy-five percent (75%) or more in number of voting lot owners duly and promptly approve the repair and restoration of the common elements, the Board of Directors shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense. In the event that seventy-five percent (75%) or more of the voting lot owners do not duly and promptly approve the repair and restoration of the Association property, the net proceeds shall be divided by the Board of Directors among all lot owners proportionately, paying out of the share of each lot owner the amount of any unpaid liens on his lot, in the order of priority of such liens.

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Section 8-01. Condemnation of Association Property.

Except as regarding eligible holders of mortgages as provided in Section 13.08 of the Declaration, in the event of a taking in condemnation or eminent domain of part or all of the Association property, the award made for such taking shall be payable to the Board of Directors. If seventy-five percent (75%) or more in number of voting lot owners duly and promptly approve the repair and restoration of the common elements, the Board of Directors shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense. In the event that seventy-five percent (75%) or more of the voting lot owners do not duly and promptly approve the repair and restoration of the Association property, the net proceeds shall be divided by the Board of Directors among all lot owners proportionately, paying out of the share of each lot owner the amount of any unpaid liens on his lot, in the order of priority of such liens.

74

ARTICLE EIGHT

CONDEMNATION

Section 8-01. Condemnation of Association Property.

Except as regarding eligible holders of mortgages as provided in Section 13.08 of the Declaration, in the event of a taking in condemnation or eminent domain of part or all of the Association property, the award made for such taking shall be payable to the Board of Directors. If seventy-five percent (75%) or more in number of voting lot owners duly and promptly approve the repair and restoration of the common elements, the Board of Directors shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense. In the event that seventy-five percent (75%) or more of the voting lot owners do not duly and promptly approve the repair and restoration of the Association property, the net proceeds shall be divided by the Board of Directors among all lot owners proportionately, paying out of the share of each lot owner the amount of any unpaid liens on his lot, in the order of priority of such liens.

ARTICLE NINE

RECORDS

Section 9-01. Records; Certification by Certified Public Accountants.

The manager, managing agent, and/or Board of Directors shall keep detailed records of all actions of such manager, managing agent and Board of Directors, as well as minutes of the meetings of the Board of Directors, minutes of the meetings of members, and financial records and books of accounts for the Association, including a chronological record of all receipts and disbursements. A separate account shall also be kept for each lot containing, among other things, the amount of each assessment against such lot, the date when due, amounts paid thereon, and the balance remaining due. The Board of Directors shall also prepare a quarterly written report summarizing receipts and disbursements of the Association, copies of which shall be made available to all lot owners. Additionally, an annual report of receipts and disbursements of the Association, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all lot owners and mortgagees requesting the same, promptly after the end of each fiscal year.

Section 9-02. Fiscal Year.

The fiscal year of the Association shall commence on January 1st of each year and end on December 31st.

35

ARTICLE TEN

MISCELLANEOUS

Section 10-01. Notices.

All notices required or permitted to be sent to the Board of Directors shall be personally delivered or sent by registered or certified mail in care of the manager or managing agent, or if there is no manager or managing agent, to the office of the Board of Directors at 840 Paul Road, Chili, New York, or to such other address as the Board of Directors may designate. All notices required or permitted to be sent to any lot owner, shall be sent by registered or certified mail to the Association or to such other address as such owner may have designated in writing to the Board of Directors. All notices to lot mortgagees shall be sent by registered or certified mail to their respective addresses, as maintained in the book entitled "Mortgagees of Lots". All notices shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

Section 10-02. Invalidity.

If any provision or provisions of these By-Laws is or are declared invalid, such invalidity shall in no way impair or effect in any manner the validity, enforceability, or affect of the remaining provisions of these By-Laws.

Section 10-03. Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 10-04. Waiver.

No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abbrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations and failures to enforce that may occur.

Section 10-05. Gender; Singular/Plural.

The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 10-06. References to the Sponsor.

Whenever a reference is made to the sponsor, such reference shall be deemed to include any corporation, subsidiary or other entity wholly controlled by the sponsor and designated by it to act in its place and stead concerning any matter pertaining to ownership, leasing or mortgaging of lots, operation of the Association property, or both.

ARTICLE ELEVEN

AMENDMENTS TO BY-LAWS

Section 11-01. Amendments.

These By-Laws may be modified or amended by the vote of two-thirds (2/3) of all voting members at a meeting of members duly called for such purposes.

However, the approval of eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages, shall be required to add or amend any material provisions of the By-Laws which establish, provide for, govern or regulate any of the following:

a. Voting;

b. Assessments, assessment liens or subordination of such liens;

c. Reserves for maintenance, repair and replacement of the common areas (or lots if applicable);

d. Insurance or Fidelity Bonds;

e. Rights to use of the common areas;

f. Responsibility for maintenance and repair of the several portions of the project;

g. Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project, other than Phases I through IV of Pumpkin Hill Townhomes;

h. Boundaries of any lot;

i. The interests in the general common areas;

j. Convertibility of lots into common areas or of common areas into lots;

k. Leasing of lots;

l. Imposition of any rights of first refusal or similar restriction on the right of a lot owner to sell, transfer, or otherwise convey his or her lot;

m. Any provisions which are for the express benefit of eligible mortgage holders.

Section 11-02. Amendments Affecting Sponsor.

Notwithstanding any provision contained herein to the contrary, no amendment to these By-Laws shall be effective in any way against the Sponsor, until five (5) years shall have elapsed from the date of conveyance of the first townhome lot or until 120 days after seventy-five percent (75%) of the townhome lots have been sold by Sponsor and paid for, whichever shall first occur.

ARTICLE TWELVE

CONFLICTS

Section 12-01. Conflicts.

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

ARTICLE THIRTEEN

DEFINITIONS

Section 13-01. Definitions.

The words, phrases or terms used in these By-Laws shall have the same meanings as those words, phrases or terms set forth and defined in Article One of the Declaration.

78

"SCHEDULE A" OF THE BY-LAWS

RULES AND REGULATIONS OF PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

1. Each townhome owner shall keep his townhome in a good state of preservation and cleanliness. He shall not allow anything whatever to fall from the windows or doors of the premises, nor shall he sweep or throw from the premises any dirt or other substance upon the grounds. Refuse shall be placed in containers in such manner and at such times and places as the Board of Directors or its agent may direct.

2. The sidewalk and entrances must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the townhomes.

3. Employees of the owners may not gather or lounge in the common areas of the grounds.

4. Supplies, goods, and packages of every kind are to be delivered in such manner as the Board of Directors or its agent may prescribe and the Board of Directors is not responsible for the loss or damage of any such property, notwithstanding such loss or damage that may occur through the negligence of employees of the Board of Directors or managing agent.

5. Townhome owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to eminate from their townhomes.

6. Townhome owners shall not permit or keep upon their lots any inflammable, combustible or explosive material, chemicals or other dangerous substances.

7. Water closets and other water apparatus in each townhome shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or other articles be thrown into same. Any damage resulting from misuse of any water closets or other apparatus in a townhome shall be repaired and paid for by the owner of such townhome.

8. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any townhome owner on any part of the outside of any townhome or building, hung from windows or placed in windowsills, without the prior written consent of the Board of Directors.

9. No awnings, aerials, machines or other projections shall be attached to the outside walls of the building, and no blinds, shades or screens shall be attached to, hung or used on the exterior of any window or door of the demised premises, without the prior written consent of the Board of Directors.

10. No owner or licensee shall install wiring for electrical, television antennas or radio antennas without the prior written consent of the Board of Directors.

11. Townhome owners, their employees, customers, and visitors shall not at any time or for any reason whatsoever enter upon the roof of any townhome or building, without the prior written consent of the Board of Directors.

24

12. The Board of Directors or its designee shall have the right of access to any townhome for the purpose of making inspections, repairs, replacements, or improvements, or to remedy certain conditions which would result in damage to other portions of the townhome cluster. In the event that vermin, insects or other pests are discovered, the Board of Directors or its designee may take such measures as it deems necessary to control or exterminate same.

13. Owners shall not permit or suffer anything to be done or kept in their townhomes which would increase the rate of fire insurance thereon or on the Association as a whole.

14. No noxious or offensive activity shall be carried on in any unit or in the common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other owners or occupants.

15. No "FOR SALE" signs or other window displays or advertising are permitted on any part of the property, except with the written approval of the Board of Directors. The right is reserved by the Sponsor and the Board of Directors to place "FOR SALE" signs on any unsold or any unoccupied townhomes.

16. No townhome owner shall alter, impair or otherwise affect the common elements without the prior written consent of the Board of Directors.

17. The storage of boats and trailers upon the common area is prohibited without the prior written consent of the Board of Directors.

18. Complaints regarding service or operation of the management shall be made in writing to the Board of Directors or to the managing agent.

19. Hanging, cleaning, or beating garments, rugs or the like from or on the windows, porches, or facades of the townhomes, or other areas of a similar nature is prohibited.

20. Throwing garbage or trash outside disposal installations provided for such purposes is prohibited.

21. All damage to common elements caused by the moving or carrying of articles therein shall be the responsibility of, and shall be paid for by, the owner or person in charge of such articles.

22. Townhomes shall be occupied and used by their respective owners only as private dwellings for such owners, their families, tenants, and social guests, and for no other purpose whatsoever.

23. No townhome or portion of a townhome may be rented without the written consent of the Board of Directors, or used for commercial purposes.

24. Water shall not be kept running for an unreasonable and unnecessary length of time.

25. Each unit owner shall provide the manager or managing agent with such key or keys as are necessary to gain access to his townhome, and any owner altering a lock or installing a new lock on any door providing access to his townhome

shall provide a key or keys to such new altered lock to the manager or managing agent.

26. Townhome owners, their families, guests, tenants, and employees will abide by the following parking and traffic regulations:

    a. Horns are to be used only when necessary for the safe operation of vehicles.

    b. Owners shall not park, nor shall they permit their families, guests, or tenants to park in the parking spaces of other owners, or in such manner as to prevent ready access to the parking spaces of other owners. Improperly parked vehicles are subject to removal at their owners' expense.

    c. Owners, their families, guests, tenants, and employees shall abide by such traffic and parking regulations as may be posted in the parking area and on the driveways of the townhomes.

27. Swimming Pool Regulations.

    a. Swimming shall be permitted only as provided by the Rules established by the Board of Directors.

    b. Soap showers shall be taken before entering the pool.

    c. No person having any disease of the eye, ears, nose, throat, or skin, or any communicable disease shall be permitted in the pool.

    d. Persons having long hair shall wear bathing caps.

    e. No running, pushing, shouting, or unnecessary splashing shall be permitted in the pool area.

    f. No glass container of any kind shall be permitted in the pool area.

g. No furniture other than that provided for the pool area shall be permitted therein, and no furniture provided for the pool area may be removed therefrom.

h. No occupant of Pumpkin Hill Townhomes under the age of thirteen (13) years shall be permitted to entertain guests at the pool or pool area unless accompanied and supervised by a parent or guardian who is an occupant of the Pumpkin Hill Townhomes.

i. The pool and pool area are for the exclusive use of occupants and their guests, and occupants shall in all cases be responsible for the conduct of their guests.

j. All persons using the pool and pool area shall comply with the requests of the manager or managing agent respecting matters of personal conduct in and about the pool and pool areas.

28. Townhome owners shall be permitted to keep two (2) dogs or two (2) cats, or one (1) dog and one (1) cat only if such animals do not disturb or annoy other residents. Owners keeping domestic animals shall abide by municipal sanitary regulations and shall be responsible for any inconvenience or damage caused by such animals. Dogs must be kept on a leash at all times.

29. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

30. A townhome owner may apply to the Board of Directors for a temporary waiver of one or more of the foregoing rules. Such temporary waiver may be granted by a majority of the Board of Directors, for good cause shown, if in the Board's

judgment, such temporary waiver will not interfere with the purposes for which the Association was formed.

31. These regulations shall be posted at all times at the office of the Board of Directors, and a copy thereof shall be furnished to each townhome owner.

THE BOARD OF DIRECTORS RESERVES THE RIGHT, SUBJECT TO APPROVAL BY A MAJORITY OF TOWNHOME OWNERS, TO AMEND, REPEAL, OR ADD TO THESE RULES AND REGULATIONS FROM TIME TO TIME AS MAY BE DEEMED NECESSARY FOR THE SAFE AND EFFICIENT MAINTENANCE OF PUMPKIN HILL TOWNHOME DEVELOPMENT AND FOR THE COMFORT AND CONVENIENCE OF THE OCCUPANTS THEREOF.

MANAGEMENT AGREEMENT

AGREEMENT, made this _____ day of _________, 1984, by and between PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC. a Corporation organized under the laws of the State of New York, having its principal office at 840 Paul Road, Rochester, New York, hereinafter designated as "The Association", and FOREST CREEK EQUITY CORP., having its principal office at 80 West Main Street, Rochester, New York, hereinafter designated as "Agent".

In consideration of the mutual covenants set forth below, Agent and Owner agree as follows:

1. APPOINTMENT OF AGENT

   A. The Association hereby appoints Agent as the sole and exclusive representative of the Association to manage and operate the PUMPKIN HILL TOWNHOMES, located in the Town of Chili, County of Monroe, State of New York and more particularly described as follows:

      See Schedule A attached hereto and made a part hereof.

   B. The project consists of an anticipated 172 townhome development to be built over four stages, with an initial stage of 32 townhomes.

2. MANAGEMENT DUTIES OF AGENT

   A. Agent shall manage the townhome development according to sound commercial practices, and in conformity with the Association Bylaws and Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens.

82

B. **Collection of Association Fees (Assessments)**

Agent shall take reasonable steps to collect all association fees, or enforce collections thereof, and shall perform all reasonable acts on behalf and for the protection of the Association in the collection of such amounts.

C. **Legal Proceedings**

Agent may, in the name of and at the expense of the Association institute any and all legal actions or proceedings for the collection of the Association fees, special assessments, capital improvement fees or other income from the property, and such expense may include the engaging of counsel for any such matter.

D. **Sale of Townhomes and/or Lots**

Agent shall use due diligence to attract and sell any townhomes and/or lots owned by the Association.

E. **Repairs**

Agent is authorized in the name of, and at the expense of, the Association to make or cause to be made such repairs and/or alterations to the premises as may be advisable or necessary, and to purchase such supplies as may be advisable or necessary. The expense to be incurred for any one item of alteration or repair shall not exceed the sum of ONE THOUSAND DOLLARS ($1,000.00), unless authorized by the Association's Board of Directors, except under such circumstances as Agent shall deem to be an emergency. Agent shall allow to the Association any rebate or discount which Agent shall obtain.

F. **Service Contracts**

Agent is authorized in the name of and at the expense of the Association, to make contracts for utilities, extermination and other services or such of them as Agent shall deem advisable.

G. **Employees**

Agent shall employ, direct, control and discharge all persons performing regular services on the premises. All such persons are and shall be employees of the Association.

H. **Expenses**

From the Association fees, Agent shall:

(1) Pay all utility and customary service bills.

(2) Pay salaries of persons employed on the premises, including but not limited to managers, assistants, clerks, and maintenance personnel.

(3) Purchase supplies.

(4) Cause to be made and pay for such maintenance, repairs, and alterations as may be required for proper operation of the townhome development, including Association property.

(5) Pay for capital improvements out of the Capital Improvements Fund.

(6) Pay any and all other expenses incurred in the operation and management of the townhome development.

I. **Mortgages, Taxes and Other Expenses**

To the extent made possible by the Association, the Agent shall pay all applicable real estate taxes, including taxes on Association property, insurance premiums, licenses, fees and payroll

83

taxes and maintain payroll records and make all necessary returns required by law.

3. ACCOUNTS AND ACCOUNTING

A. Accounting Statements

Agent shall maintain books of account of all receipts and disbursements incurred in management of the property, which records shall be open to inspection by the Association at all reasonable times. Agent shall render monthly statements to the Board of Directors of the Association, showing all receipts and disbursements.

B. Bank Accounts

(1) Association Fees/Special Assessments.

Agent shall establish and maintain, in a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation, a separate trust account for the deposit of Association fees and special assessments. Agent shall have the authority to draw on this account for any payments that Agent must make to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of the fee of Agent. All such payments shall be subject to the limitations of this Agreement.

(2) Working Capital Fund.

Agent shall establish and maintain in a New York banking institution or savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation, a trust account, bearing interest at the rate currently paid by such institutions or associations on time or savings deposits, for the deposit of any money collected pursuant to a working capital assessment.

4. COMPENSATION OF AGENT

The Association agrees to pay Agent as compensation for the services described above, fees based on the following schedule:

	Fee Per Unit Per Month
Phase I	$12.00
Phase II	11.50
Phase III	11.00
Phase IV	10.50
100% Occupancy	10.00

Such compensation is due and payable on the first day of each month. The amount due Agent for each month may be withdrawn by Agent from the Association fees account on the fifth day of the following month. In the event there are insufficient funds to compensate the Agent, the balance shall accumulate and be the responsibility of the Association.

5. INSURANCE

The Association and Agent shall be responsible for maintaining compensation insurance and fidelity bonds covering their respective personnel who are engaged in the operation of the property. The Association shall also maintain public liability insurance in the amount of ONE MILLION DOLLARS ($1,000,000.00) for any single occurrence of bodily injury or property damage. The Association shall name Agent as coinsured in the public liability insurance policy. Maintenance of other

84

insurance in connection with the property shall be the responsibility of the Association. Maintenance of other insurance in connection with the activities and duties of Agent shall be the responsibility of Agent.

The Agent shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the management operation and maintenance of the property and shall cooperate and make any and all reports required by any insurance company in connection therewith.

6. <u>REIMBURSEMENT OF AGENT</u>

The Association shall reimburse Agent for the amount of any charges paid by Agent and required for proper operation of the townhome development, if necessary funds are not available to Agent from revenues received from the Association fees special assessments, capital improvement fund or are not otherwise made available by the Association.

7. <u>INDEMNIFICATION OF AGENT</u>

Subject to the limitation below, the Association shall indemnify Agent against all liability of any nature whatsoever in connection with management and operation of the property, and against all liability for injury or death of employees, or any other persons, resulting directly from the management and operation of the property. This section shall not impose any obligation on the Association to indemnify Agent against the wilful misconduct or negligent acts or omissions of Agent or the agents or employees of Agent.

8. AGENT, AN INDEPENDENT CONTRACTOR

Everything done by the Agent under the provisions of Paragraph 2 shall be done as an independent contractor employed by the Association and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Association, except that the Association shall not be obligated to pay the overhead expenses of the Agent's office. Any payments to be made by the Agent hereunder shall be made out of such sums as are available and the bank accounts of the Association as provided in Section 3B of this agreement or as may be provided by the Association.

9. TERM AND TERMINATION

The term of this Agreement shall commence on September 1, 1984, and shall end on September 1, 1989, unless sooner terminated by either party. Termination may be effected at any time by either party, without cause on ninty (90) days prior written notice. This termination option is exercisable without penalty to either party. Upon termination, the parties to this agreement shall account to each other with respect to all matters outstanding as of the date of termination and the Association's Board of Directors shall furnish the Agent security satisfactory to the Agent against any outstanding obligations or liability which the Agent may have occurred hereunder.

10. NOTICE

Any notice required by this Agreement shall be delivered by certified mail, addressed to the Board of Directors of PUMPKIN HILL HOMEOWNERS

85

ASSOCIATION, INC. at 840 Paul Road, Rochester, New York, 14624 and addressed to Agent at 80 West Main Street, Rochester, New York, 14614.

11. ATTORNEYS FEES

In the event of any suit, controversy, claim, or dispute between the Association and Agent, arising out of or relating to performance or breach of this Agreement, the prevailing party shall be entitled to recover reasonable expenses, attorney's fees and costs.

12. NON-ASSIGNABLE

This agreement is non-assignable by the Agent.

13. MISCELLANEOUS

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

B. This Agreement shall constitute the entire agreement between the contracting parties, and no variation or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

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

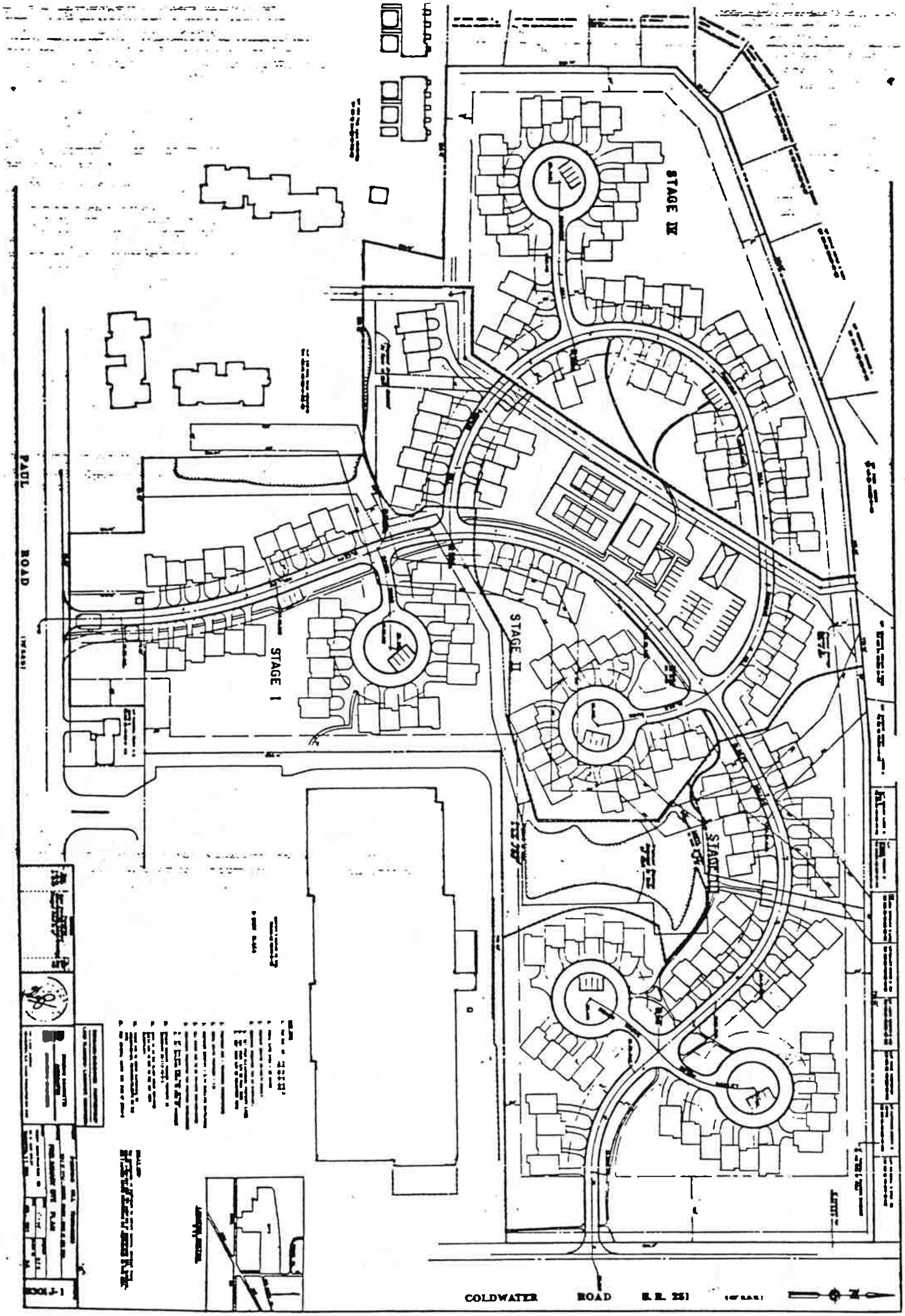
PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

BY: ______________________________

FOREST CREEK EQUITY CORP.

BY: ______________________________

56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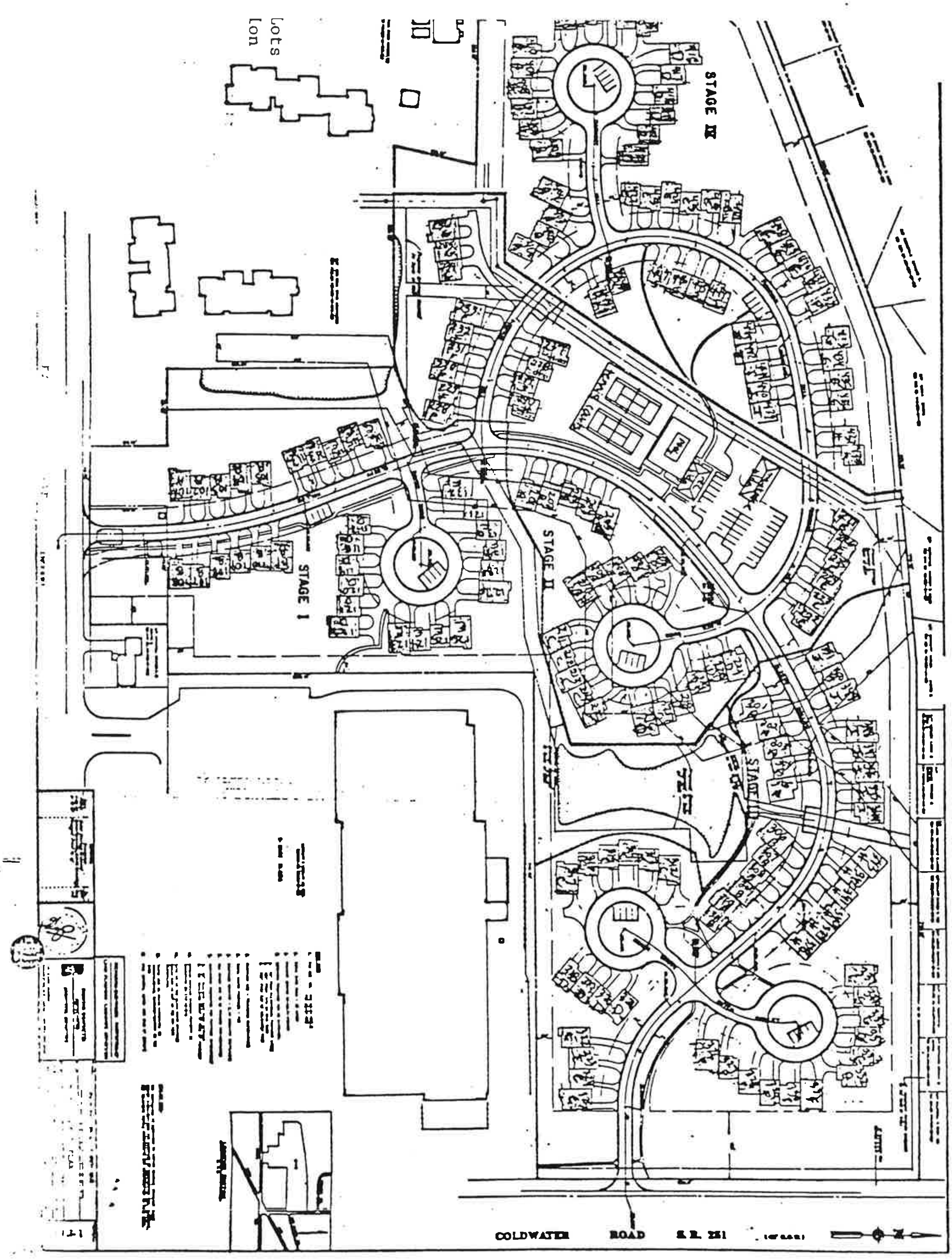
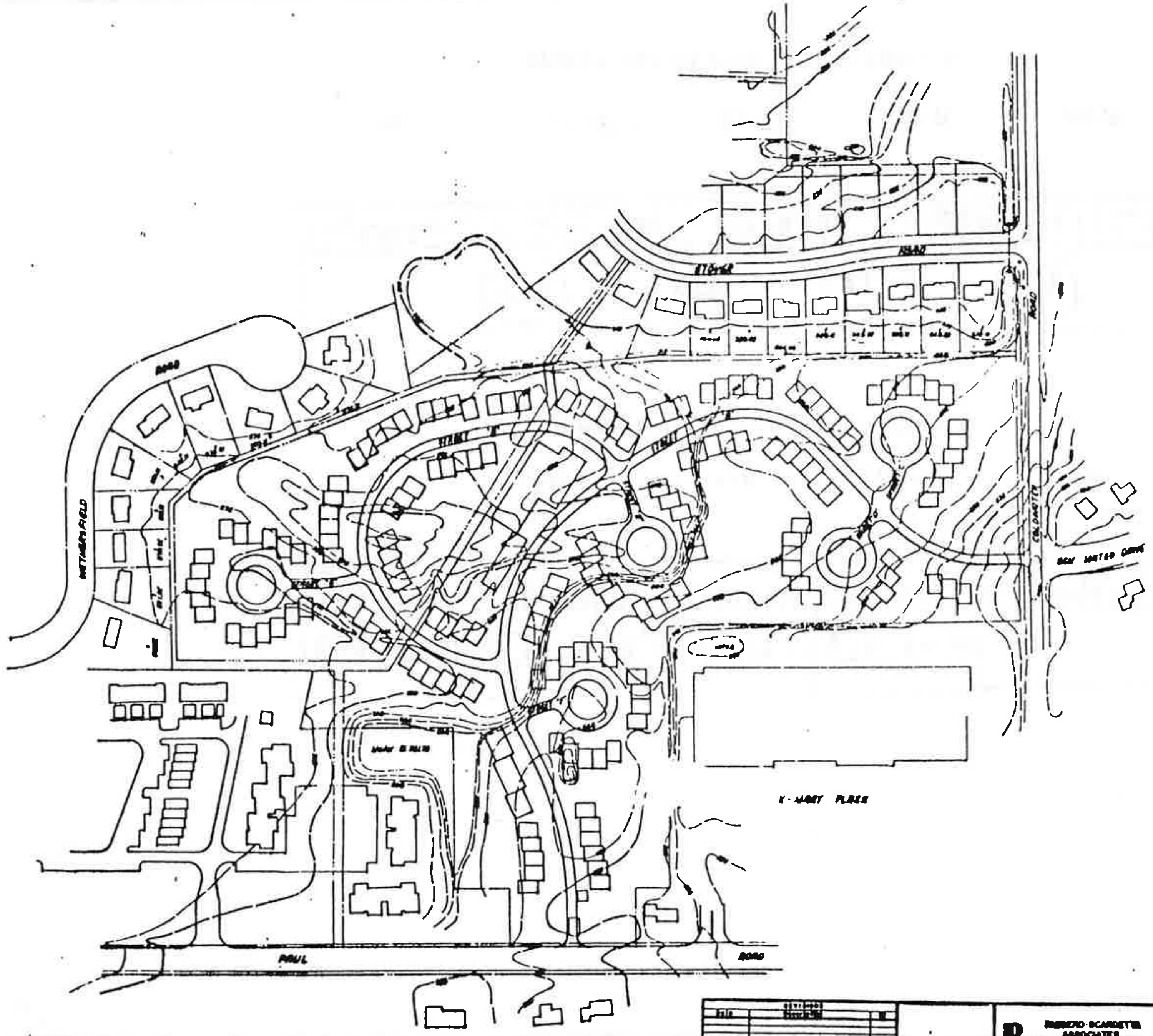
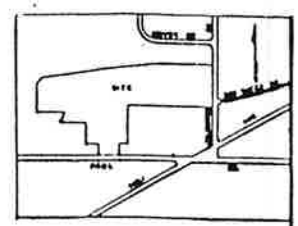
PAUL ROAD
STAGE I
STAGE II
STAGE III
COLDWATER ROAD S.R. 251



STAGE I
STAGE II
STAGE III
COLDWATER ROAD S.R. 251





LOCATION SKETCH

AREA PLAN

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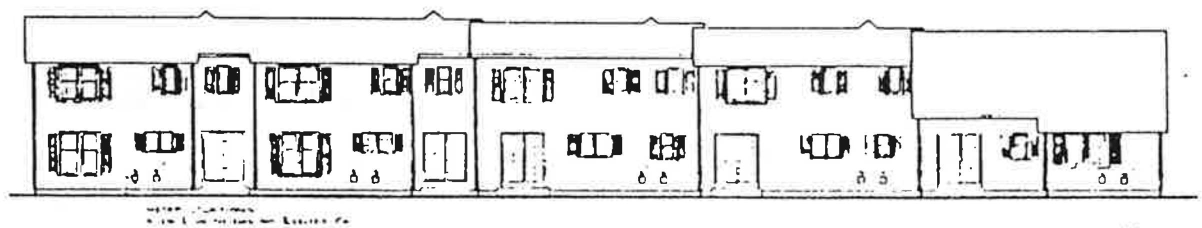
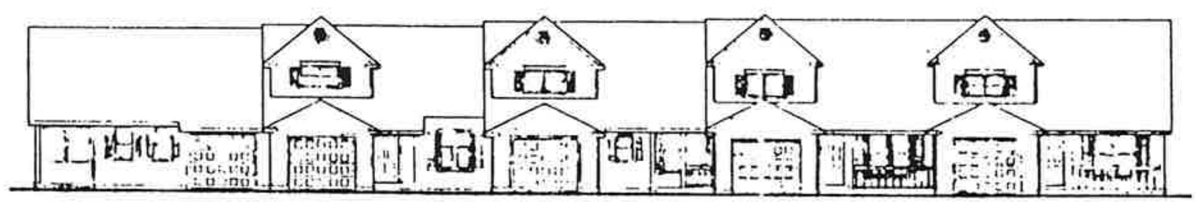


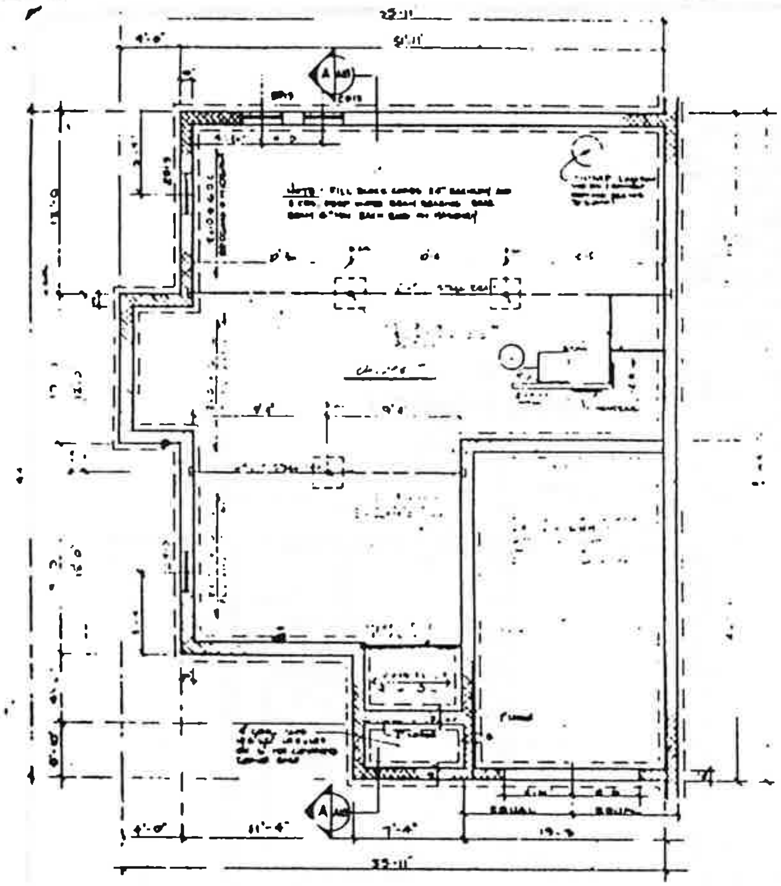
2B-R 2B-R 2A-R 2C-R 1B

REAR ELEVATION - CLUSTER - A

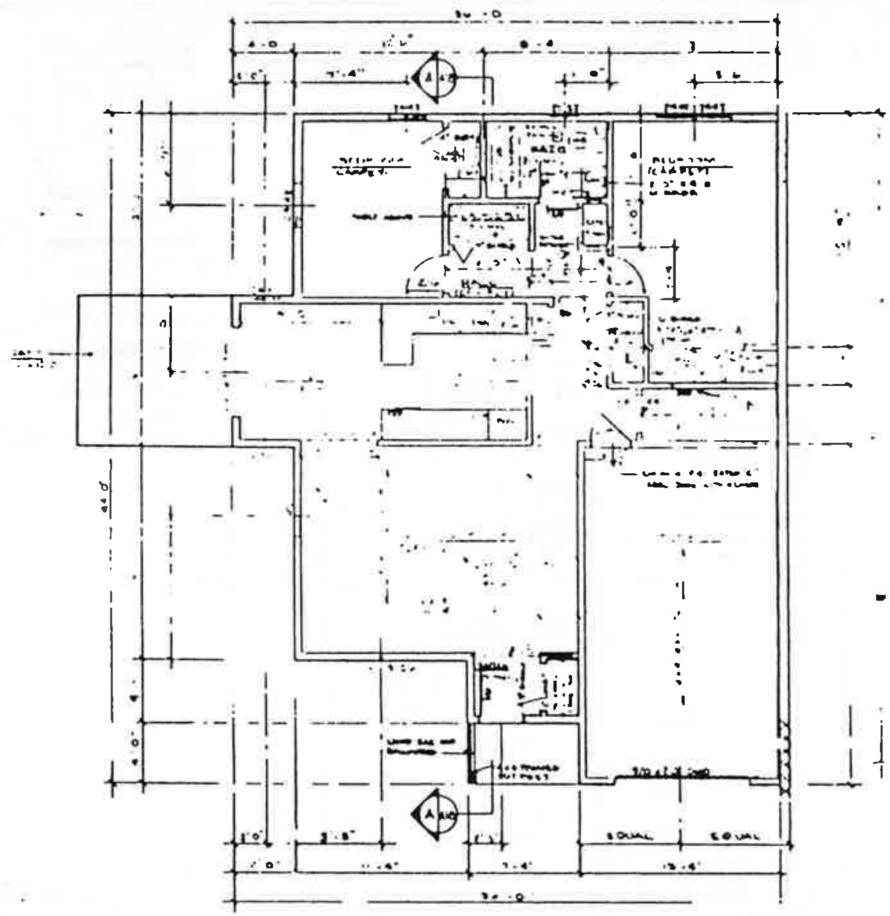


1B 2C-R 2A-R 2B-R 2B-R

FRONT ELEVATION - CLUSTER - A



FOUNDATION



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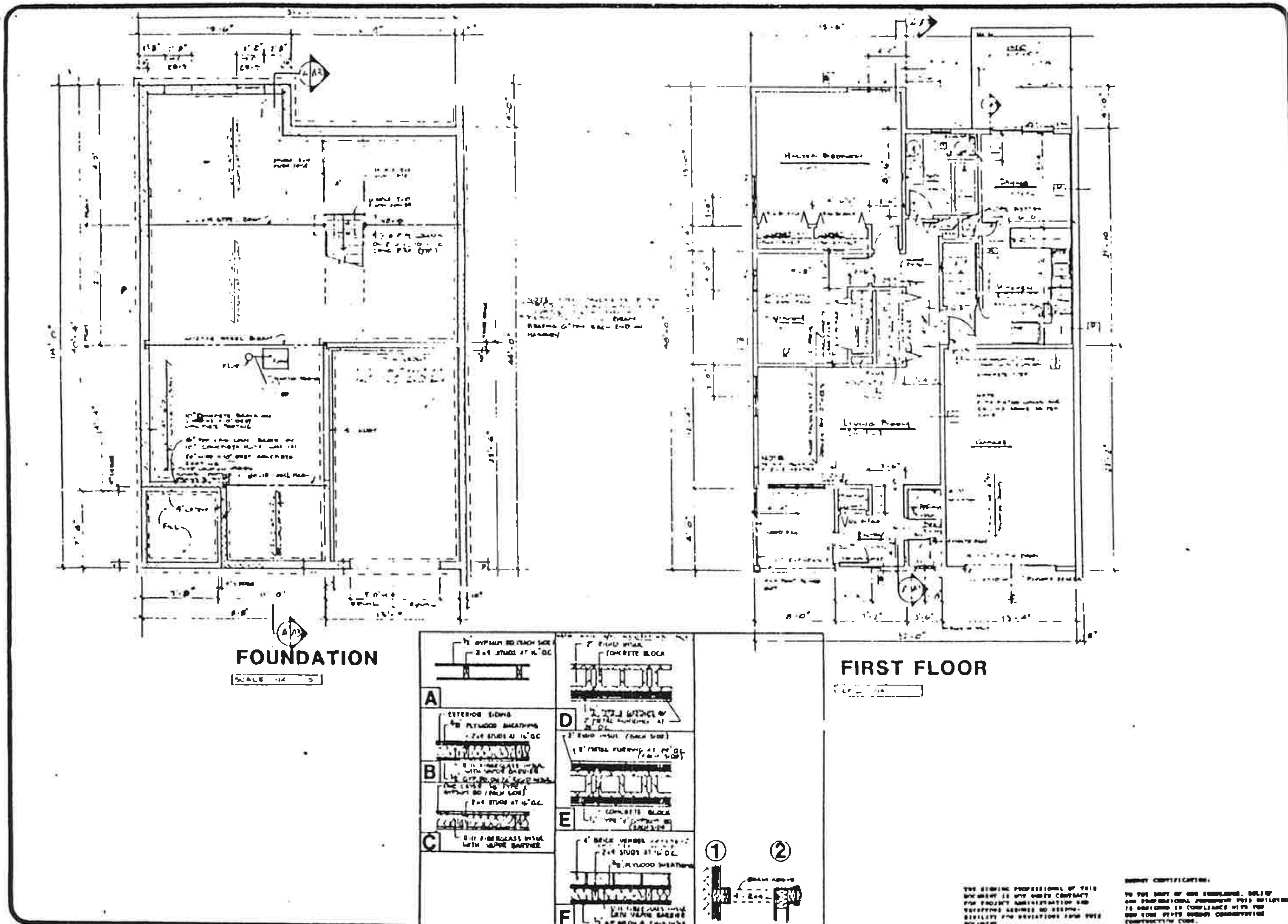
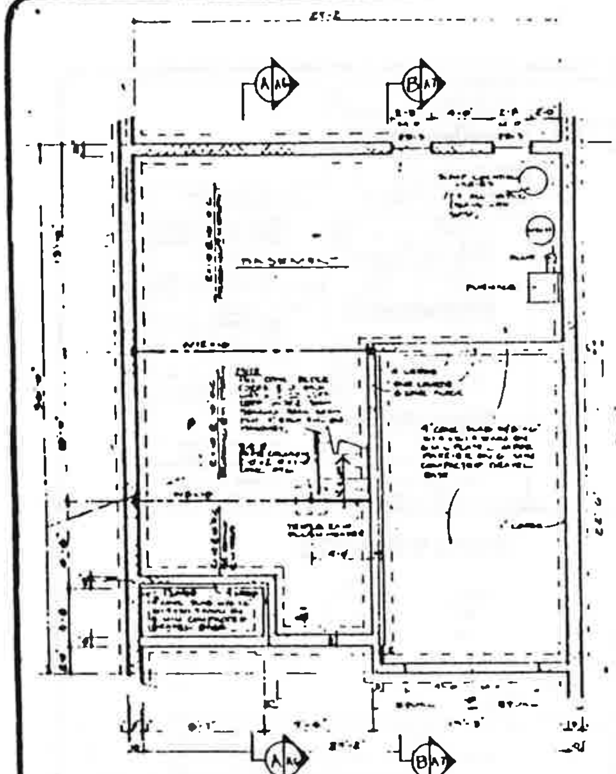
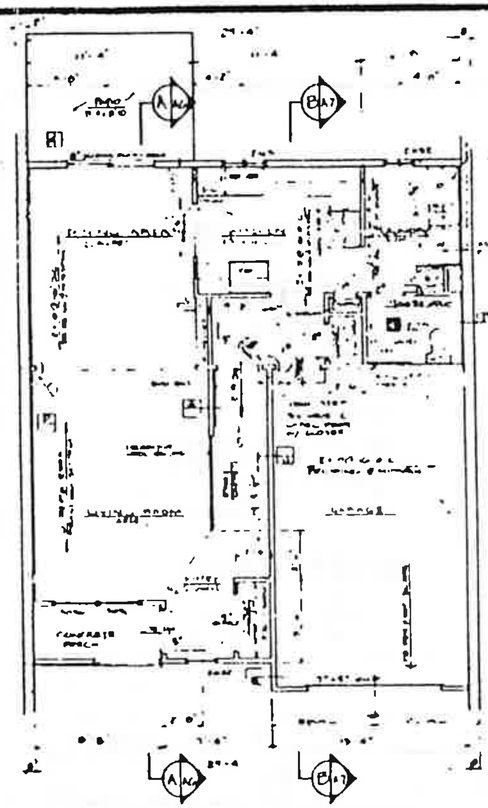


89



FOUNDATION



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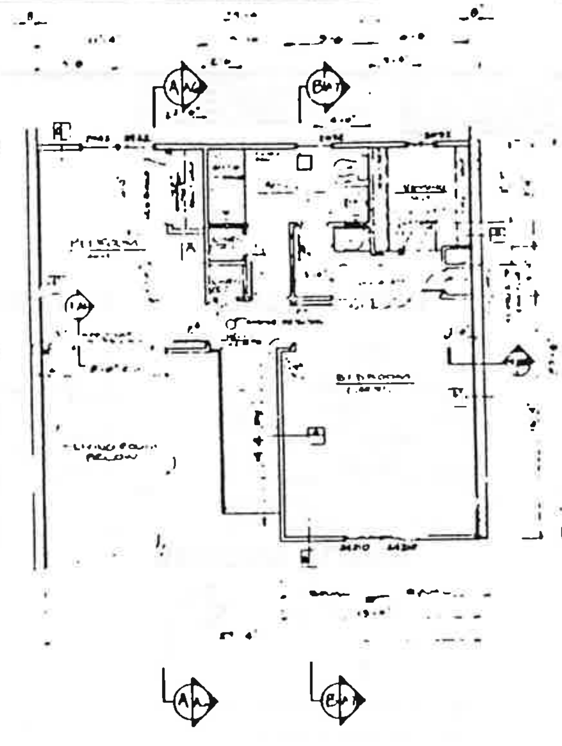

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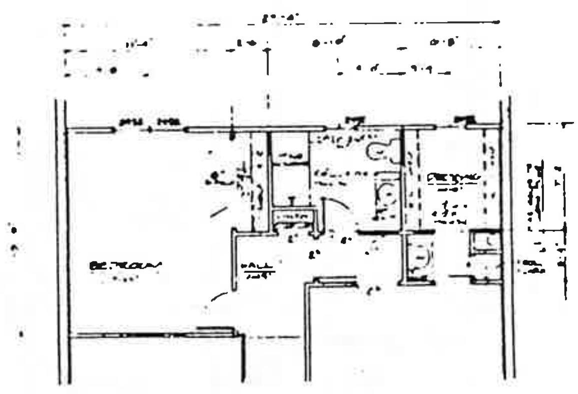
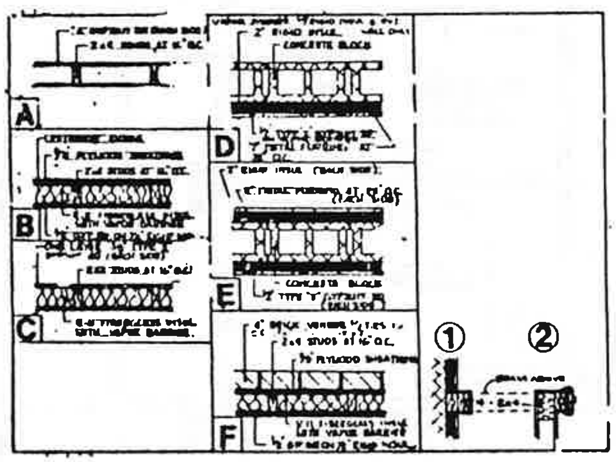


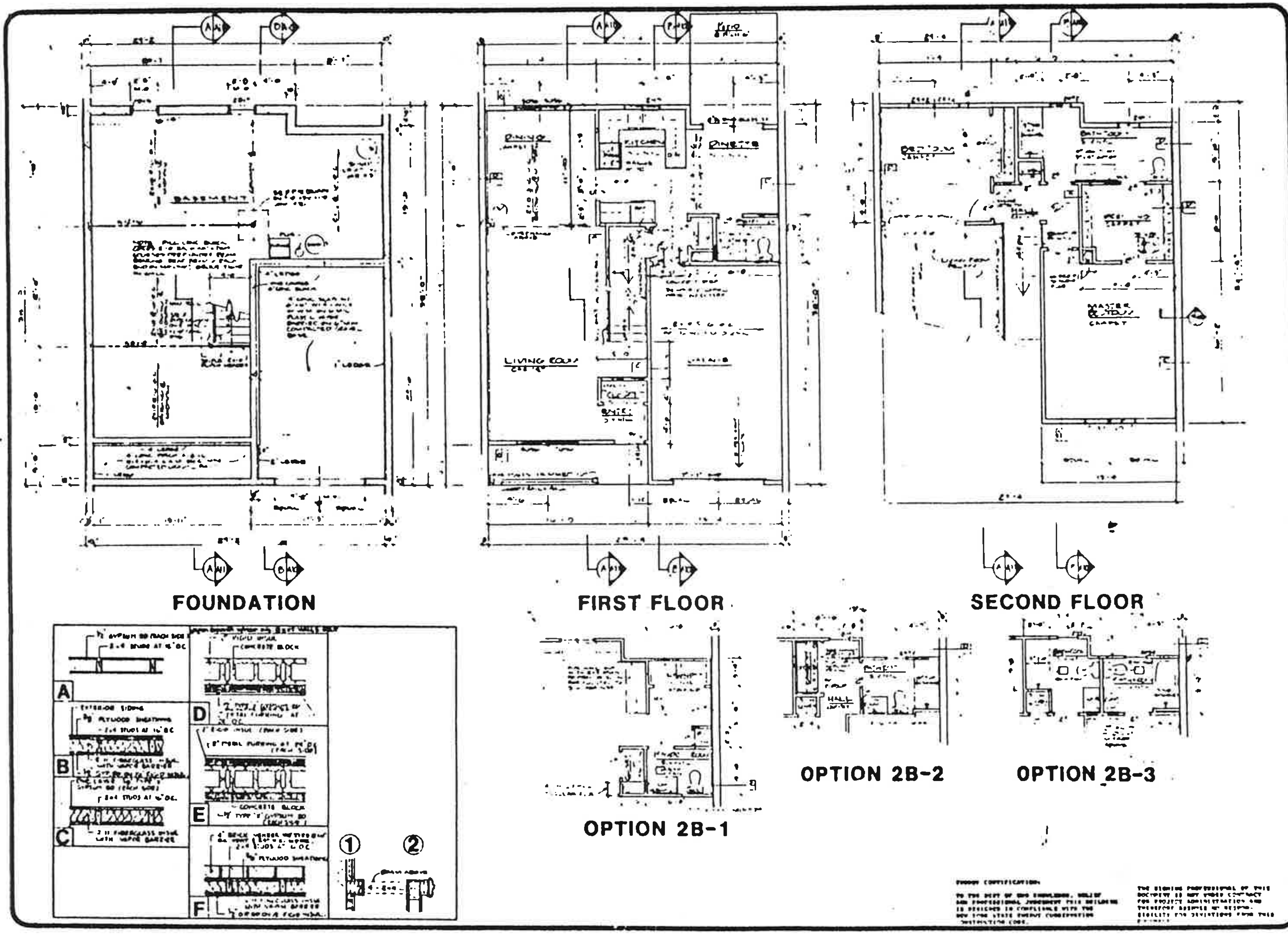
OPTION 2A-1



ENERGY CERTIFICATION:

TO THE BEST OF OUR KNOWLEDGE, BELIEF AND PROFESSIONAL JUDGEMENT THIS BUILDING IS DESIGNED IN COMPLIANCE WITH THE NEW YORK STATE ENERGY CONSERVATION CONSTRUCTION CODE.

THE SIGNING PROFESSIONAL OF THIS DOCUMENT IS NOT UNDER CONTRACT FOR PROJECT ADMINISTRATION AND THEREFORE ASSUMES NO RESPONSIBILITY FOR DEVIATIONS FROM THIS DOCUMENT.



FOUNDATION
BASEMENT
FIRST FLOOR
LIVING ROOM
DINING
KITCHEN
DINETTE
SECOND FLOOR
MASTER BEDROOM
OPTION 2B-1
OPTION 2B-2
HALL
OPTION 2B-3
A
B
C
D
E
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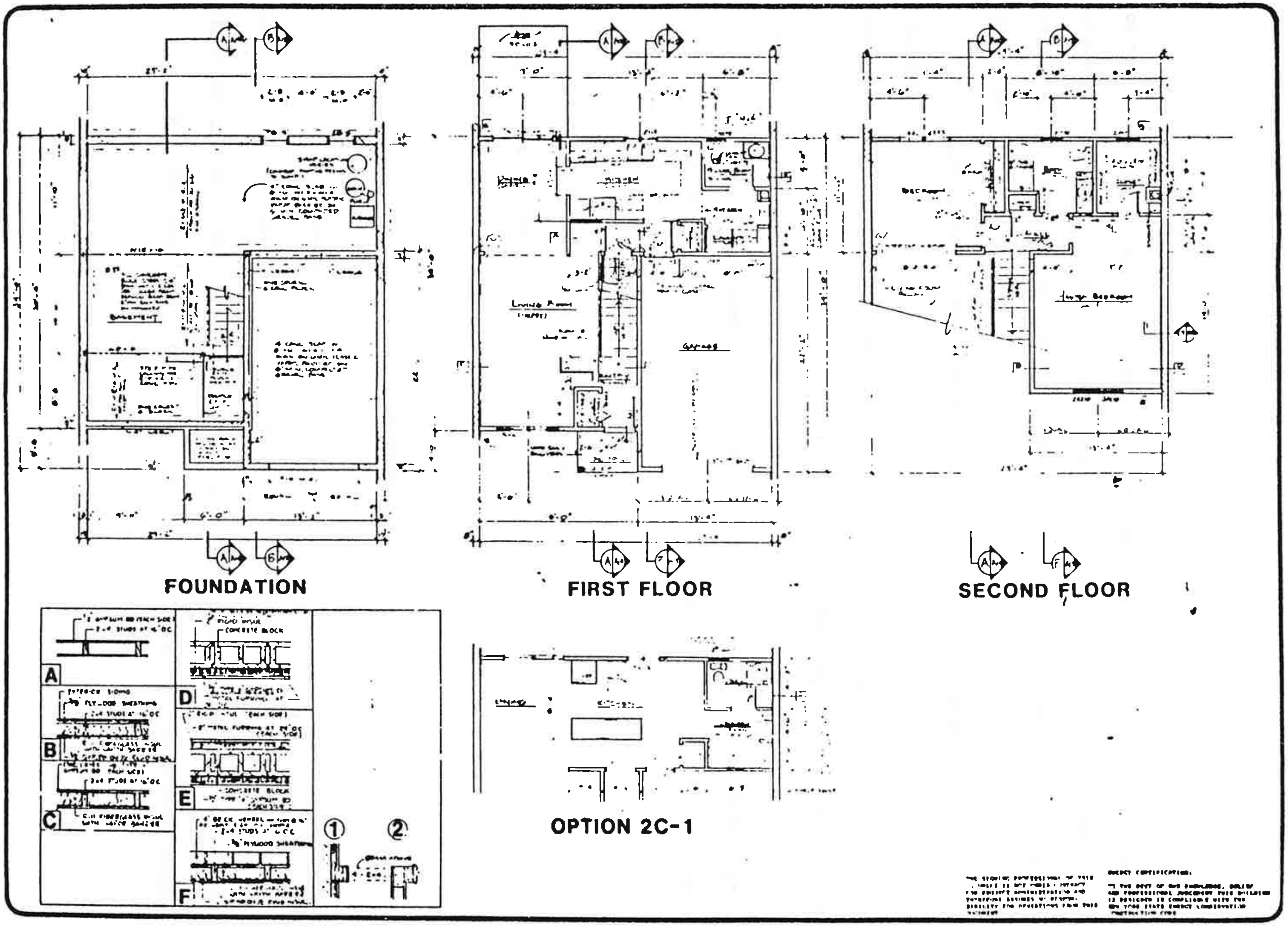
FOUNDATION
FIRST FLOOR
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PURCHASE AGREEMENT

THIS AGREEMENT, made the ___ day of ________, 198_ by and between FOREST CREEK EQUITY CORP., having an office at 80 West Main Street, Suite 101, Rochester, New York (Seller), and ______________________________, residing at ____ (Purchaser).

WITNESSETH

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

1. Premises

Those certain premises located in the Town of Chili, County of Monroe and State of New York, known and designated as Lot No. ___ of the Pumpkin Hill Townhomes, on a map filed in the Monroe County Clerk's Office.

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

The premises are sold subject to restrictive covenants of record provided they have not been violated, unless enforcement of the covenants has been barred by Section 2001 of the Real Property Actions and Proceedings Law; utility easements of record, easements common to the tract subdivision, easements and rights of way shown on the subdivision map, and easements and party wall agreements recorded in the Monroe County Clerk's Office, and also subject to the Declaration of first mortgage loan in the amount of $________________ from a lending institution. If Purchaser is unable to obtain a commitment within thirty (30) days thereafter, then Seller may cancel this Agreement by giving written notice to the Buyer. In that event, this Agreement shall be null and void and both parties released from any and all liabilities. Deposits, with interest if any, shall be returned to the Purchaser less the full cost of all Extras described in Exhibit "A" attached which were commenced, at the written request of Purchaser, prior to receipt by Seller of advice of the disapproval of the mortgage. In the event the cost of the Extras commenced by Seller exceeds the amount of the deposits. Purchaser shall promptly remit to Seller the difference.

14. Adjustments at Closing

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

15. Costs

Purchaser shall pay for any fees incurred in recording of the Deed and Mortgage and for the New York State Mortgage Tax. Seller shall pay the costs of the required Real Estate Transfer Tax Stamps to be affixed to the deed. Purchaser shall pay for the mortgage title insurance policy, if a policy is required by the Purchaser's lender. Purchaser shall also, at closing, reimburse to the Seller the TWO HUNDRED AND FIFTY DOLLARS ($250.00) initial contribution to the working capital fund to the Pumpkin Hill Homeowners Association, Inc. which Seller advanced. Purchaser agrees to reimburse Seller the sum of ONE HUNDRED TWENTY-FIVE DOLLARS ($125.00) for the master water meter fee.

16. Closing

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

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

52

17. Failure to Deliver or Rejection of Title

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

18. Purchaser's Failure to Take Title

Upon the Purchaser's failure to take title or the Purchaser's failure to make prompt and proper application for his mortgage, this Agreement shall become null and void and the deposits, with interest if any (up to a maximum of 10% of the purchase price excluding Extras), shall belong to the Seller, in addition to which the Purchaser shall pay Seller the full cost of all Extras in Exhibit "A" which were commenced prior to the date of the closing, and reasonable attorney's fees and court costs, if incurred to enforce Seller's remedies, all of which shall be liquidated damages.

19. This Agreement Subject to Building Loan Mortgage

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

20. Escrow for Completion

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

63

21. Representations

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

22. Merger

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

23. Assignment

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

24. Service

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

25. **Addenda to this Contract**

Attached to and made a part of this Agreement are the following:

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

Exhibit B - Builders Standards.

Exhibit C -

26. **Commission**

Purchaser represents that no broker other than John T. Nothnagle, Inc. has been contracted or engaged in connection with the procurement of this Agreement. Should this representation be contrary to fact, Purchaser shall pay any commission due and hold the Seller harmless from any claim or liability therefor. This representation shall survive the closing and delivery of the deed to Purchaser.

Seller shall not be obligated for the broker's commission of John T. Nothnagle, Inc. if this transaction shall fail to close for any reason whatsoever. In order to confirm its agreement with respect to the terms of this Agreement relative to the broker's commission, John T. Nothnagle, Inc., executes this Agreement.

27. **Life of Offer**

This offer is good until the ___ day of ___________, 198_, at _________ at which time it shall be null and void.

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

Purchaser

Witness

Purchaser

BROKER'S ACKNOWLEDGEMENT

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

JOHN T. NOTHNAGLE, INC.

Dated

BY: ______________________

Witness

ACCEPTANCE

We hereby accept this offer and agree to sell on the terms and conditions set forth.

______________________	FOREST CREEK EQUITY CORP.
Dated	BY: ______________________
______________________	
Witness	

PURCHASE AGREEMENT

Property: Lot ____, Pumpkin Hill Townhomes, Phase ____, Rochester, NY; 14624

Date: ______________, 198__

Purchaser: ______________________	Seller: FOREST CREEK EQUITY CORP.
Address: ______________________	Address: 80 West Main Street
______________________	Suite 101
______________________	Rochester, New York 14614
Phone: ______________________	Phone: (716) 423-0929; 889-9712
Attorney: ______________________	Attorney: ______________________
______________________	Gallo & Iacovangelo
Address: ______________________	Address: 80 West Main Street
______________________	Suite 200
______________________	Rochester, New York 14614
Phone: ______________________	Phone: (716) 454-7145
Buying Realtor: ______________________	Listing/Selling Realtor:
	John T. Nothnagle, Inc.
Address: ______________________	Address: 1485 Monroe Avenue
______________________	Rochester, New York 14618
Phone: ______________________	Phone: (716) 442-1800

EXHIBIT "A"

Addendum to Purchase Offer

Dated ______________________________, 1984, between FOREST CREEK EQUITY CORP., Seller and ____, Buyer, for real property located at Phase _____, Lot No. ____, Pumpkin Hill Townhomes, ______________________________________, Rochester, New York.

Buyer and Seller agree to the following:

____

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All other terms and conditions remain the same. Upon execution by both parties, this addendum becomes part of the above referenced contract.

______________________________ Date	______________________________ Date
FOREST CREEK EQUITY CORP.	______________________________ Buyer
BY: ______________________________	______________________________ Buyer
______________________________ Witness	______________________________ Witness

EXHIBIT "B"
PUMPKIN HILL TOWNHOMES

Builder's Standards or equal unless otherwise specified below. All selections ı materials specified herein are subject to availability and plan variations.

1. APPLIANCES

Range	JBT 22F - General Electric or equal
Dishwasher	GSD-500 - General Electric or equal
Disposal	GFC-200 - or equal
Hood	Ductless

2. FLOORING

Living room, dining room, hall, bedrooms, and family room (where applicable)	Carpet - Salem "Astound" or equal - Buyer's selection.
Kitchen/dinette, bath, foyer, Powder room	Vinyl sheet goods - Armstrong "Cambray" or equal, Buyer's selection.

3. CABINETS & TOPS

Kitchen Cabinets	Wood - Buyer's selection from Builde' Standards.
Bath/powder room vanities	Wood vanities.
Tops - Kitchen, bath/powder room	Plastic laminate - Buyer's selection from Builder's Standards.

4. PLUMBING FIXTURES

Kitchen Sink	Double bowl stainless steel with Moen Chateau single lever faucet.
Bath/Powder room sink	Single, self-rimming sink - white.
Tub	Fiberglass one-piece tub and shower combination Universal Rundel or equal - whit
Bath additional features	Mirror over vanity in all bathrooms - sized s per plan. In addition, Buyer will be allowed one Medicine Cabinet from Builder's Standards.
	Ducted ceiling vents in all bath/powder ro s where no window is installed.

5. INTERIOR FINISH

Trim and railings	All trim finger jointed, Colonial stock-painted off-white semi-gloss, except base-boards, which are flat latex, off- whit Interior railings to be wrought iron, wi woodcaps.
Doors	Swing, bi-fold or sliding, hollow core doors - Pre-selected by Builder.
Paint	Flat latex paint - off-white color throughout.
Windows	Interior sash to be off-white semi-gloss.

6. MECHANICAL SYSTEMS

Heat	Gas, forced air - York furnace or equal.
Plumbing	Town of Chili Code.
	One single fiberglass laundry tub located per plan, in Laundry Room or Basement.

6. MECHANICAL SYSTEMS (Continued)

Plumbing (Cont)	Washer and 220 dryer connection with vent jack located as per plan.
Electric	New York Board of Fire Underwriters Code.
Electric Fixtures	Electrical allowance $150. Buyer must supply fixtures at Builder's request, prior to completion for installation.

7. EXTERIOR

Doors	Steel door preselected by Builder.
Siding	Vinyl, color preselected by Builder.
Gutters	Seamless aluminum, baked enamel finish - color as selected by Builder.
Roof	235 lb. sealdown asphalt shingle - color as selected by Builder.
Windows	Crestline or equal, double-pane glass with screens, aluminum or vinyl clad as selected by Builder.
Exterior Paint/Stain	Preselected by Builder.
Hose Bibs	Two (2) - front and rear.
Walk	Front walk, concrete, 3 ft. wide from front stoop to driveway.
Patio	Patio as per plan - 100 sq. ft. concrete slab.

8. LOT FINISH	Seeded and landscaped per Builder's plan.
9. INSULATION	Insulation will be installed in the home as follows: (1) Exterior walls will be insulated with fiberglass insulation to a thickness of 3-1/2 inches, which thickness according to the manufacturer, will yield an R-Value of R-11; and, (2) Ceilings in all areas will be insulated with fiberglass insulation having a thickness, which thickness according to the manufacturer will yield an R-Value of R-30.

NOTE: Construction follows plans and specifications as on file at the Forest Creek Equity Corp. office. Illustrations and floor plans are conceptualizations of typical homes and do not necessarily represent final plans, designs, and elevations. Please also note, that from time to time, field improvements and/or changes will be made at the Builder's discretion without notice.

______________________	FOREST CREEK EQUITY CORP.
Purchaser Date	
______________________	BY: ______________________
Purchaser Date	Seller Date
______________________	______________________
Witness Date	Witness Date

EXHIBIT A-1

CERTIFICATION BY SPONSOR AND PRINCIPALS

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

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

1. We are the Sponsor and the Principals of the Sponsor of the Homeowners Association Offering Plan for the PUMPKIN HILL TOWNHOMES.
2. We understand that we 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 NYCRR Part 22 and such other laws and regulations as may be applicable.
3. We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this Certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan for the Homeowners Association will:
   a. Set forth the detailed terms of the transaction and be complete, current and accurate;
   b. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgments;
   c. Not omit any material fact;
   d. Not contain any untrue statement of a material fact;
   e. Not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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 I/we:

(1) Knew the truth;

(2) With reasonable effort could have known the truth;

(3) Made no reasonable effort to ascertain the truth; or

(4) Did not have knowledge concerning the representations or statement made.

4. 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.

5. I/We certify that the roads and/or sewers, and/or water lines, when constructed, will be in accordance with local government specifications (for public roads). After completion of such amenities and before conveyance of the common property to the Homeowners Association, the plan will be amended to include a certification by an engineer or architect (who must be registered as an architect or be licensed to practice as a professional engineer in the jurisdiction where the Homeowners Association is located) stating that the roads and/or sewers, and/or water lines have, in fact, been constructed in accordance with local government specifications (for public roads) and indicating the date of completion. In the alternative, and/or if the construction of the roads and/or sewers and/or water lines has not been comple-

ted prior to conveyance to the Homeowners Association, a bond will be posted, funds will be escrowed, or other adequate security will be provided in an amount to be determined by an engineer licensed to practice as a professional engineer in the jurisdiction where the Homeowners Association is located which amount shall not be less than the amount required to complete such construction to the required specifications.

FOREST CREEK EQUITY CORP.

BY. Bernard J. Iacovangelo, President
BERNARD J. IACOVANGELO, President

Bernard J. Iacovangelo
BERNARD J. IACOVANGELO, President

James Perna
JAMES PERNA, Vice-President

Frank B. Iacovangelo
FRANK B. IACOVANGELO, Secretary

James J. Valerio
JAMES J. VALERIO, Treasurer

Sworn to before me this 21st
day of September, 1984.

Virginia M. Vasta
NOTARY PUBLIC

VIRGINIA M. ~~SPINOSA~~ VASTA
Notary Public in the State of New York
MONROE COUNTY
Commission Expires March 30, 19 86

EXHIBIT A-2

ENGINEER'S CERTIFICATION

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

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

A. The Sponsor of the Offering Plan for a Homeowners Association of PUMPKIN HILL TOWNHOMES retained me/our firm to prepare a report describing the property when constructed (the "Report"). We examined the building plans and specifications that were prepared by Passero Associates dated April, 1984, and prepared the Report dated August 21, 1984, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

1. I/We understand that I/We am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13 NYCRR Part 22 insofar as they are applicable to this Report.

2. I/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.

3. I/We certify that 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 I/We examined;

b. In my/our opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/We examined;

c. Not omit any material fact;

d. Not contain any untrue statement 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 I/We:

(1) Knew the truth;

(2) With reasonable effort could have known the truth;

(3) Made no reasonable effort to ascertain the truth; or

(4) Did not have knowledge concerning the representations or statement made.

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

Kenneth W. Fassler P.E.

LICENSED PROFESSIONAL ENG... KENNETH W. FASSLER NO. 05172 STATE OF NEW Y...

Sworn to before me this 21
day of August, 1984.

Loretta M. Quackenbush
LORETTA M. ...

85

SPECIFICATIONS FOR CONSTRUCTION

LICENSED PROFESSIONAL ENGINEER
NO. 055172
STATE OF NEW YORK

1. Water mains to be constructed in accordance with the Monroe County Water Authority.

2. Water mains and services shall have a minimum cover of 4.5 feet as measured from the top of the pipe to the finished grade.

3. The sanitary and storm sewers shall be constructed in accordance with the requirements and specifications of the Gates-Chili-Ogden Sewer District. There shall be six (6) cathbasins, two (2) yard drains and sixty-four (64) roof drains.

4. All roadways and pavements constructed shall be private and maintenance shall be the responsibility of the Homeowners Association.

5. Maximum allowable infiltration or exfiltration for sanitary sewers shall be limited to 100 gallons per inch of diameter per mile of pipe per day.

6. After construction and prior to acceptance, sanitary sewers shall be tested for infiltration and exfiltration and photographed by the contractor. The contractor shall notify the Division's local district office forty-eight (48) hours prior to photographing and/or infiltration and exfiltration testing.

7. Cellar infiltration to discharge to the storm sewer system in the rear. Use a pump and check valve if required.

8. Laundry wastes to discharge to sanitary sewer system via pummp if necessary (with check valve).

9. If basement floor drains are installed, these drains must be connected to the sanitary sewer.

10. The water main shall be disinfected equal to AWWA standard specifications for disinfection of water mains, designation C-601-6, with the exception of

Item 7.3. Following flushing of the main, samples of water shall be collected by the Monroe County Health Department. The main shall not be placed in service until the water has been approved and notification thereof received from the Monroe County Health Department.

11. Individual one inch (1") service lines to be installed to each unit including curb stops for Lots 1 through 32.

12. Water pressure test performed on the hydrant on Paul Road south of Chili Avenue on July 25, 1984 showed a static pressure of 45 P.S.I., residual pressure of 39 P.S.I. with an actual flow of 853 G.P.M. and a calculated flow of 1846 G.P.M. at 20 P.S.I. residual.

13. All eight inch (8") asbestos cement sanitary sewer pipe to be Class 3300, Type II.

14. The location, sizes and elevations of existing utilities are not guaranteed and may be approximate only. The contractor shall be responsible for determining the exact location and depth of all utilities and structures prior to excavation or construction. The cost of repairing damaged utilities shall be the sole expense of the contractor.

15. All sanitary manholes to be four feet (4') minimum in diameter.

16. The entrance sidewalk shall be five feet (5') wide consisting of a two inch (2") asphalt concrete top course, five inches (5") of crushed stone base and be sloped for proper drainage. It shall be the responsibility of the contractor to construct entrances in accordance with the Town of Chili specifications and requirements.

17. Install new eight foot (8') diameter water mains, new hydrants and water services. Distance from the hydrants to the valve must not be less than six feet (6').

STATE OF NEW Y... No. 053172

18. Erosion control measures must be taken during construction to contain siltration within the site, including staking straw bales around each inlet to the storm sewer.

19. There must be at least a ten foot (10') separation between the water and sewer laterals.

20. Pumpkin Hill Townhomes - Section 1 to be 32 townhomes with an average daily flow of 11,200 G.P.D.

21. Water main crossing storm or sanitary sewers shall be laid to provide a separation of at least eighteen inches (18") vertically measured and at least ten feet (10') horizontally measured from the outside of pipe.

22. The length of water pipe to be centered at the point of crossing so that the joints will be equidistant and as far as possible from the sewers.

23. Individual one inch (1") water service lines to be installed to each unit including curb stops for Lots 1 through 32.

24. Sewers, laterals and appurtenances shall be constructed in conformance with the requirements of the Gates-Chili-Ogden Sewer District. Each townhome will be serviced by a sanitary sewer lateral consisting of four inch (4") diameter PVC SDR-21 sanitary lateral pipes. All laterals will have interior cleanouts in the basement of each townhome. Exterior cleanouts will be provided at change in alignment and at intervals not to exceed seventy-five feet (75').

25. Roads shall be constructed in substantial conformity with local government specifications except that concrete gutters shall be twenty-four inches (24") in width. Roads shall be constructed of a twelve inch (12") base of crushed stone, two inches (2") AC binder and one inch (1") AC top.

26. Additional specifications are set forth in Pages 24 through 30 of the Offering Plan.

NO. 055172
STATE OF NEW YORK

EXHIBIT A-3

EXPERT'S CERTIFICATION

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

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

1. The Sponsor of the Homeowners Association Offering Plan for the PUMPKIN HILL TOWNHOMES retained me/our firm to review Schedule "A" containing projections of income and expenses for the first (1st) year of operation as a Homeowners Association. My/our experience in this field includes: (See Addendum attached hereto).

2. I/We understand that I/We am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13 NYCRR Part 22 insofar as they are applicable to Schedule "A".

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

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

5. I/We certify that the Schedule does:

   a. Set forth in detail the terms of the transaction as it relates to the Schedule and is complete, current and accurate.

b. Afford potential investors, purchasers and participants an adequate basis on which to found their judgment concerning the first year of operation as a Homeowners Association;

c. Not omit any material fact;

d. Not contain any untrue statement 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 I/We:

(1) Knew the truth;

(2) With reasonable effort could have known the truth;

(3) Made no reasonable effort to ascertain the truth; or

(4) Did not have knowledge concerning the representations or statement made.

6. I/We further certify that I am/We are not owned or controlled by the Sponsor. I/We understand that a copy of this Certification is intended to be incorporated into the Offering Plan.

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

William G. Tomlinson, Pres.

William G. Tomlinson, President
ROCKHURST CORPORATION

Sworn to before me this 11
day of October, 1984.

Polly J. Feigenbaum
NOTARY PUBLIC
POLLY J. FEIGENBAUM
Notary Public, State of New York
Monroe County
My Commission Expires March 30, 1986.
REG# 4803519

PUMPKIN HILL HOMEOWNERS ASSOCIATION

OFFERING PLAN AMENDMENTS

****
****

OFFERING PLAN

THIS OFFERING RELATES SOLELY TO MEMBERSHIP IN THE PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC. AND THE DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS APPLICABLE TO ALL LOTS SOLD AT PUMPKIN HILL TOWNHOMES, 840-844 PAUL ROAD, TOWN OF CHILI, COUNTY OF MONROE, STATE OF NEW YORK. PUMPKIN HILL TOWNHOMES IS BOUNDED ON THE EAST BY COLDWATER ROAD, ON THE WEST BY SPRING LAKE APARTMENTS, ON THE NORTH BY SPRING VALLEY SUBDIVISION, AND ON THE SOUTH BY PAUL ROAD. THIS OFFERING IS THE FIRST PHASE OF AN ANTICIPATED FOUR PHASE DEVELOPMENT. A MAXIMUM 140 ADDITIONAL TOWNHOMES MAY BE OFFERED IN SUBSEQUENT PHASES: $218,000 (PHASE II) 40 LOTS, $59,500 (PHASE III) 51 LOTS AND $68,500 (PHASE IV) 49 LOTS.

APPROXIMATE AMOUNT OF OFFERING:	SEVENTY THOUSAND DOLLARS for Phase I. (Cost of common areas and facilities, included in the price of thirty-two (32) lots in Phase I.)
NAME AND ADDRESS OF SPONSOR:	FOREST CREEK EQUITY CORP. 80 West Main Street, Suite 101 Rochester, New York 14614 Phone: (716) 454-7145
NAME AND ADDRESS OF SELLING AGENT	JOHN T. NOTHNAGLE, INC. 1485 Monroe Avenue Rochester, New York 14618 Phone: (716) 442-1800

THE DATE OF THE FIRST OFFERING OF THIS PLAN IS OCTOBER 25, 1984. THIS PLAN MAY NOT BE USED AFTER OCTOBER 24, 1985 UNLESS EXTENDED BY AMENDMENT.

THIS PLAN HAS BEEN AMENDED. SEE INSIDE FRONT COVER.

SEE PAGE 2 FOR SPECIAL RISKS TO PURCHASER.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE PUMPKIN HILL HOMEOWNER'S ASSOCIATION, INC. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THE 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.

****
****

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

Pumpkin Hill Townhomes
Town of Chili, Monroe County, New York

AMENDMENT NO. 1 TO OFFERING PLAN

The Approximate Amount of this Offering of Phases I and II is $288,000 (cost of common areas and facilities, included in the price of the 72 Lots in Phases I and II)

This Amendment is made for one purpose of modifying the Offering Plan for Pumpkin Hill Homeowners Association, Inc. ("Association") as follows:

1. Incorporate Phase II of Pumpkin Hill Townhomes into the Association.

2. Establishment of final lot lines to be determined as each lot closes.

3. Operating expenses and reserves for Pumpkin Hill Townhomes Phases I and II shall correspond with the projected budget as set forth in the original Offering Plan, page 14B.

4. Addition of Style 3A Townhome.

5. Addition of Style 1A townhome option.

6. Amendment of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens ("Declaration").

7. Addition of sales people who are concurrently registering with the Department of Law.

8. Amendment of Sponsor's Obligation for Association Charges (pp 29, 38 of Offering Plan).

INCORPORATION OF PHASE II OF PUMPKIN HILL TOWNHOMES INTO THE ASSOCIATION

Forest Creek Equity Corp. ("Sponsor") is presently developing Pumpkin Hill Phase I on approximately 7.31 acres of land. Of the 32 Lots in Phase I, 26 are currently under construction.

In accordance with the original Offering Plan, the Sponsor desires to, and hereby does, incorporate an additional 40 Lots to be known as Pumpkin Hill Phase II on approximately 6.92 acres of land of which 3.57 acres will remain common area. This land was acquired from Faber Construction on July 13, 1984. Within Pumpkin Hill Phase I, Lots will be improved by townhomes in one of seven styles:

1A Ranch	- 1021 square feet
1A Option	- 1244 square feet
1B Ranch	- 1212 square feet
2A 2 Story	- 1268 square feet
2B 2 Story	- 1325 square feet
2C 2 Story	- 1169 square feet
3A 2 Story	- 1805 square feet

Construction of Pumpkin Hill Phase II shall commence March 1, 1985 and is anticipated to be completed by March 1, 1986. A plot plan showing the details of Pumpkin Hill Phase II is contained herein as Exhibit A. Reference is hereby made to Exhibits B, C and D of the Offering Plan for a composite plan of Pumpkin Hill Townhomes Phase I through IV. The Supplemental Declaration incorporating Phase II is contained herein as Exhibit B. Letters concerning zoning approval are contained herein as Exhibit C.

All areas contained in Pumpkin Hill Phase II which are not contained within the perimeter of a subdivision lot will be known as common areas, and will be conveyed to the Association prior to the closing of title to the first Lot within Phase II. The common areas in Phase II will consist of roads, parking areas, walkways, landscaped areas, one recreational building, one maintenance building, two tennis courts and a pool. The pool shall be constructed in a bean-shape form with dimensions of 20' x 40'. The pool depth shall range between 3' and 6'6" and shall have a maximum capacity of 40 people at any one time. Two asphalt tennis courts shall accommodate 8 people at any one time. The maintenance building will be 1,920 sq. ft. with approximately one-third of the space being heated. The building shall be used for maintenance garage, office, work area, storage and management office (see Exhibit D). The community building will consist of 1,600 sq. ft. of heated space with a full basement of equal size. The ground floor will have a large community room with table and chair storage, a full service kitchen with closets and a mens and womens toilet and shower rooms adjacent to the swimming pool. The floor area will be accessible to physically handicapped and the basement area shall be used for mechanical equipment, both for the building and for the swimming pool (see Exhibit E).

The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvements of Lots within the phase or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as landscaping and walkways in the areas of buildings under construction or to be constructed and the finished topping coat of common roadways.

The Sponsor reserves the right to establish final lot lines at the time of each townhome closing when each lot will be resurveyed. This process is necessary to assure the establishment of an exact location for party walls.

As incorporated, Phase II of Pumpkin Hill is subject to all the terms and conditions of the original Offering Plan, as amended, and this Amendment. The estimate of operating expenses and reserves for the Association for the first year of operation of Pumpkin Hill Phases I and II is set forth in the original Offering Plan beginning on page 14B, and a synopsis of the information is contained in Exhibit F. Assessments for Lots within Pumpkin Hill Phase II will be levied by the Board of Directors of the Association in their sole discretion, but in any event not prior to the sale of the first Lot in Pumpkin Hill Phase II. A purchaser of a

Lot improved by a townhome will take title subject to reciprocal easements for maintenance purposes. See Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges & Liens, Article 4 and Exhibit B of this Amendment.

The Engineer's Certification for Pumpkin Hill Phases I through II is attached hereto as Exhibit G.

ALL OF THE DOCUMENTS REFERRED TO IN THIS AMENDMENT AND THE OFFERING PLAN, AS AMENDED, ARE IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT WITH YOUR OWN ATTORNEY BEFORE SIGNING ANY CONTRACT AND ALSO PROVIDE YOUR ATTORNEY WITH A COPY OF THIS AGREEMENT AND THE OFFERING PLAN, AS AMENDED.

The Sponsor shall offer a sixth-style townhome in Phases II, III and IV which was not previously offered in Phase I. The Style 3A Townhome shall be a two-story structure containing approximately 1,805 sq. ft. A copy of the plan for this Style 3A is set forth as Exhibit H. The monthly maintenance fee for the Style 3A Townhome shall be Eighty-Five Dollars ($85.00) per month.

The Sponsor shall also offer an option of the 1A style (1,244 square feet) set forth in Exhibit I. The monthly maintenance fee for the 1A option shall be Seventy-Eight Dollars ($78.00) per month.

Article 2, Section 2.02 of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens allows the Sponsor to bring additional properties within the scheme of the Declaration. The Sponsor hereby amends the Declaration to incorporate Phase II property as contained in the Supplemental Declaration set forth as Exhibit B.

At this time Sponsor wishes to add additional sales people operating under John T. Nothnagle, Inc., the selling agent, to sell lots in Pumpkin Hill Townhomes Phase II and any subsequent offerings. The additional sales people, Jane Rosemergy and Elaine Crowell, are Licensed Sales Associates under the State of New York and Pam Dixon is a Licensed Real Estate Broker (see page 44 of the Offering Plan).

The original Offering Plan shall be amended at page 29 "Assessments", and page 38 "Sponsor Obligation for Association Charges", to read as follows:

> Sponsor will not be obligated for Association charges including supplemental charges on all unsold homes or lots. Sponsor will be obligated for the difference between the actual Association expenses including reserves applicable to completed improvements as provided for in the Association's budget, and the Association charges levied on owners who have closed title to their homes or lots as projected in Schedule A of the Offering Plan.

In one (1) or more later phases, the Sponsor plans to improve additional Lots as set forth in the Offering Plan, as amended, all of which will be incorporated into the Association. **BECAUSE OF A VARIETY OF CIRCUMSTANCES, INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL, SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROLS, CONTINUED FULFILLMENT OF THE TERMS AND CONDITIOS OF THE PURCHASE AND SALE AGREEMENT WITH THE AGENCY, AND THE GENERAL CONDITION IN THE ECONOMY, THE SPONSOR GIVES NO ASSURANCE THAT ALL OR ANY ADDITIONAL PHASES NOW CONTEMPLATED WIL BECOME A REALTY.**

At the time of this Amendment one closing has occurred in Pumpkin Hill Phase I (Lot 104A) and no closings have occurred in Phase II. The Pumpkin Hill Homeowners Association has been in operation for less than one (1) year and at this time the Sponsor maintains exclusive control of the Board of Directors.

All material changes of facts or circumstances affecting Pumpkin Hill Homeowners Association are included herein.

FOREST CREEK EQUITY CORP.

BY Frank B. Iacovangelo

FRANK B. IACOVANGELO, SECRETARY

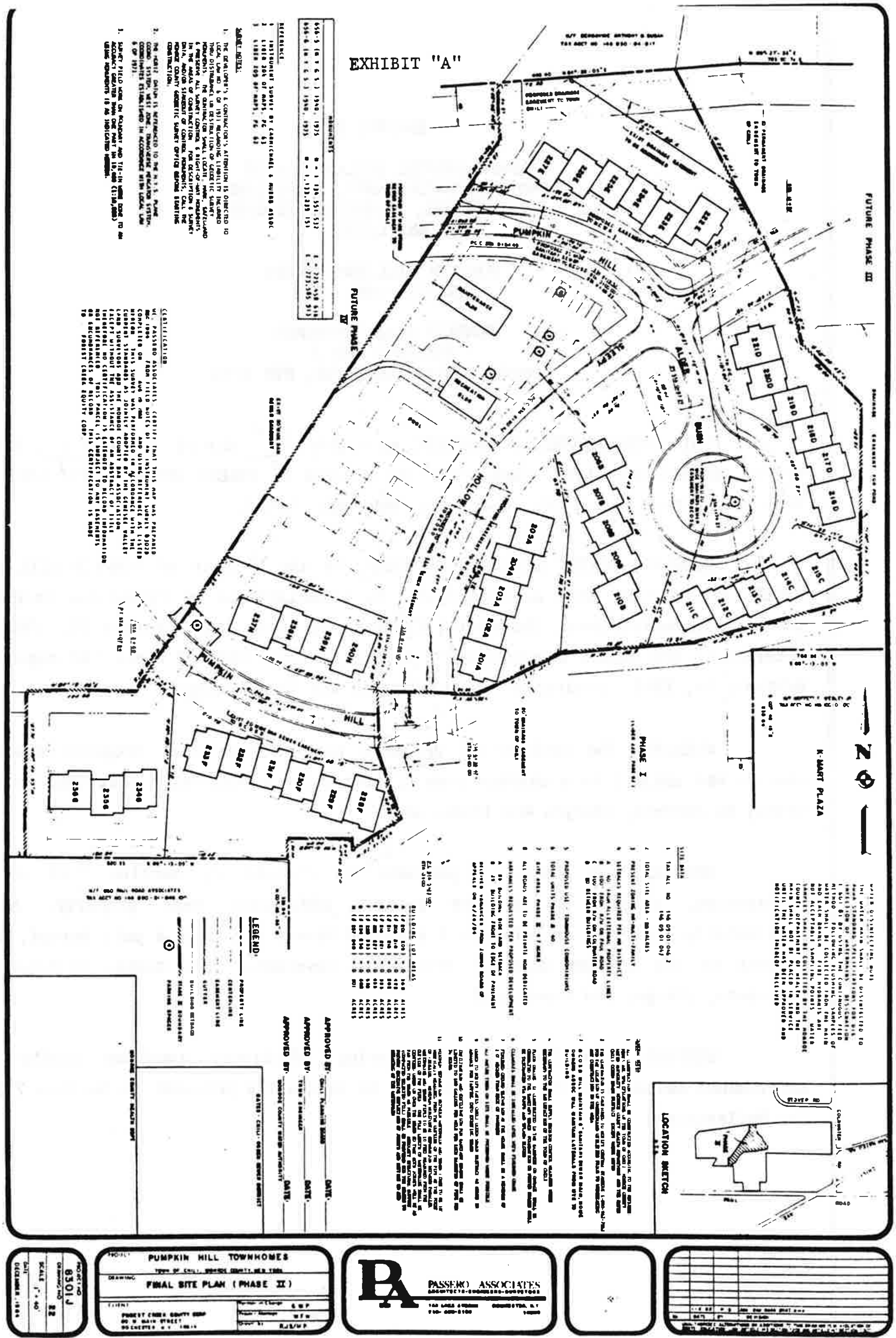


EXHIBIT "A"
FUTURE PHASE III
FUTURE PHASE IV
PUMPKIN HILL
SLEEPY HOLLOW
K-MART PLAZA
PHASE I
LEGEND
LOCATION SKETCH
APPROVED BY: DATE:
APPROVED BY: DATE:
APPROVED BY: DATE:
PUMPKIN HILL TOWNHOMES
FINAL SITE PLAN (PHASE II)
PASSERO ASSOCIATES
8301J
SCALE 1" = 40'

EXHIBIT B

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

PUMPKIN HILL HOMEOWNERS
ASSOCIATION, INC.

PUMPKIN HILL TOWNHOMES
PHASES 1 AND 2
MONROE COUNTY, ROCHESTER, NEW YORK

THIS SUPPLEMENTAL DECLARATION, made this 26th day of February, 1985, by the undersigned with a common mailing address in FOREST CREEK EQUITY CORP., 80 West Main Street, Suite 101, Rochester, New York, 14614.

WHEREAS, FOREST CREEK EQUITY CORP. is the Sponsor of PUMPKIN HILL HOME-OWNERS ASSOCIATION, INC. as established by a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens dated October 29, 1984, and recorded in the Monroe County Clerk's Office in Liber 6664 of Deeds, at page 1, on February 14, 1985, hereinafter referred to as the "Declaration", and

WHEREAS, The Declaration declared that certain real property described therein was subject to a uniform plan of protective covenants, conditions, restrictions, easemments, charges and liens, and

WHEREAS, the Sponsor, pursuant to Article 2, Section 2.02 of the Declaration, desires to declare certain additional real property, as is particularly described in Schedule A attached hereto and made a part hereof, to be subject to the uniform plan of protective covenants, conditions, restrictions, easements, charges and liens, and

WHEREAS, the Sponsor is offering additional townhome styles with maintenance assessments varying according to said style pursuant to Section 7.04 of the Declaration,

WHEREAS, pursuant to Article 13, Section 13.04, the Declaration may be amended with the consent of two-thirds (2/3) of the lots subject to the Declaration, and

WHEREAS, Sponsor owns thirty-one (31) of the thirty-two (32) lots in Phase I and all forty (40) lots in Phase II, and has consented to the Amendment of "Sponsor's Obligation for Association Charges" (page 11 of Declaration).

NOW, THEREFORE, the Sponsor, for itself, its successors and assigns, declares that the real property described in Schedule A attached hereto and made a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens contained in the Declaration, as amended. Said covenants, conditions, restrictions, easements, charges and liens shall run with the real property, shall be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof,

AND, FURTHER, there shall be two additional classes of maintenance assessments for the additional townhome Styles 1A option and 3A (see Section 7.04 of the Declaration):

> 2 Story (3A) - 1,805 square feet - $85.00/month
> Small Ranch (1A Option) - 1,244 square feet - $78.00/month

AND, FURTHER, the Declaration shall be amended at Article 7, Section 7.01 as follows:

> Sponsor will not be obligated for Association charges including supplemental charges on all unsold homes or lots. Sponsor will be obligated for the difference between the actual Association expenses including reserves applicable to completed improvements as provided for in the Association's budget and the Association charges levied on owners who have closed title to their homes or lots as projected in Schedule A of the Offering Plan.

IN WITNESS WHEREOF, the undersigned, being the owners of real property subject to the Declaration, as amended, set their hands and seals the date first stated above.

FOREST CREEK EQUITY CORP.

BY: ________________________
FRANK B. IACOVANGELO

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

BY: ________________________
FRANK B. IACOVANGELO

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

On this 26th day of Feb., 1985, before me personally came FRANK B. IACOVANGELO, to me known and who, by me being duly sworn did depose and say:

That he resides at Rochester, New York, that he is the Secretary of FOREST CREEK EQUITY CORP., an authorized Corporation, the Corporation described in and which executed the foregoing Instrument; that such seal affixed to said Instrument is such corporate seal; that it was affixed to said Instrument by order of Board of Directors of such Corporation in writing, and that he signed his name thereto by like order.

Virginia M. Vasto
NOTARY PUBLIC
VIRGINIA M. ~~SPIKOSA~~VASTA~~Y~~
Notary Public in the State of New York
MONROE COUNTY
Commission Expires March 30, 1986

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

On this 26th day of Feb, 1985, before me personally came FRANK B. IACOVANGELO, to me known and who, by me being duly sworn did depose and say:

That he resides at Rochester, New York, that he is the Secretary of PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC., an authorized Corporation, the Corporation described in and which executed the foregoing Instrument; that such seal affixed to said Instrument is such corporate seal; that it was affixed to said Instrument by order of Board of Directors of such Corporation in writing, and that he signed his name thereto by like order.

Virginia M. Vasto
NOTARY PUBLIC
VIRGINIA M. ~~SPIKOSA~~VASTA~~Y~~
Notary Public in the State of New York
MONROE COUNTY
Commission Expires March 30, 1986

EXHIBIT "C"

TOWN OF CHILI

Originated in 1822

TOWN OFFICES: 3235 CHILI AVENUE, ROCHESTER, NEW YORK 14624 TEL: 889-3550

JAMES J. POWERS
Supervisor
CAROL A. O'CONNOR
Town Clerk

ROBERT L. CRIDDLE
JEROME F. BRIXNER
LORRAINE V. ANDERSON
RANDY C. PIKUET
Council Members

December 14, 1984

Forest Creek Equity
80 W. Main Street
Rochester, New York 14614

Re: subdivision of Pumpkin Hill Townhomes

Dear Mr. Iacovangelo:

The Chili Planning Board, at their December 11, 1984 meeting, passed a resolution to waive normal subdivision approval procedures regarding Pumpkin Hill. Enclosed please find a copy of this resolution for your information only.

Sincerely yours,

J. Donald Faso KR

J. Donald Faso, Chairman
Chili Planning Board

JDF/kr
Enc: Resolution
cc: Robert Connolly, Bldg. Inspector
Planning Board Members
file

PROCEDURE FOR APPROVAL OF TOWNHOME LOTS FOR PUMPKIN HILL TOWNHOMES

WHEREAS, Forest Creek Equity Corp. was granted approval by the Chili Planning Board at its April 10, 1984 meeting, and

WHEREAS, approval was granted for one hundred seventy-two (172) townhome units constructed within thirty-eight (38) buildings located at 840 and 844 Paul Road, and

WHEREAS, Title will be conveyed to each townhome owner by Warranty Deed granting in fee ownership of the specific parcel of land their townhome unit is constructed on, and

WHEREAS, it will be necessary to subdivide Pumpkin Hill Townhomes into one hundred seventy-two (172) separate land units with Forest Creek Equity Corp. retaining ownership to the remainder of the land for roadways, common areas and parking areas, and

WHEREAS, Section 96-6 of the Subdivision Ordinance of the Town of Chili allows the Planning Board, at its discretion, to waive normal procedures.

NOW, THEREFORE, BE IT RESOLVED:

That the Planning Board Chairperson, or in his or her absence the Vice Chairperson, or the Chairperson Pro Tem, may grant approval of the Resubdivision on behalf of the Town of Chili of each building into separate townhome units upon submission to the Town of Chili an Instrument Survey Map of each townhome building duly certified by a Licensed Land Surveyor or Professional Engineer.

TOWN OF CHILI

Originated in 1822

TOWN OFFICES 3235 CHILI AVENUE, ROCHESTER, NEW YORK 14624 TEL. 889-3550

JAMES J. POWERS
Supervisor
CAROL A. O'CONNOR
Town Clerk

ROBERT L. CRIDDLE
JEROME F. BRIXNER
LORRAINE V. ANDERSON
RANDY C. PIKUET
Council Members

NOTICE OF DECISION
CHILI PLANNING BOARD

DATE: January 15, 1985

APPLICATION OF: Forest Creek Equity Corp.

RESIDING AT: 80 W. Main St, Rochester, NY 14614

FOR: Final site plan approval of 40 units to be known as Pumpkin Hill Townhomes phase II at property located at 844 Paul Road.

ZONING DISTRICT: RM

PLEASE TAKE NOTICE that at the January 8, 1985 meeting of the Town of Chili Planning Board, the above application was:

[XX] APPROVED [ ] GRANTED [ ] TABLED [ ] DENIED

BY A VOTE OF: UNANIMOUSLY

[XX] The application was approved/granted upon the following conditions:
Pending review and approval by the town engineer.

[ ] The application was tabled/denied for the following reason:

Sincerely yours,

J. Donald Faso

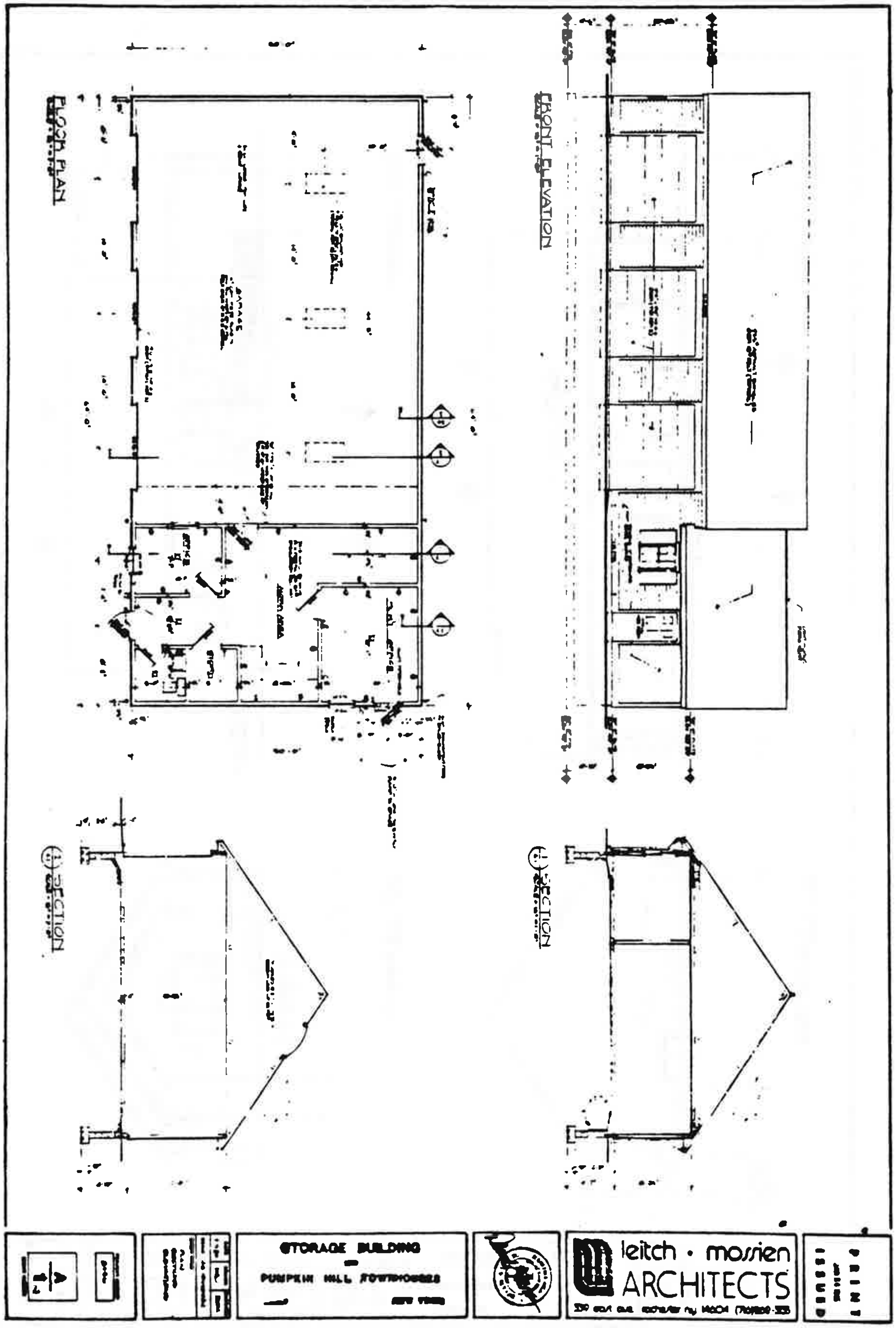
J. Donald Faso, Chairman
Chili Planning Board

JDF/mr
cc: Robert Connolly, Bldg. Inspector
Planning Board Members
file
Passero Associates
Town Engineer's Office

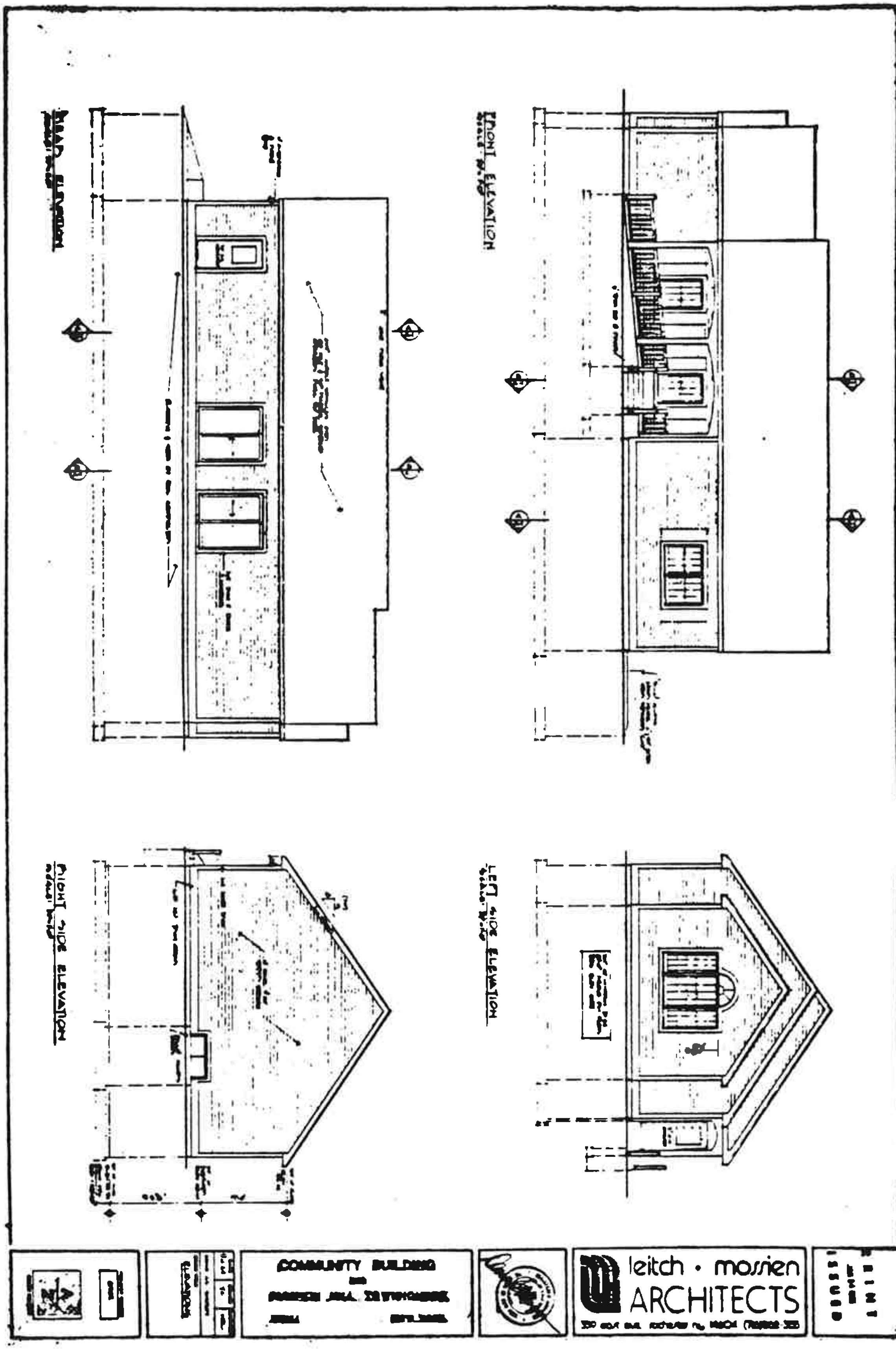
RECEIVED

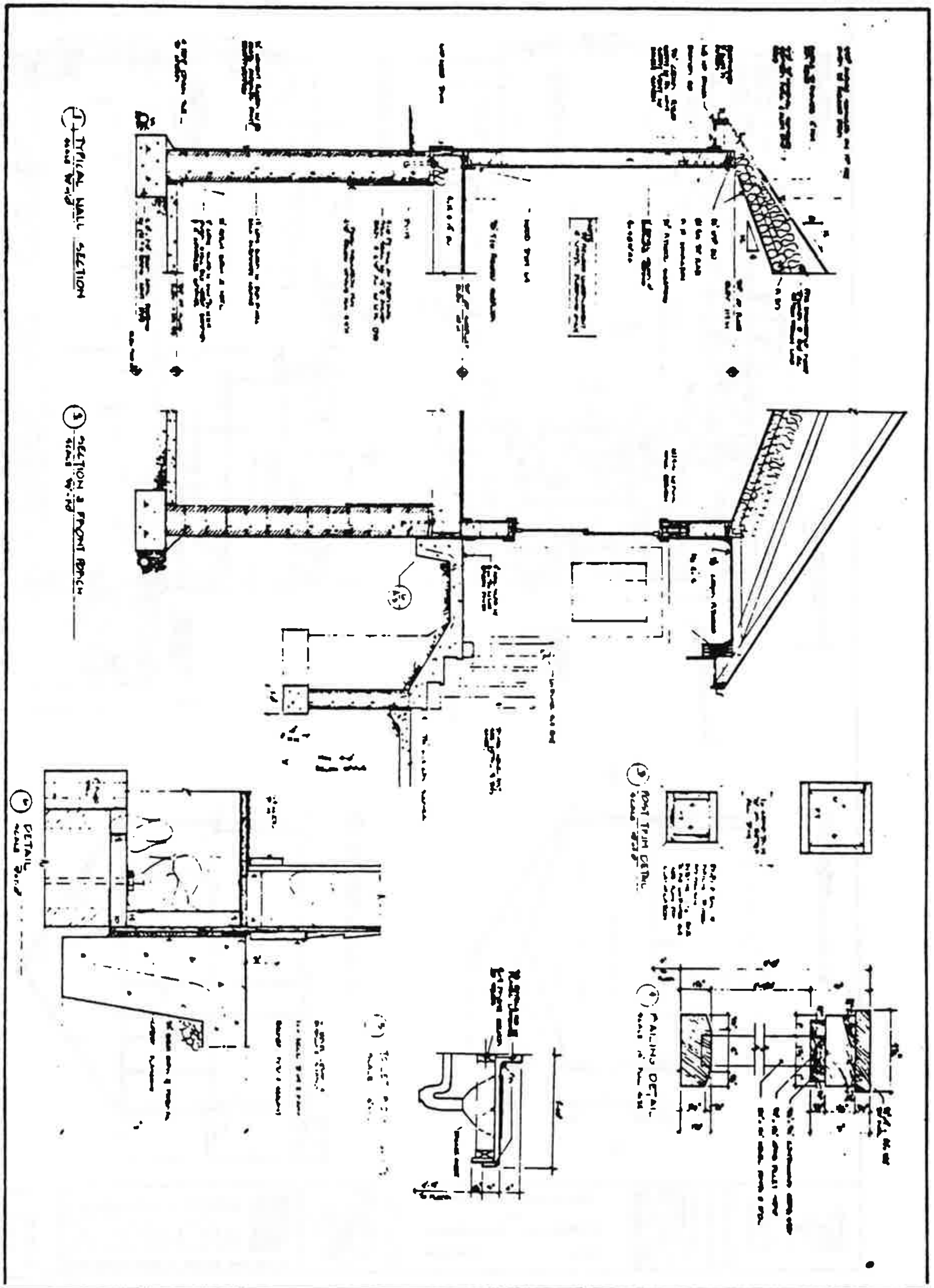
DATE ______________

EXHIBIT "D"



FLOOR PLAN
FRONT ELEVATION
SECTION
SECTION
STORAGE BUILDING
PUMPKIN HILL TOWNHOUSES
NEW YORK
leitch · mossien
ARCHITECTS


REAR ELEVATION
FRONT ELEVATION
RIGHT SIDE ELEVATION
LEFT SIDE ELEVATION
ELEVATIONS
COMMUNITY BUILDING
leitch · mossien
ARCHITECTS



COMMUNITY BUILDING

FOR

PUMPKIN HILL TOWNHOUSES

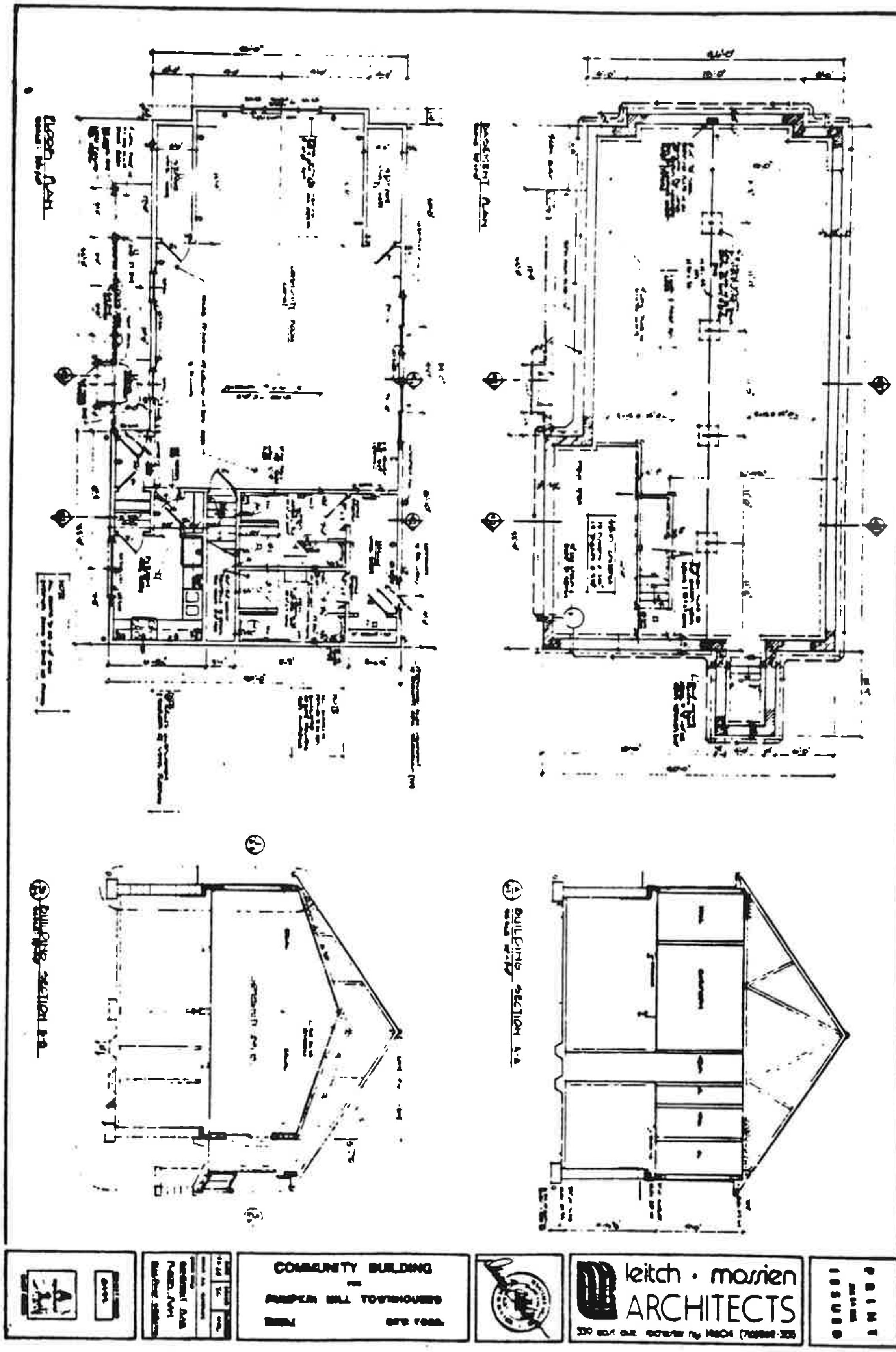
NEW YORK

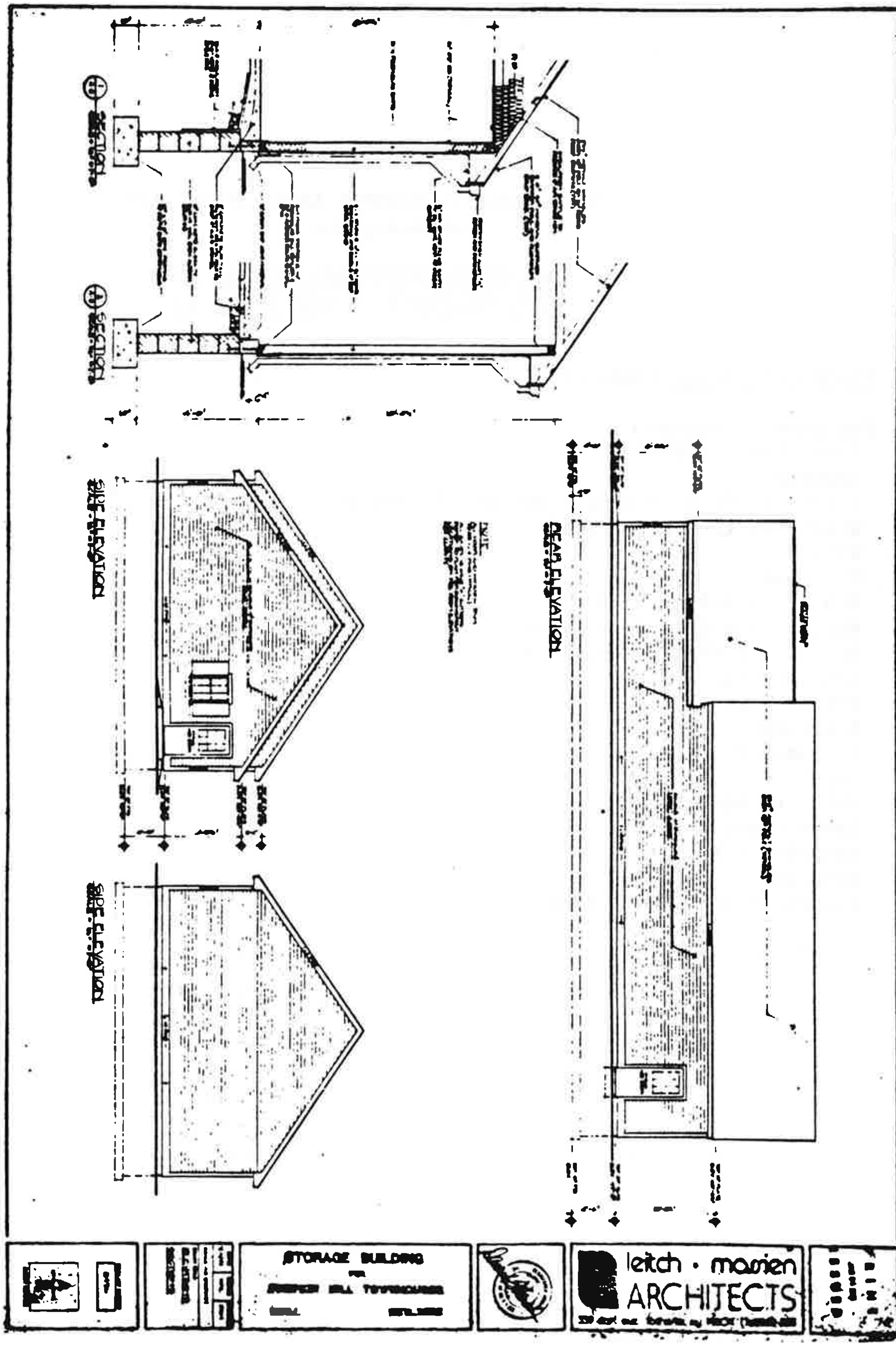
leitch · mossien ARCHITECTS

339 east ave. rochester, ny 14604

A
3

EXHIBIT "E"




SECTION
SIDE ELEVATION
SIDE ELEVATION
REAR ELEVATION
STORAGE BUILDING
leitch · masien
ARCHITECTS

SCHEDULE "A"

EXHIBIT "F"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

PROJECTED INCOME AND EXPENSE FOR
100% OCCUPANCY THROUGH PHASE II

Projected Income (Note 1)	$85,176
Projected Expenses	
Labor (Contracted)	$24,088
Heating	739
Utilities (Electricity & Gas for Common Property)	2,026
Utilities (for Amenities)	1,095
Water	2,512
Management	9,507
Repairs & Maintenance	2,370
Repairs & Maintenance (Amenities)	283
Supplies & Office Equipment	319
Snow Removal	1,621
Refuse Removal	5,622
Insurance	6,538
Accounting	1,000
Legal	500
NYS Franchise Taxes	250
Taxes (Real Estate)	7,342
Vehicles & Equipment	1,591
Reserve	17,573
Contingencies, Petty Cash	200
Total	$85,176

112

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A

Note 1 - Projected Income

The project will be comprised of 172 units with substantially 5 units per cluster. In each cluster, units vary as to square footage and type of construction, hence, the assessment for individual units vary. The project will be built in four (4) phases, with Phase I containing 32 lots.

Type of Unit	Square Footage	Monthly Assessment	Sold Thru Phase II	Total 100% Occupancy Charges
Small Ranch (1A)	1,021	$75	3	$ 2,700
Small 2 Story (2C)	1,169	76	19	17,328
Medium 2 Story (2A)	1,268	77	13	12,012
Large Ranch (1B)	1,212	78	7	6,552
Large 2 Story (2B)	1,325	78	20	18,720
3 Bedroom 2 Story (3A)	1,805	85	6	6,120
Ranch with Options (1AO)	1,244	78	4	3,744
Total			72	$67,176
Add: Sponsors Working Capital Escrow - $250 per Unit				18,000
Total Estimated Revenue - Through Phase II				$85,176

Monthly assessment fees are payable to the Association on a monthly basis and are due on the first day of every month. The fee will be prorated for the first month of occupancy, with the full month's common charge assessment due thereafter.

The sponsor will provide a $250 escrow per unit sold prior to closing. This will be reimbursed to the sponsor by the buyer at closing.

Note 2 - Basis for Common Charges

Common charges are based on the following allocation:

Total First Year Costs - Variable by Unit		
Insurance - Variable portion of Fire and General Liability		$ 2,200
Roofs		1,000
Staining and Painting		500
		$ 3,700
Total Costs for the First Year	Divided By:	30,848
% of Costs - Variable		12%

The basic allocation method which approximates the difference in costs is square footage.

Type	Square Footage	% of Base	% Variable Cost	Allocation % to Base	$ Increase to Base
1A	1,021	100%	12%	N/A	$74.50
2C	1,169	114%	12%	1.7%	75.77
2A	1,268	124%	12%	2.9%	76.66
1B	1,212	119%	12%	2.3%	76.21
2B	1,325	130%	12%	3.6%	77.18
3A	1,805	177%	12%	9.2%	81.35
1AO	1,244	122%	12%	2.6%	76.43

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A CONTINUED

Note 2 - Continued

The large ranches (Type 1B and 1AO) have more exterior area in proportion to its interior square footage and the 3 bedroom units have a double garage and additional space, hence, an additional allocation is applicable as follows:

Type	$ Assessment *	Adjustment for Roof, Painting and Garage	$ Common Charge
1A	$75	$---	$75
2C	76	---	76
2A	77	---	77
1B	77	1	78
2B	78	---	78
1AO	77	1	78
3A	82	3	85

* All assessments are rounded up to the nearest whole dollar.

Note 3 - Projected Expenses

Expenses are expected to increase during Phase II proportionately to the amounts as previously determined based on the common charge calculation in Note 2.

EXHIBIT "G", PHASE II

EXHIBIT A-2

ENGINEER'S CERTIFICATION

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

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

A. The Sponsor of the Offering Plan for a Homeowners Association of PUMPKIN HILL TOWNHOMES retained me/our firm to prepare a report describing the property when constructed (the "Report"). We examined the building plans and specifications that were prepared by Passero Associates dated December , 19 84, and prepared the Report dated January 23, 19 85, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

1. I/We understand that I/We am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13 NYCRR Part 22 insofar as they are applicable to this Report.

2. I/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.

3. I/We certify that 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 I/We examined;

b. In my/our opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/We examined;

c. Not omit any material fact;

d. Not contain any untrue statement 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 I/We:

(1) Knew the truth;

(2) With reasonable effort could have known the truth;

(3) Made no reasonable effort to ascertain the truth; or

(4) Did not have knowledge concerning the representations or statement made.

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

Sworn to before me this 23
day of Jan, 1985.

NOTARY PUBLIC LORETTA M. AUGHENBAUGH
Notary Public, State of N.Y., Monroe County

SPECIFICATIONS FOR CONSTRUCTION

1. Water mains to be constructed in accordance with the Monroe County Water Authority.

2. Water mains and services shall have a minimum cover of 4.5 feet as measured from the top of the pipe to the finished grade.

3. The sanitary and storm sewers shall be constructed in accordance with the requirements and specifications of the Gates-Chili-Ogden Sewer District. There shall be ten (10) catch-basins, two (2) yard drains and eighty-four (84) roof drains.

4. All roadways and pavements constructed shall be private and maintenance shall be the responsibility of the Homeowners Association.

5. Maximum allowable infiltration or exfiltration for sanitary sewers shall be limited to 100 gallons per inch of diameter per mile of pipe per day.

6. After construction and prior to acceptance, sanitary sewers shall be tested for infiltration and exfiltration and photographed by the contractor. The contractor shall notify the Division's local district office forty-eight (48) hours prior to photographing and/or infiltration and exfiltration testing.

7. Cellar infiltration to discharge to the storm sewer system in the rear. Use a pump and check valve if required.

8. Laundry wastes to discharge to sanitary sewer system via pump if necessary (with check valve).

9. If basement floor drains are installed, these drains must be connected to the sanitary sewer.

10. The water main shall be disinfected equal to AWWA standard specifications for disinfection of water mains, designation C-601-6, with the exception of Item 7.3. Following flushing of the main, samples of water shall be collected by the Monroe County Health Department. The main shall not be placed in service until the water has been approved and notification thereof received from the Monroe County Health Department.

11. Individual one inch (1") service lines to be installed to each unit including curb stops for Lots 201 through 240 and the Maintenance and Recreation buildings.

12. Water pressure test performed on the hydrant on Paul Road south of Chili Avenue on July 25, 1984 showed a static pressure of 45 P.S.I., residual pressure of 39 P.S.I. with an actual flow of 853 G.P.M. and a calculated flow of 1846 G.P.M at 20 P.S.I. residual.

13. All eight inch (8") asbestos cement sanitary sewer pipe to be Class 3300, Type II.

14. The location, sizes and elevations of existing utilities are not guaranteed and may be approximate only. The contractor shall be responsible for determining the exact location and depth of all utilities and structures prior to excavation or construction. The cost of repairing damaged utilities shall be the sole expense of the contractor.

15. All sanitary manholes to be four feet (4') minimum in diameter.

16. The entrance sidewalk shall be five feet (5') wide consisting of a two inch (2") asphalt concrete top course, five inches (5") of crushed stone base and be sloped for proper drainage. It shall be the responsibility of the contractor to construct entrances in accordance with the Town of Chili specifications and requirements.

17. Install new eight inch (8") diameter water mains, new hydrants and water services. Distance from the hydrant to its valve must not be less than six feet (6').

18. Erosion control measures must be taken during construction to contain siltration within the site, including staking straw bales around each each inlet to the storm sewer.

19. There must be at least a ten foot (10') separation between the water and sewer laterals.

20. Pumpkin Hill Townhomes - Section 2 to be 40 townhomes with an average daily flow of 14,000 G.P.D.

21. Water main crossing storm of sanitary sewers shall be laid to provide a separation of at least eighteen inches (18") vertically measured and at least ten feet (10') horizontally measured from the outside of pipe.

22. The length of water pipe to be centered at the point of crossing so that the joints will be equidistant and as far as possible from the sewers.

23. Sewers, laterals and appurtenances shall be constructed in conformance with the requirements of the Gates-Chili-Ogden Sewer District. Each townhome will be serviced by a sanitary sewer lateral consisting of four inch (4") diameter PVC SDR-21 sanitary lateral pipes. All laterals will have interior cleanouts in the basements of each townhome. Exterior cleanouts will be provided at change in alignment and at intervals not to exceed seventy-five feet (75').

24. Roads shall be constructed in substantial conformity with local government specifications except that concrete gutters shall be twenty-four inches (24") in width. Roads and parking lots shall be constructed of a twelve inch (12") base of crushed stone, two inches (2") AC binder and one inch (1") AC top.

LICENSED PROFESSIONAL ENGINEER
KENNETH W. FASSO
NO. 035172
STATE OF NEW YORK

25. Additional specifications are set forth in Exhibit A-2 of the Offering Plan.

26. **Tennis Courts**

a. Foundation for court shall be excavated to a depth of nine inches (9").

b. Foundation shall consist of six inches (6") of crushed stone, one and one-half inches (1-1/2") of compacted binder asphalt, one inch (1") of compacted top coat asphalt, and have posts installed for support of the playing set.

c. Area - Total area for the two (2) courts shall be one hundred and twenty feet by one hundred and eight feet (120' x 108').

27. Swimming Pool

a. The swimming pool shall be kidney shaped with its largest width at twenty feet (20') and its overall length at forty feet (40'). The maximum depth of the pool shall be six point six feet (6.6') to wall height and three point zero feet (3.0') wall height at the shallow depth.

b. The interior finish of the pool shall consist of three (3) coatings of polyvinalcholride.

c. The pool will have a two point zero (2.0) h.p. pump with associated appurtenances available for manufacturers recommended operation.

d. The electrical service shall be housed in the filter room and comply with the Electrical Underwriters codes for pool installation.

e. The pool shall be constructed in accordance with MCWA and MCHD requirements.

LICENSED PROFESSIONAL ENG. KENNETH W. PAS... NO. 035172 STATE OF NEW YORK

176

28. **Recreation Building**

The following materials shall be used in construction of the Recreation Building:

a. All foundation footing shall be concrete reinforced with steel and well drained.

b. Foundation walls shall be masonary block or poured concrete.

c. Basement floor shall be four inches (4") thick poured concrete.

d. All above ground structural materials shall be appropriately sized to handle design loads (i.e. masonary, timber, steel).

e. The foundation walls shall have one inch (1") rigid insulation attached throughout.

f. Exterior walls shall have R-13 insulation rating. Ceilings adjacent to attic shall have a R-30 insulation rating.

g. Roof materials shall be tar coated shingles, attached to asphalt paper. The roof timber shall be one-half inch (1/2") plywood decking.

h. Access sidewalks to the building shall be three thousand (3000) psi concrete with a broomed finish.

i. The Recreation Building shall have two (2) bathrooms complete with two (2) toilets and two (2) showers.

j. Roof runoff shall be discharged to storm laterals via aluminum gutters.

k. The Recreation Building shall be constructed in accordance with federal, state and local building and fire codes.

LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSERO
NO. 055172
STATE OF NEW YORK

29. Maintenance Building

a. All foundation footing shall be concrete, reinforced with steel.

b. Foundation walls shall be masonary block or poured concrete.

c. Garage floor shall be four inches (4") thick concrete.

d. All above ground structural materials shall be appropriately sized to handle design loads.

e. The storage garage shall have three (3) nine feet by nine feet (9' x 9') overhead doors.

f. Exterior doors shall be insulated, metal doors.

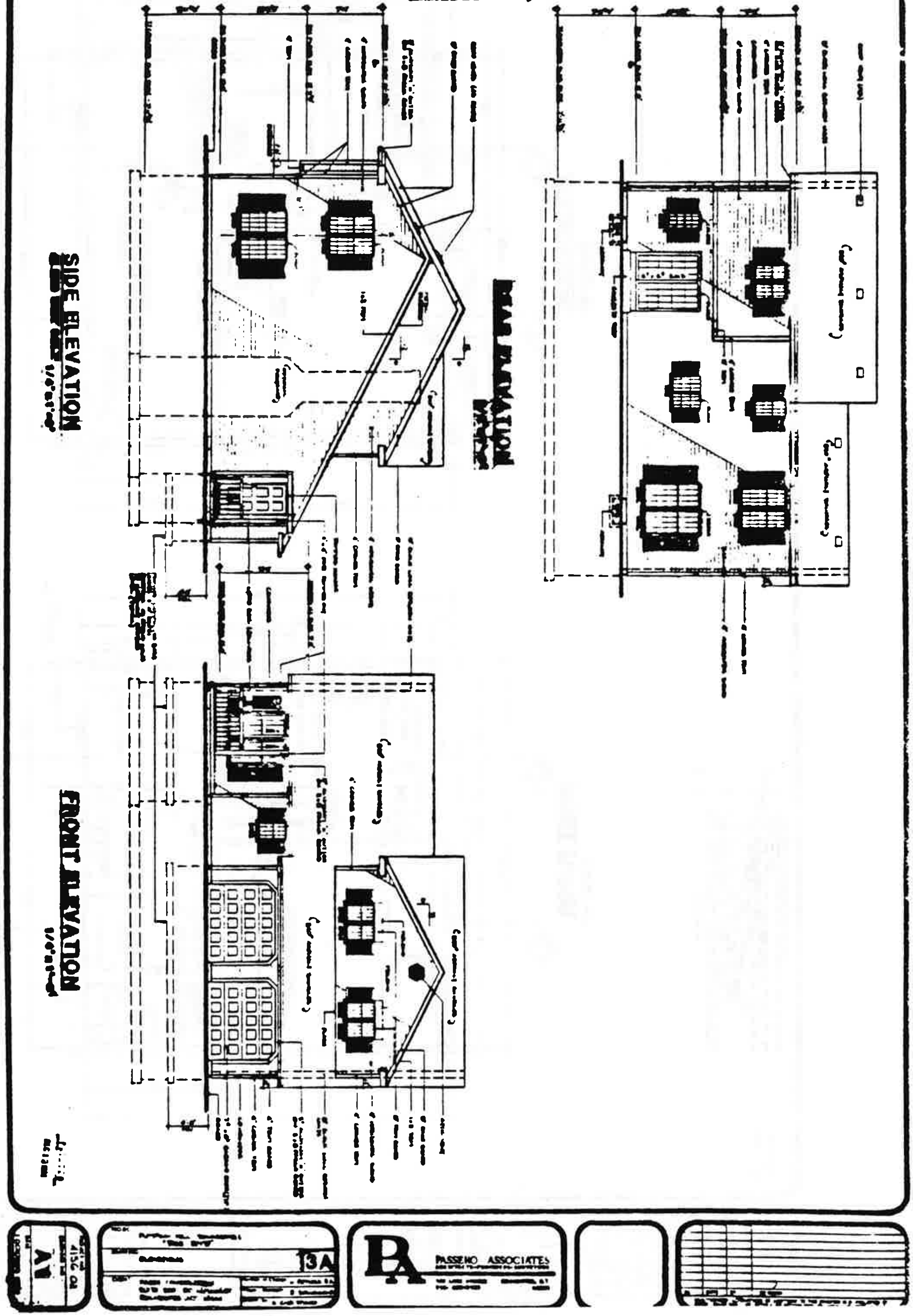
g. Ceilings adjacent to attic shall be insulated with R-30 insulation rating.

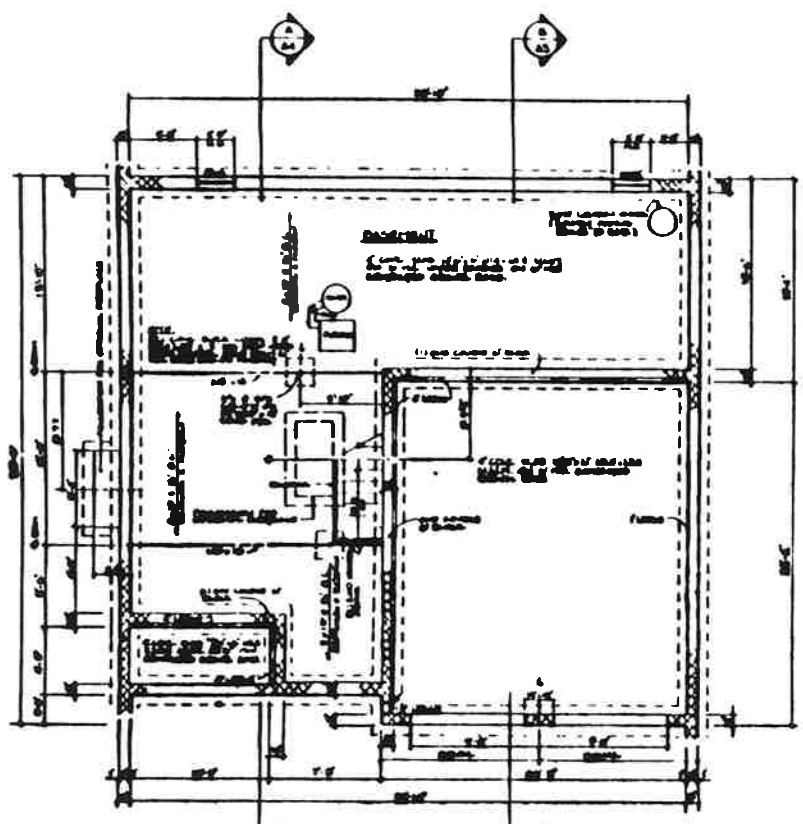
h. Roof runoff will be discharged to storm laterals via aluminum gutters.

i. Roof material shall be tar coated shingles, attached to asphalt paper. The roof timbers shall be one-half inch (1/2") thick plywood.

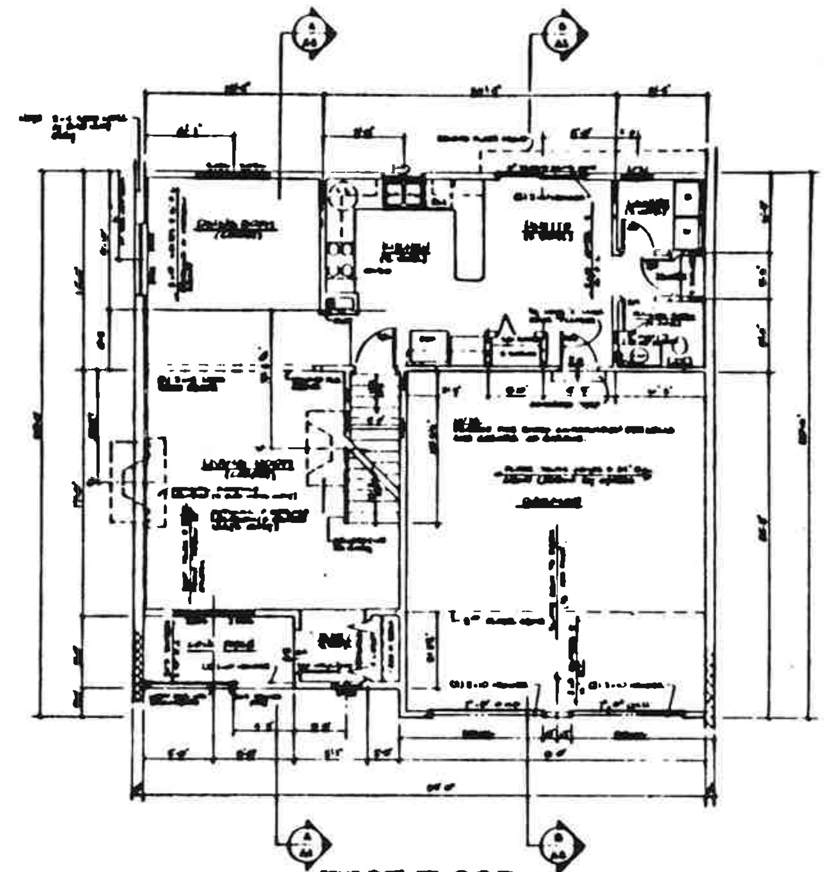
The Maintenance Building shall be constructed in accordance with federal, state and local building and fire codes.

EXHIBIT "H", PHASE II





FOUNDATION



FIRST FLOOR

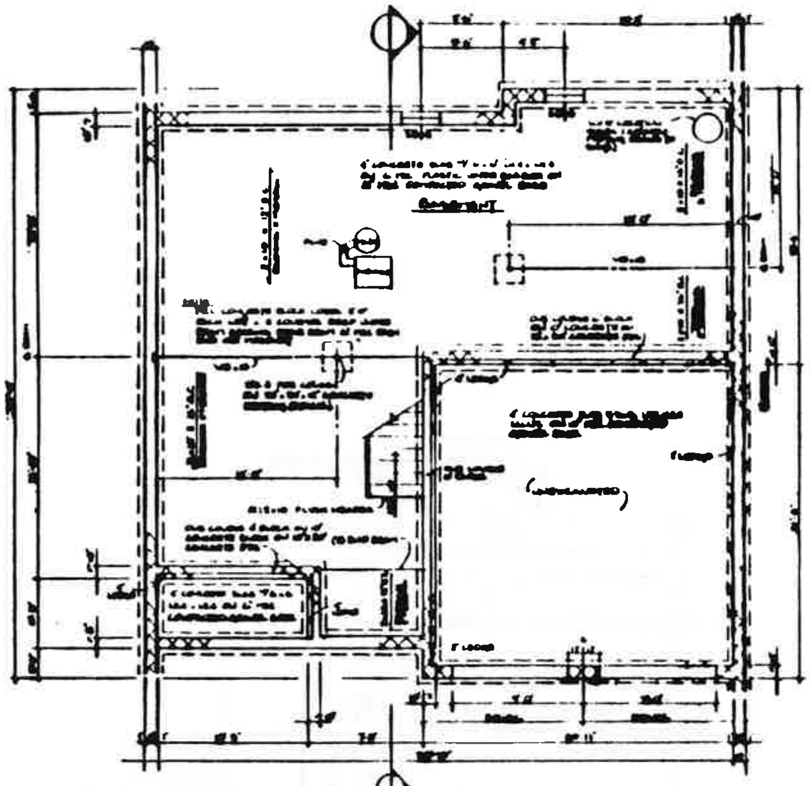
1/4"=1'-0"

PASSERO ASSOCIATES

4156 02

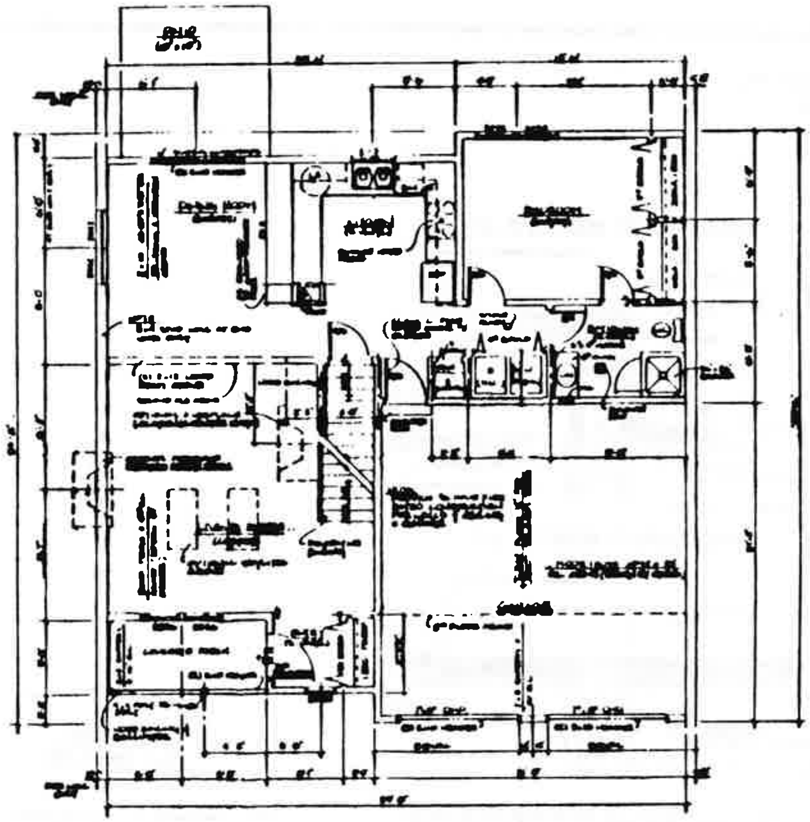
A2

3A



FOUNDATION PLAN

(FOR OPTIONAL FIRST FLOOR BEDROOM)



FIRST FLOOR PLAN

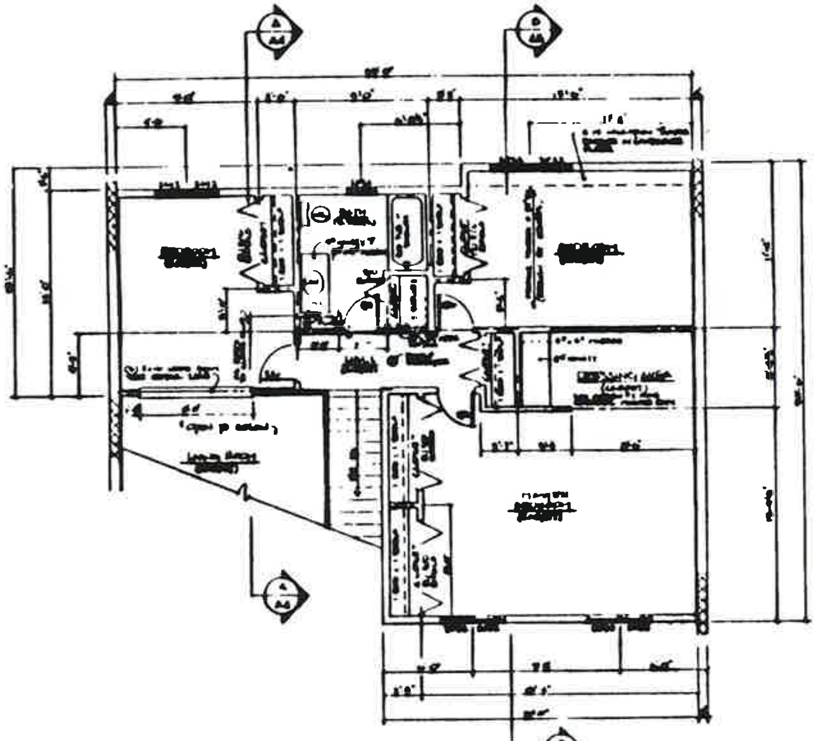
(FOR OPTIONAL FIRST FLOOR BEDROOM)

3A OPT

PASSERO ASSOCIATES

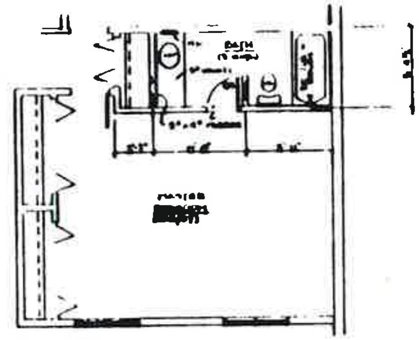
4156.08

A2-1

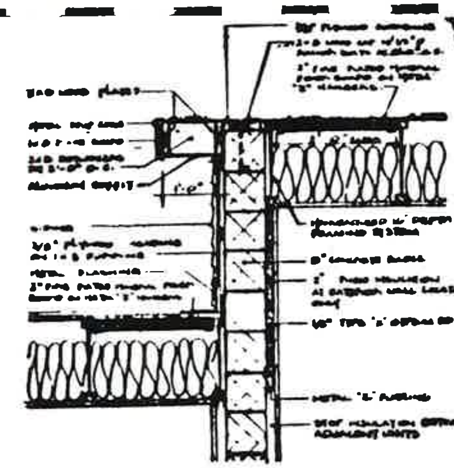


SECOND FLOOR

1/4"=1'-0"

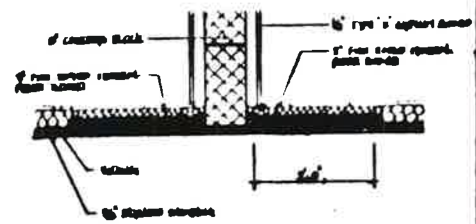


OPTION #1

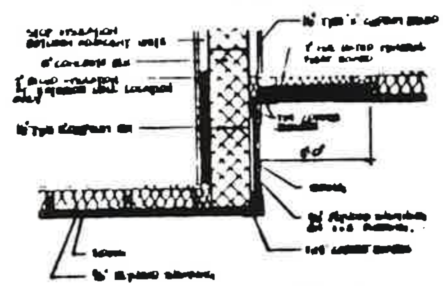


FIREWALL @ ROOF

FIREWALLS (PLAN VIEWS)



AT FLUSH CONDITION



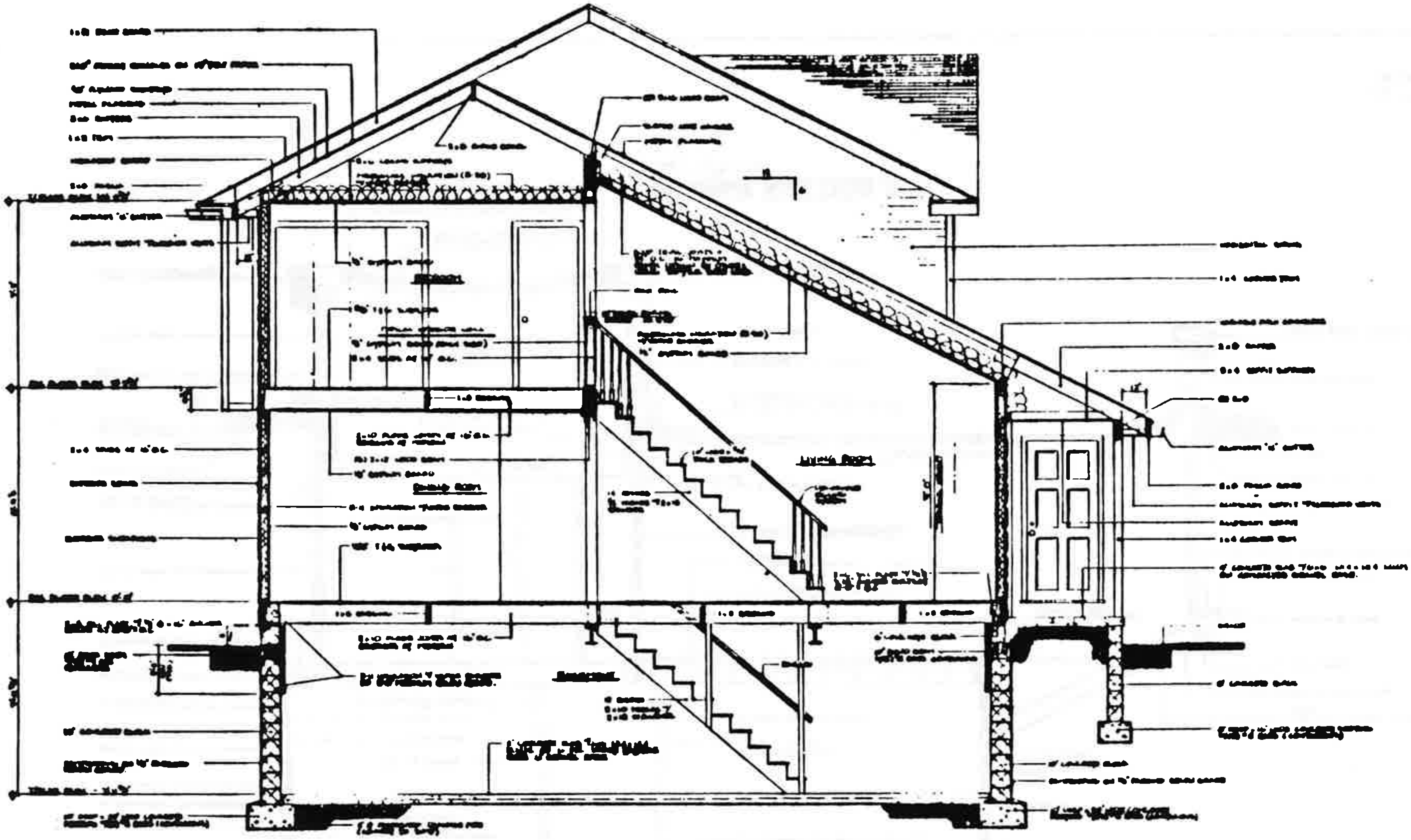
AT CORNER CONDITION

PASSERO ASSOCIATES

3A

4156.02

A3



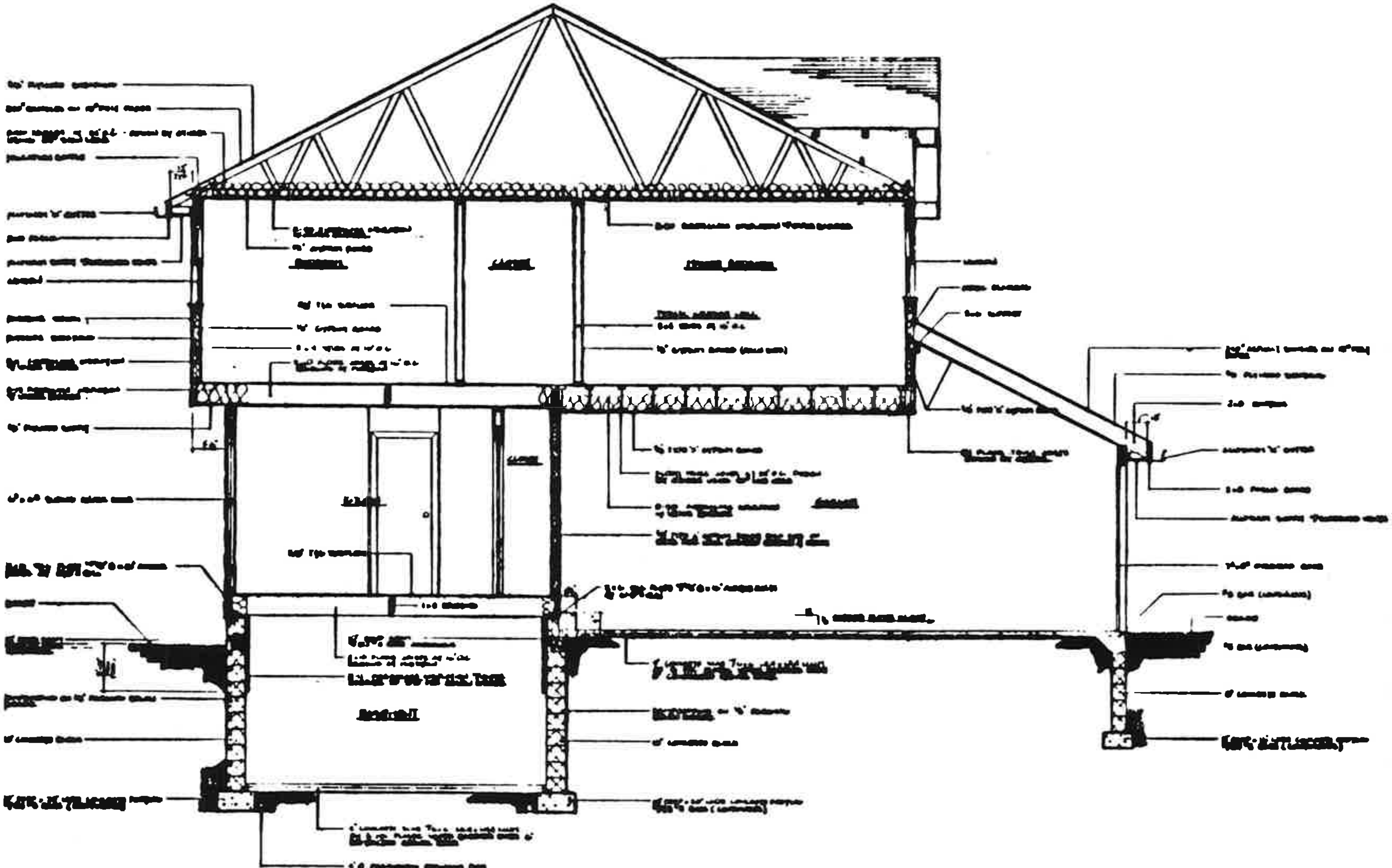
BUILDING SECTION A-A

PASSERO ASSOCIATES

5A

4156.02

A4



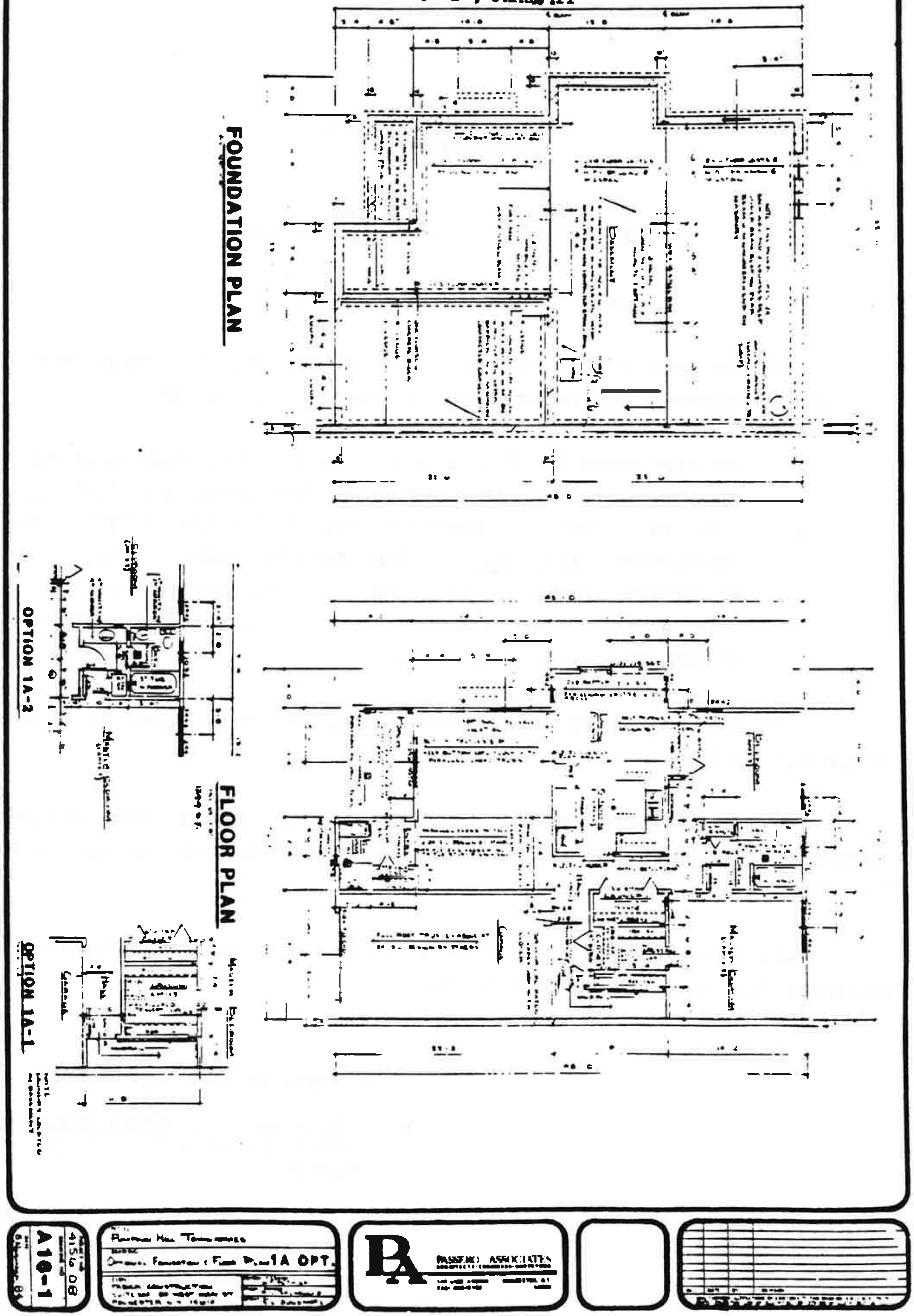
BUILDING SECTION B-B

SCALE 1/8"=1'-0"

PASSERO ASSOCIATES

A5

EXHIBIT "I", PHASE II



PUMPKIN HILL HOMEOWNERS
ASSOCIATION, INC.

Pumpkin Hill Townhomes
Town of Chili, Monroe County, New York

AMENDMENT NO. 2 TO OFFERING PLAN

This Amendment is made for the purpose of modifying the Offering Plan for Pumpkin Hill Homeowners Association, Inc. ("Association") as follows:

1. The maintenance building to be constructed during Phase II of Pumpkin Hill Townhomes shall be 1,020 square feet rather than 1,920 square feet as stated in Amendment No. 1 to the Offering Plan. Approximately one-third of this building shall be heated. The maintenance building shall be used as a maintenance garage, office work area, storage and management office (see Exhibit A) - Architect's Drawing of building.

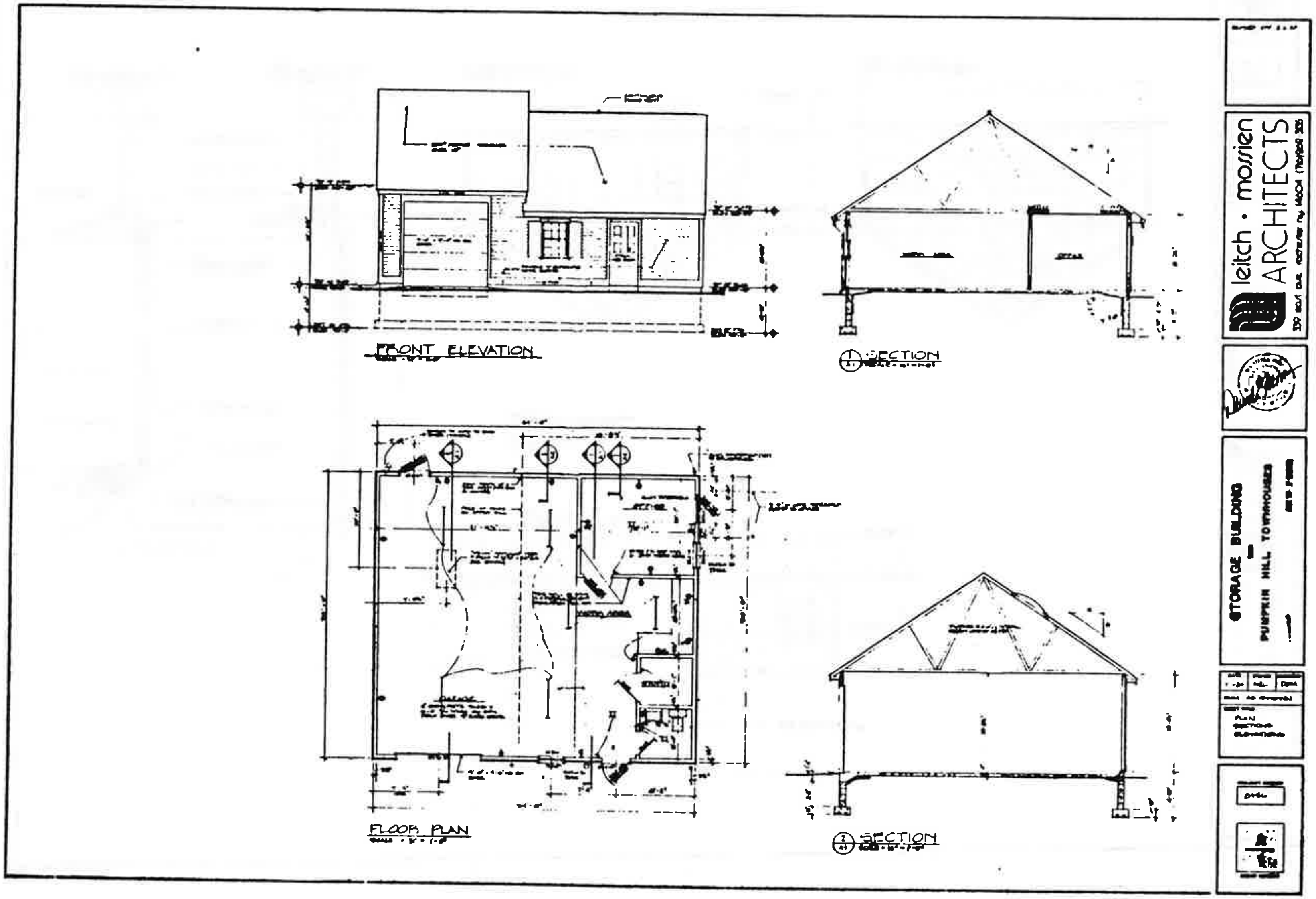
The Engineer's Certification for the Maintenance Building is attached hereto as Exhibit B.

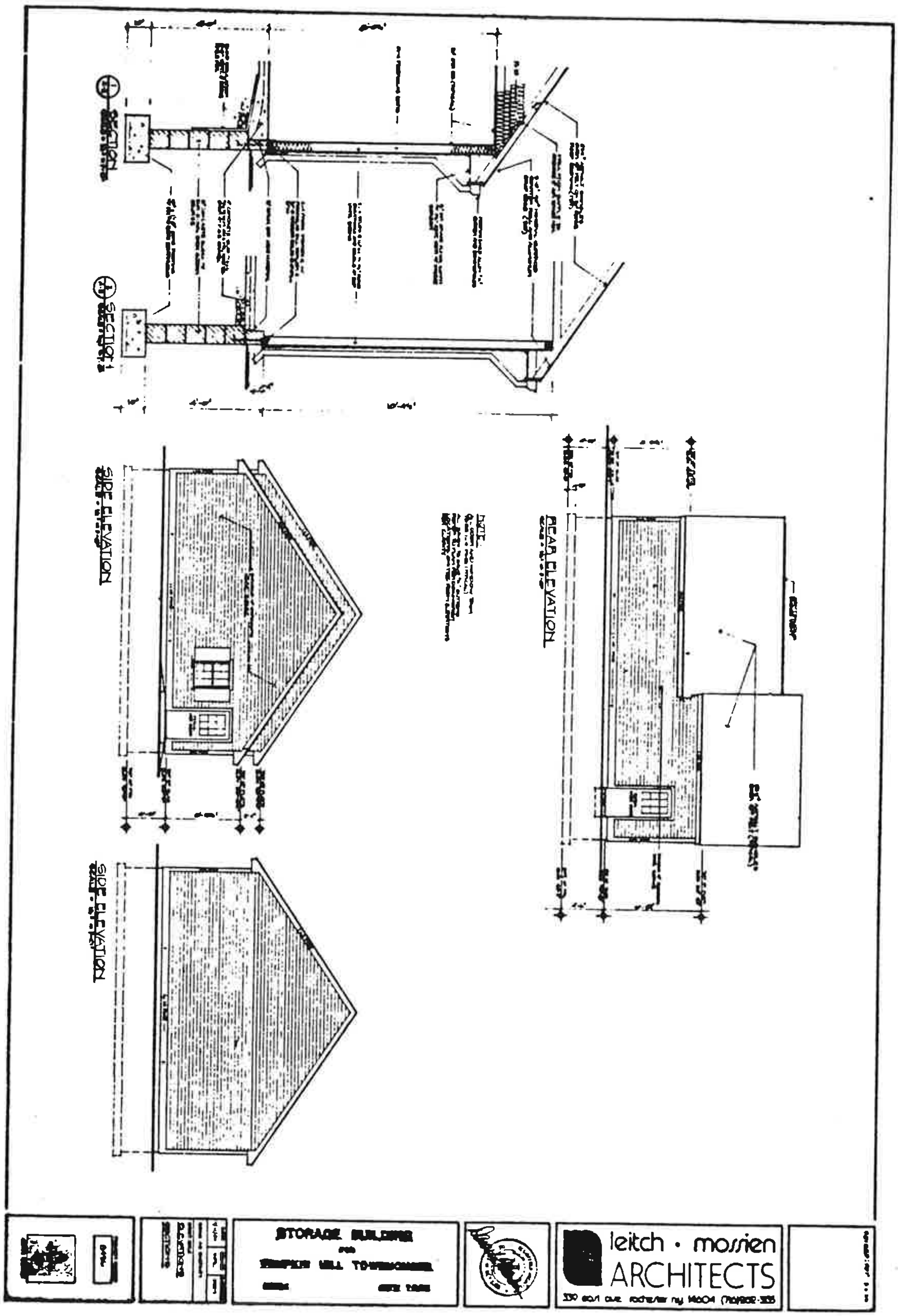
The decrease in square footage will not affect the Homeowners Association's obligation regarding its maintenance responsibilities to Pumpkin Hill Townhomes as stated in the Offering Plan.

All material changes of facts or circumstances affecting Pumpkin Hill Homeowners Association are included herein.

FOREST CREEK EQUITY CORP.

BY: Frank B. Iacovangelo
FRANK B. IACOVANGELO,
Secretary


FRONT ELEVATION
SECTION
FLOOR PLAN
SECTION
STORAGE BUILDING
PUMPKIN HILL TOWNHOUSES
leitch · mossien
ARCHITECTS


SECTION
SIDE ELEVATION
SIDE ELEVATION
REAR ELEVATION
NOTE:
STORAGE BUILDING
leitch · mossien
ARCHITECTS
339 east ave. rochester ny 14604

PUMPKIN HILL HOMEOWNERS
ASSOCIATION, INC.

Pumpkin Hill Townhomes
Town of Chili, Monroe County, New York

AMENDMENT NO. 3 TO OFFERING PLAN

The Approximate Amount of this Offering of
Phases I, II and IV is $356,500.00
(cost of common areas and facilities,
included in the price of
the 121 Lots in Phases I, II and IV)

This Amendment is made for the purpose of modifying the Offering Plan for Pumpkin Hill Homeowners Association, Inc. ("Association") as follows:

1. Incorporate Phase IV of Pumpkin Hill Townhomes into the Association.

2. Establishment of final lot lines to be determined as each lot closes.

3. Operating expenses and reserves for Pumpkin Hill Townhomes Phases I, II and IV shall correspond with the projected budget as set forth in the original Offering Plan, page 14B.

4. Addition of Style 2B2 Townhome.

5. Amendment of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens ("Declaration").

6. Addition of sales people who are concurrently registering with the Department of Law.

INCORPORATION OF PHASE IV OF
PUMPKIN HILL TOWNHOMES INTO THE ASSOCIATION

Forest Creek Equity Corp. ("Sponsor") is presently developing Pumpkin Hill Phases I and II on approximately 14.23 acres of land. Of the 32 Lots in Phase I, 32 are currently completed or under construction. Of the 40 Lots in Phase II, 40 are currently completed or under construction.

In accordance with the original Offering Plan, the Sponsor desires to, and hereby does, incorporate an additional 49 Lots to be known as Pumpkin Hill Phase IV on approximately 7.21 acres of land of which 3.79 acres will remain common area. This land was acquired from Faber Construction on July 13, 1984. Within Pumpkin Hill Phases I, II and IV Lots will be improved by townhomes in one of eight styles:

1A Ranch	- 1021 square feet
1A Option	- 1244 square feet
1B Ranch	- 1212 square feet
2A 2 Story	- 1268 square feet
2B 2 Story	- 1325 square feet
2C 2 Story	- 1169 square feet
3A 2 Story	- 1805 square feet
2B2 2 Story	- 1737 square feet

Construction of Pumpkin Hill Phase IV shall commence April 1, 1986 and is anticipated to be completed by March 31, 1987. A plot plan showing the details of Pumpkin Hill Phase IV is contained herein as Exhibit A. Reference is hereby made to Exhibits B, C and D of the Offering Plan for a composite plan of Pumpkin Hill Townhomes Phase I through IV. The Supplemental Declaration incorporating Phase IV is contained herein as Exhibit B. Letters concerning zoning approval are contained herein as Exhibit C.

All areas contained in Pumpkin Hill Phase IV which are not contained within the perimeter of a subdivision lot will be known as common areas, and will be conveyed to the Association prior to the closing of title to the first Lot within

Phase IV. The common areas in Phase IV will consist of roads, parking areas, walkways and landscaped areas.

The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvements of Lots within the phase or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as landscaping and walkways in the areas of buildings under construction or to be constructed and the finished topping coat of common roadways.

The Sponsor reserves the right to establish final lot lines at the time of each townhome closing when each lot will be resurveyed. This process is necessary to assure the establishment of an exact location for party walls.

As incorporated, Phase IV of Pumpkin Hill is subject to all the terms and conditions of the original Offering Plan, as amended, and this Amendment. The estimate of operating expenses and reserves for the Association for the first year of operation of Pumpkin Hill Phases I, II and IV is set forth in the original Offering Plan beginning on page 14B, and a synopsis of the information is contained in Exhibit D. Assessments for Lots within Pumpkin Hill Phase IV will be levied by the Board of Directors of the Association in their sole discretion, but in any event not prior to the sale of the first Lot in Pumpkin Hill Phase IV. A purchaser of a Lot improved by a townhome will take title subject to reciprocal easements for maintenance purposes. See Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges & Liens, Article 4 and Exhibit B of this Amendment.

The Engineer's Certification for Pumpkin Hill Phases I, II and IV is attached hereto as Exhibit E.

ALL OF THE DOCUMENTS REFERRED TO IN THIS AMENDMENT AND THE OFFERING PLAN, AS AMENDED, ARE IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT WITH YOUR OWN ATTORNEY BEFORE SIGNING ANY CONTRACT AND ALSO PROVIDE YOUR ATTORNEY WITH A COPY OF THIS AGREEMENT AND THE OFFERING PLAN, AS AMENDED.

The Sponsor shall offer an eighth-style townhome in Phases III and IV, which was not previously offered in Phases I and II. The Style 2B2 Townhome shall be a two-story structure containing approximately 1737 square feet. A copy of the plan for this Style 2B2 is set forth as Exhibit F. The monthly maintenance fee for this Style 2B2 Townhome shall be Eighty-Five Dollars ($85.00) per month.

Article 2, Section 2.02 of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens allows the Sponsor to bring additional properties within the scheme of the Declaration. The Sponsor hereby amends the Declaration to incorporate Phase IV property as contained in the Supplemental Declaration set forth as Exhibit B.

At this time Sponsor wishes to add additional sales people operating under John T. Nothnagle, Inc., the selling agent, to sell lots in Pumpkin Hill Townhomes Phase IV and any subsequent offerings. The additional sales people are Licensed Sales Associates under the State of New York (see page 44 of the Offering Plan). The names of these sales people are as follows: Kerry Alan Kramer, Gail Winne Tudman, Lorraine Fiorito Irizarri, William Arieno, Adele Gath, Nancy L. Montulli and Cathleen E. Desiderio.

In one (1) or more later phases, the Sponsor plans to improve additional Lots as set forth in the Offering Plan, as amended, all of which will be incorporated into the Association. BECAUSE OF A VARIETY OF CIRCUMSTANCES, INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL, SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROLS, CONTINUED FULFILLMENT OF THE TERMS AND CONDITIONS OF THE PURCHASE AND SALE AGREEMENT WITH THE AGENCY, AND THE GENERAL CONDITION IN THE ECONOMY, THE SPONSOR GIVES NO ASSURANCE THAT ALL OR ANY ADDITIONAL PHASES NOW CONTEMPLATED WILL BECOME A REALTY.

At the time of this Amendment 29 closings have occurred in Pumpkin Hill Phase I, 24 closings have occurred in Phase II, and no closings have occurred in Phase IV. The Pumpkin Hill Homeowners Association has been in operation for more than one (1) year and at this time the Sponsor maintains exclusive control of the Board of Directors.

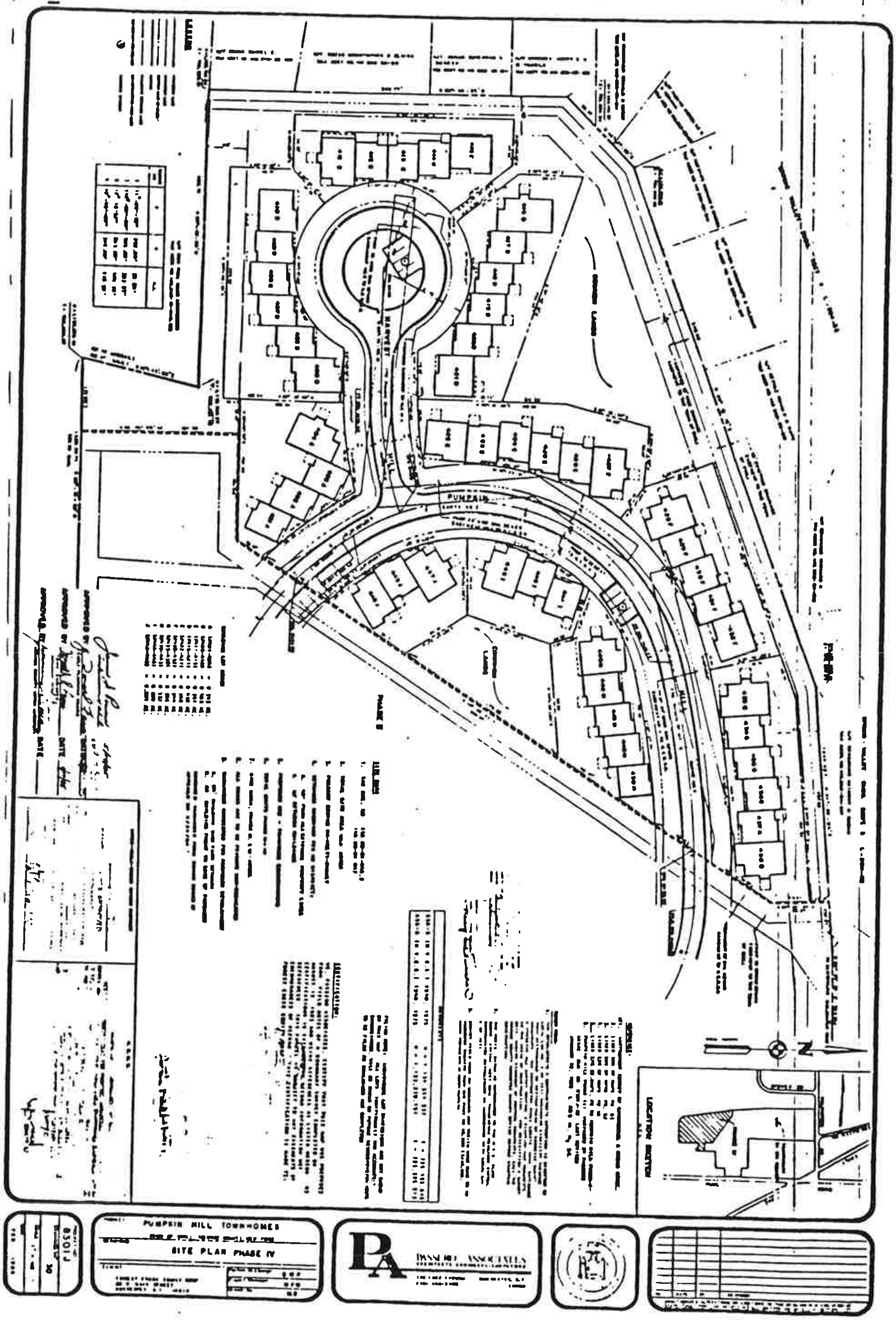
All material changes of facts or circumstances affecting Pumpkin Hill Homeowners Association are included herein.

FOREST CREEK EQUITY CORP.

BY ________________________ Pres.

BERNARD J. IACOVANGELO, PRESIDENT

EXHIBIT "A"



125

EXHIBIT B

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

PUMPKIN HILL HOMEOWNERS
ASSOCIATION, INC.

PUMPKIN HILL TOWNHOMES
PHASES I, II AND IV
MONROE COUNTY, ROCHESTER, NEW YORK

THIS SUPPLEMENTAL DECLARATION, made this 31st day of March, 1986, by the undersigned with a common mailing address in FOREST CREEK EQUITY CORP., 80 West Main Street, Suite 101, Rochester, New York, 14614.

WHEREAS, FOREST CREEK EQUITY CORP. is the Sponsor of PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC. as established by a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens dated October 29, 1984, and recorded in the Monroe County Clerk's Office in Liber 6664 of Deeds, at page 1, on February 14, 1985, hereinafter referred to as the "Declaration", and

WHEREAS, The Declaration declared that certain real property described therein was subject to a uniform plan of protective covenants, conditions, restrictions, easemments, charges and liens, and

WHEREAS, the Sponsor, pursuant to Article 2, Section 2.02 of the Declaration, desires to declare certain additional real property, as is particularly described in Schedule A attached hereto and made a part hereof, to be subject to the uniform plan of protective covenants, conditions, restrictions, easements, charges and liens, and

WHEREAS, the Sponsor is offering an additional townhome style with maintenance assessments varying according to said style purusant to Section 7.04 of the Declaration, NOW, THEREFORE, the Sponsor, for itself, its successors and assigns, declares that the real property described in Schedule A attached hereto and made a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens contained in the Declaration, as amended. Said covenants, conditions, restrictions, easements, charges and liens shall run with the real property, shall be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof,

AND FURTHER, there shall be one additional class of maintenance assessment for the additional townhome Style 2B2 (see Section 7.04 of the Declaration): 2 Story (2B2) - 1737 square feet - Eighty-Five Dollars ($85.00) per month.

IN WITNESS WHEREOF, the undersigned, being the owners of real property subject to the Declaration, as amended, set their hands and seals the date first stated above.

FOREST CREEK EQUITY CORP.

BY: Bernard J. Iacovangelo, Pres.
BERNARD J. IACOVANGELO, PRESIDENT

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

BY: Bernard J. Iacovangelo, Pres.
BERNARD J. IACOVANGELO, PRESIDENT

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

On this 31st day of March, 1986, before me personally came BERNARD J. IACOVANGELO, to me known and who, by me being duly sworn did depose and say:

That he resides at Rochester, New York, that he is the Secretary of FOREST CREEK EQUITY CORP., an authorized Corporation, the Corporation described in and which executed the foregoing Instrument; that such seal affixed to said Instrument is such corporate seal; that it was affixed to said Instrument by order of Board of Directors of such Corporation in writing, and that he signed his name thereto by like order.

David J. Gutmann
NOTARY PUBLIC
DAVID J. GUTMANN
NOTARY PUBLIC, State of N.Y., Monroe Co.
My Commission Expires March 30, 19 87

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

On this 31st day of March, 1986, before me personally came BERNARD J. IACOVANGELO, to me known and who, by me being duly sworn did depose and say:

That he resides at Rochester, New York, that he is the President of PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC., an authorized Corporation, the Corporation described in and which executed the foregoing Instrument; that such seal affixed to said Instrument is such corporate seal; that it was affixed to said Instrument by order of Board of Directors of such Corporation in writing, and that he signed his name thereto by like order.

David J. Gutmann
NOTARY PUBLIC
DAVID J. GUTMANN
NOTARY PUBLIC, State of N.Y., Monroe Co.
My Commission Expires March 30, 19 87

SCHEDULE A

All that tract and or parcel of land situated in part of Town Lot 110, of the John Smith Allotment, in the Town of Chili, County of Monroe, State of New York, and being more particularly described as follows:

Commencing at a point in the centerline of Coldwater Road 49.5' wide, located at the division line between lands of Spring Valley Subdivision, Section 5 on the north and Pumpkin Hill Subdivision, as filed in Monroe County Clerk's Office at Liber 228 of Maps, page 10 on the south; thence, westerly along said division line, a distance of 783.00 feet to an angle point; thence, westerly continuing along a division line of said parcels, a distance of 237.47 feet to the point of beginning; thence,

1. Continuing in the same course, having an assigned bearing of south 84°-28'-05" west, a distance of 207.93 feet to an angle point; thence,
2. South 69°-15'-15" west, a distance of 540.00 feet to a point; thence,
3. South 45°-27'-00" west, a distance of 96.27 feet to a point; thence,
4. South 00°-46'-55" east, a distance of 349.77 feet to a point; thence,
5. South 89°-43'-55" east, a distance of 293.71 feet to a point; thence,
6. South 12°-43'-05" west, a distance of 122.87 feet to a point; thence,
7. North 89°-13'-05" east, a distance of 71.96 feet to a point on the westerly line of Phase II of Pumpkin Hill Townhouses, as filed in Monroe County Clerk's Office at Liber 232 of Maps, page 32; thence,
8. North 00°-46'-55" west, along said phase line 157.70 feet to a point; thence,
9. North 89°-13'-05" east, a distance of 104.58 feet to a point; thence,
10. North 32°-20'-02" east, a distance of 631.34 feet to a point; thence,
11. North 02°-58'-08" west, a distance of 56.37 feet to the point and place of beginning. Parcel containing 7.21 acres of land.

EXHIBIT "C"

TOWN OF CHILI

Originated in 1822

N OFFICES 3235 CHILI AVENUE. ROCHESTER. NEW YORK 14624 TEL: 889-3550

JAMES J. POWERS
Supervisor
CAROL A. O'CONNOR
Town Clerk

NOTICE OF DECISION
CHILI PLANNING BOARD

ROBERT L. CRIDDLE
JEROME F. BRIXNER
LORRAINE V. ANDERSON
RANDY C. PIKUET
Council Members

DATE: March 18, 1985

APPLICATION OF: Forest Creek Equity Corp.

RESIDING AT: 80 W. Main Street, Rochester, NY 14614

FOR: Final site plan approval of 49 units to be known as Pumpkin Hill Townhomes Section 4 at property located at 844 Paul Road.

ZONING DISTRICT: RM

PLEASE TAKE NOTICE that at the March 12, 1985 meeting of the Town of Chili Planning Board, the above application was:

[x] APPROVED [ ] GRANTED [ ] TABLED [ ] DENIED

BY A VOTE OF: Unanimous

[x] The application was approved/granted upon the following conditions:

Pending review and approval by the Town Engineer.

[ ] The application was tabled/denied for the following reason: ...

Sincerely yours,

J. Donald Faso

J. Donald Faso, Chairman
Chili Planning Board

DF/kr
cc: Robert Connolly, Bldg. Inspector
Planning Board Members
file
Passero Associates

MAR 20 1985

EXHIBIT "D"

SCHEDULE "A"

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

PROJECTED INCOME AND EXPENSE FOR
100% OCCUPANCY THROUGH PHASES I, II AND IV

Projected Income (Note 1)	$117,576
Projected Expenses	
Labor (Contracted)	$ 25,012
Heating	1,890
Utilities (Electricity & Gas for Common Property)	3,500
Utilities (for Amenities)	3,000
Water	4,340
Management	14,448
Repairs & Maintenance	8,050
Repairs & Maintenance (Amenities)	1,032
Supplies & Office Equipment	680
Snow Removal	2,800
Refuse Removal	9,824
Insurance	8,789
Accounting	1,000
Legal	500
NYS Franchise Taxes	250
Taxes (Real Estate)	8,460
Vehicles & Equipment	4,359
Reserve ($13.39 per month)	19,442
Contingencies, Petty Cash	200
Total	$117,576

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A

Note 1 - Projected Income

The project will be comprised of 172 units with substantially 5 units per cluster. In each cluster, units vary as to square footage and type of construction, hence, the assessment for individual units vary. The project will be built in four (4) phases, with Phase I containing 32 lots, Phase II containing 40 lots and Phase IV containing 49 lots.

Type of Unit	Square Footage	Monthly Assessment	Phase I, II and IV	Total 100% Occupancy Charges
Small Ranch (1A)	1,021	$78	6	$ 5,616
Small 2 Story (2C)	1,169	79	31	29,388
Medium 2 Story (2A)	1,268	80	21	20,160
Large Ranch (1B)	1,212	81	8	7,776
Large 2 Story (2B)	1,325	81	29	28,188
3 Bedroom 2 Story (3A)	1,805	88	8	8,448
Ranch with Options (1AO)	1,244	81	12	11,664
Large 2 Story (2B2)	1,737	88	6	6,336
		Total	121	
Total Estimated Revenue				$117,576

Monthly assessment fees are payable to the Association on a monthly basis and are due on the first day of every month. The fee will be prorated for the first month of occupancy, with the full month's common charge assessment due thereafter.

The sponsor will provide a $250 escrow per unit sold prior to closing. This will be reimbursed to the sponsor by the buyer at closing. The escrow funds are not reflected herein.

Note 2 - Projected Expenses

Projected expenses are based on expenses in the original 100% occupancy projections dated October 17, 1984, as adjusted for:

1. Phase IV completion in advance of Phase III;
2. The change in unit mix from the original projection, and;
3. The cost of leasing vehicles instead of owning.

Expenses are prorated by the percentage of units sold to total units (approximately 70%), except for legal, accounting and amenities expenses which are estimated at 100% for all stages.

EXHIBIT A-2

ENGINEER'S CERTIFICATION

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

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

A. The Sponsor of the Offering Plan for a Homeowners Association or PUMPKIN HILL TOWNHOMES retained me/our firm to prepare a report describing the property when constructed (the "Report"). We examined the building plans and specifications that were prepared by Passero Associates dated February, 1985, and prepared the Report dated January 20, 1986, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

1. I/We understand that I/We an/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13 NYCRR Part 22 insofar as they are applicable to this Report.
2. I/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.
3. I/We certify that 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 I/We examined;

b. In my/our opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/We examined;

c. Not omit any material fact;

d. Not contain any untrue statement of a material fact;

e. Not contain any fraud, deception, concealment or supression;

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 I/We:

    (1) Knew the truth;

    (2) With reasonable effort could have known the truth;

    (3) Made no reasonable effort to ascertain the truth; or

    (4) Did not have knowledge concerning the representations or statement made.

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

LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSERO
NO. 0533[illegible]
STATE OF NEW YORK

Sworn ~~to~~ before me this 23rd
day of Jan, 1986.

LORETTA M. AUGHENBAUGH
Notary Public, State of N.Y., Monroe County
My Commission Expires March 30, 1986

PASSERO ASSOCIATES
ARCHITECTS • ENGINEERS • SURVEYORS
LANDSCAPE ARCHITECTS P.C.
145 LAKE AVENUE, ROCHESTER, NY 14608 716-458-2180

GARY W. PASSERO, P.E.
KENNETH W. PASSERO, P.E.
WILLIAM F. PETHICK, A.I.A.
WAYNE F. WEGMAN, P.E.
TIMOTHY C. ROCK, P.E.
JOEL A. COCCIA, R.A.
WILLIAM B. GILLETTE, P.L.S.
TERRENCE GLEASON, A.S.L.A.

LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSERO
NO. 055172
STATE OF NEW YORK

January 20, 1986

SPECIFICATIONS FOR CONSTRUCTION

1. Water mains to be constructed in accordance with the Monroe County Water Authority.

2. Water mains and services shall have a minimum cover of 5.0 feet as measured from the top of the pipe to the finished grade.

3. The sanitary and storm sewers shall be constructed in accordance with the requirements and specifications of the Gates-Chili-Ogden Sewer District and Town of Chili, respectively. There shall be three (3) catch basins, two (2) yard drains and ninety-eight (98) roof drains.

4. All roadways and pavements constructed shall be private and maintenance shall be the responsibility of the Homeowners Association.

5. Maximum allowable infiltration or exfiltration for sanitary sewers shall be limited to 100 gallons per inch of diameter per mile of pipe per day.

6. After construction and prior to acceptance, sanitary sewers shall be tested for infiltration and exfiltration and photographed by the contractor. The contractor shall notify the Division's local district office forty-eight (48) hours prior to photographing and/or infiltration and exfiltration testing.

7. Cellar infiltration to discharge to the storm sewer system in the rear. Use a pump and check valve if required.

8. Laundry wastes to discharge to sanitary sewer system via pump if necessary (with check valve).

9. If basement floor drains are installed, these drains must be connected to the sanitary sewer.

10. The water main shall be disinfected equal to AWWA standard specifications for disinfection of water mains, designation C-601-6, with the exception of Item 7.3. Following flushing of the main, samples of water shall be collected by the Monroe County Health Department. The main shall not be placed in service until the water has been approved and notification thereof received from the Monroe County Health Department.

11. Individual one inch (1") service lines to be installed to each unit including curb stops for Lots 401 through 449.

12. Water pressure test performed on the hydrant on Paul Road south of Chili Avenue on July 25, 1984, showed a static pressure of 45 P.S.I., residual pressure of 39 P.S.I. with an actual flow of 853 G.P.M. and a calculated flow of 1846 G.P.M. at 20 P.S.I. residual.

13. All eight inch (8") asbestos cement sanitary sewer pipe to be Class 3300, Type II.

14. The location, sizes and elevations of existing utilities are not guaranteed and may be approximate only. The contractor shall be responsible for determining the exact location and depth of all utilities and structures prior to excavation or construction. The cost of repairing damaged utilities shall be the sole expense of the contractor.

15. All sanitary manholes to be four feet (4') minimum in diameter.

16. The sidewalk shall be five feet (5') wide consisting of a two inch (2") asphalt concrete top course, five inches (5") of crushed stone base and be sloped for proper drainage.

17. Install new eight inch (8") diameter water mains, new hydrants and water services. Distance from the hydrant to its valve must not be less than six feet (6').

18. Erosion control measures must be taken during construction to contain siltration within the site, including staking straw bales around each inlet to the storm sewer.

19. There must be at least a ten foot (10') separation between the water and sewer laterals.

20. Pumpkin Hill Townhomes - Section 4 to be 49 townhomes with an average daily flow of 14,700 G.P.D.

21. Water main crossing storm of sanitary sewers shall be laid to provide a separation of at least eighteen inches (18") vertically measured and at least ten feet (10') horizontally measured from the outside of pipe.

22. The length of water pipe to be centered at the point of crossing so that the joints will be equidistant and as far as possible from the sewers.

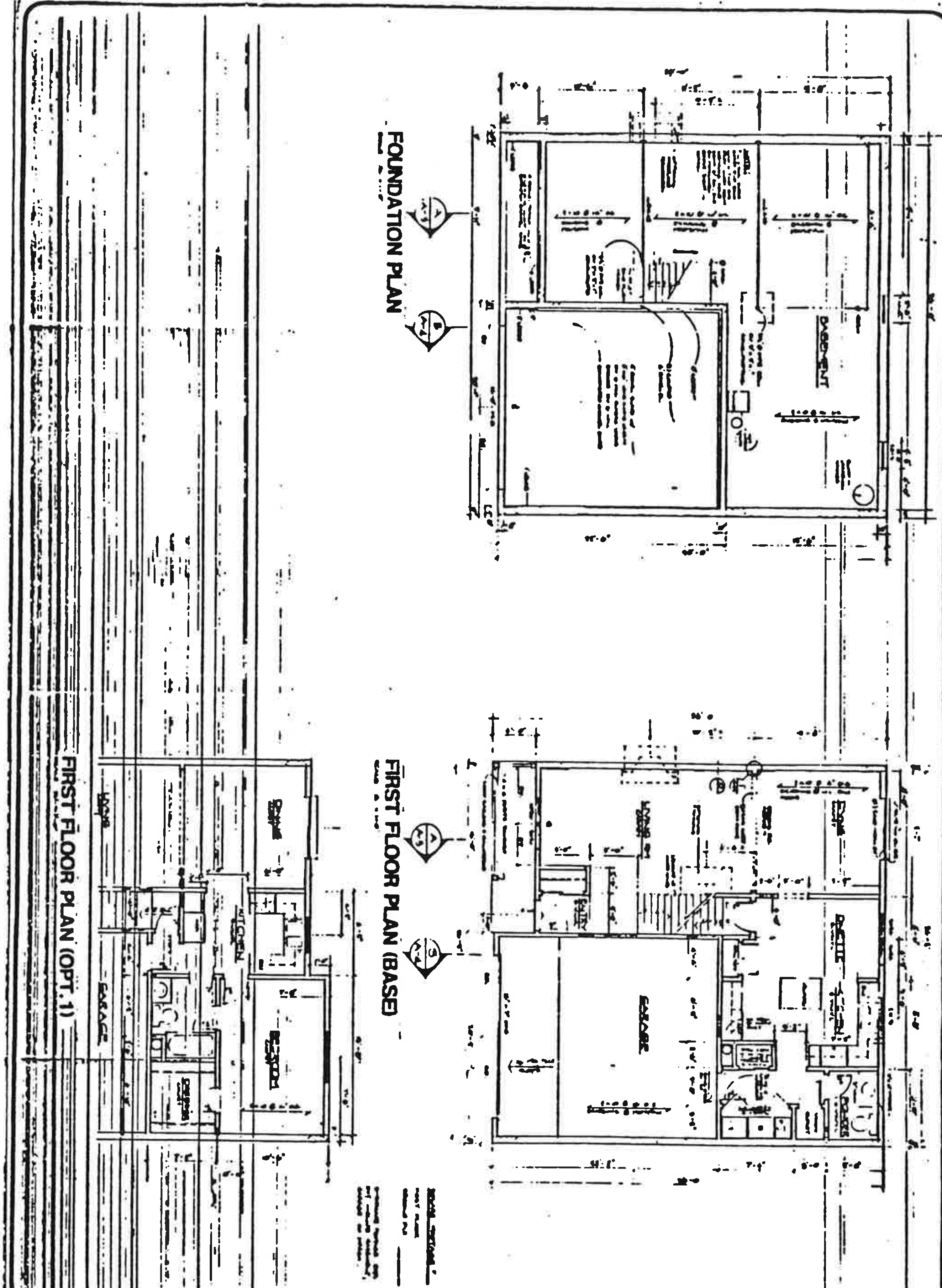
LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSER
NO. 055172
STATE OF NEW YORK

23. Sewers, laterals and appurtenances shall be constructed in conformance with the requirements of the Gates-Chili-Ogden Sewer District. Each townhome will be serviced by a sanitary sewer lateral consisting of four inch (4") diameter PVC SDR-21 sanitary lateral pipes. All laterals will have interior cleanouts in the basements of each townhome. Exterior cleanouts will be provided at change in alignment and at intervals not to exceed seventy-five feet (75').

24. Roads shall be constructed in substantial conformity with local government specifications except that concrete gutters shall be twenty-four inches (24") in width. Roads and parking lots shall be constructed of a twelve inch (12") base of crushed stone, two inches (2") AC binder and one inch (1") AC top.

25. Additional specifications are set forth in Pages 24 through 30 of the Offering Plan.

EXHIBIT "F"



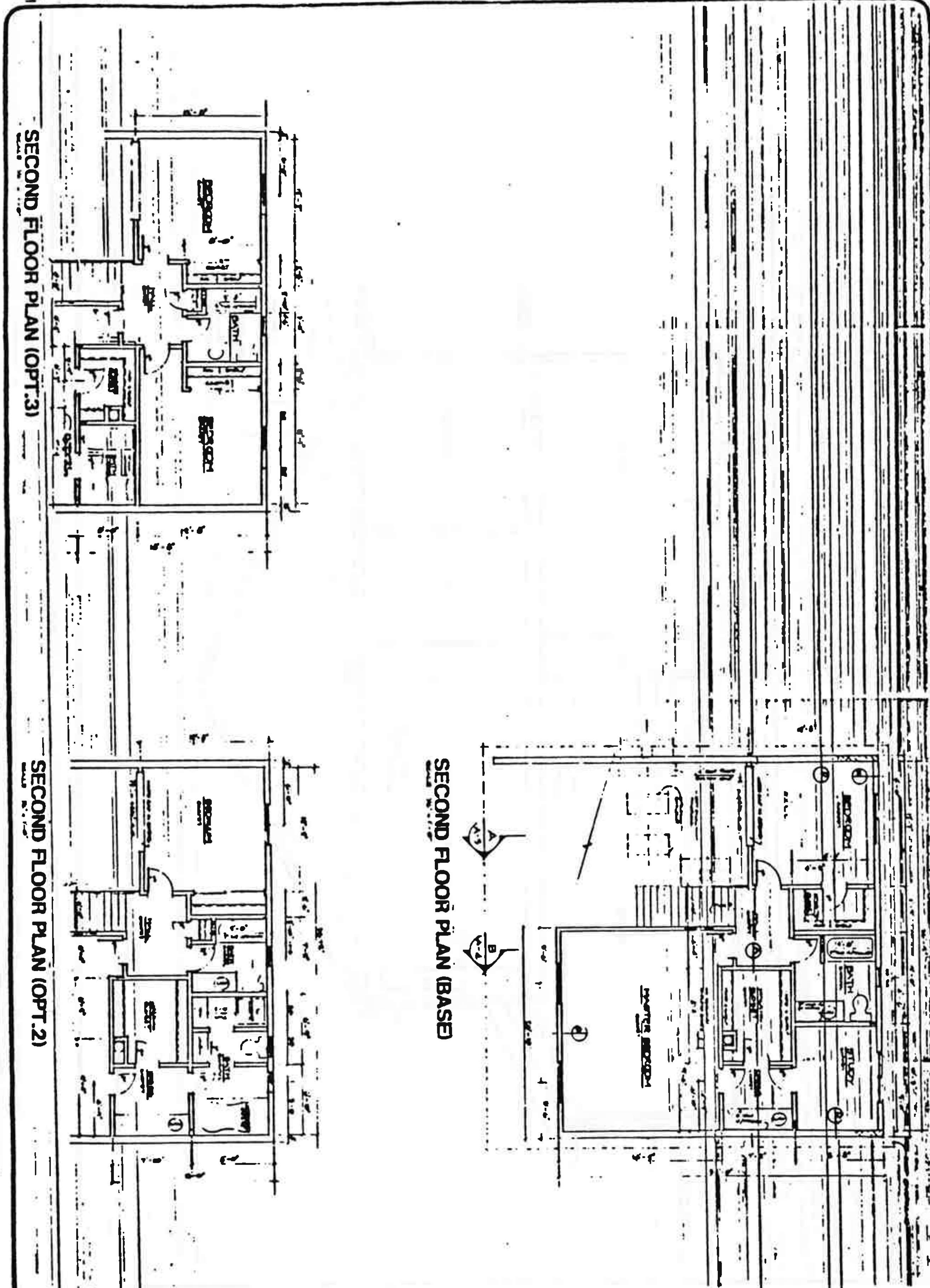
PUMPKIN HILL TOWNHOMES

FOUNDATION & FIRST FLOOR PLANS 2B-2

PASSERO ASSOCIATES

4156.16

A-1



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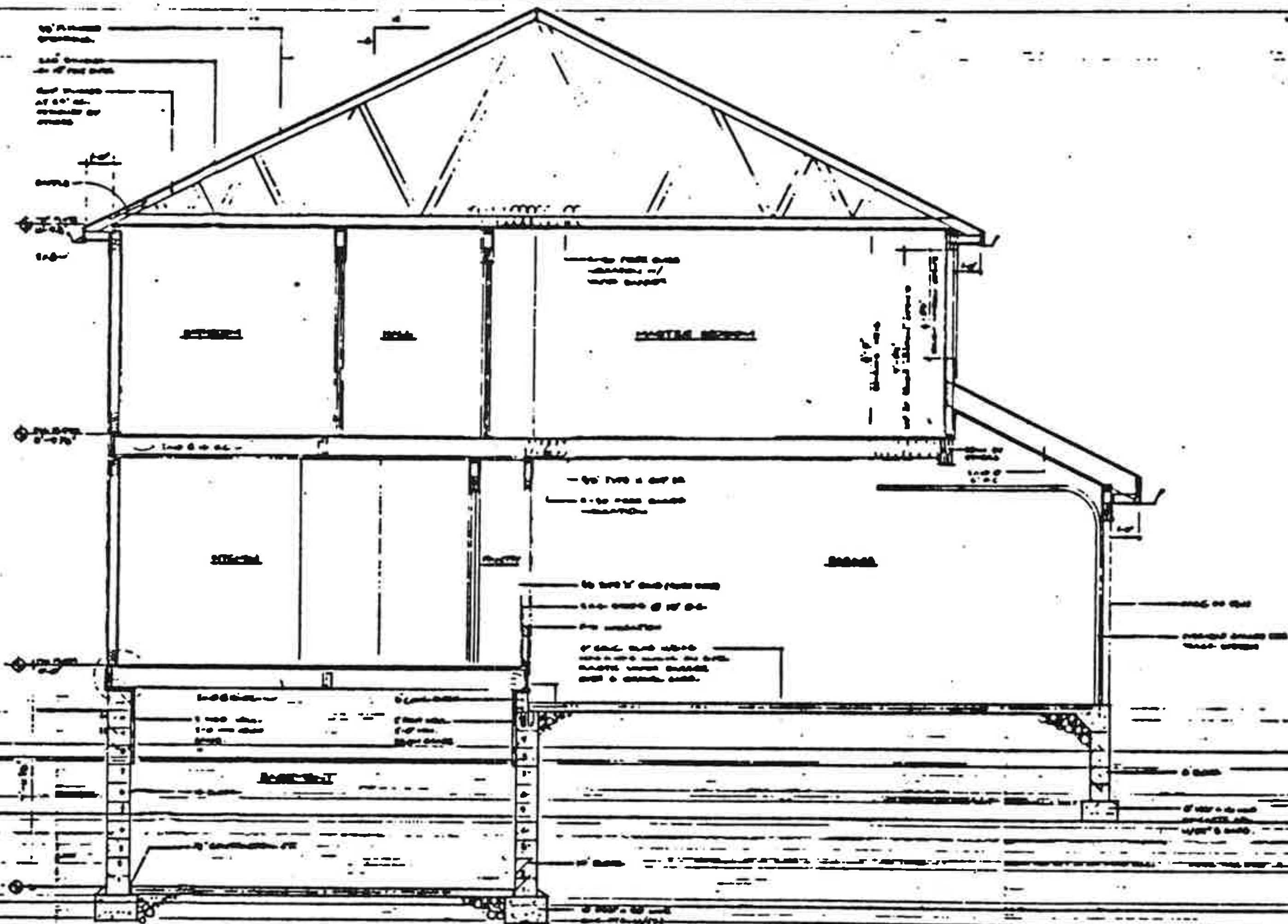
A-2

PUMPKIN HILL TOWNHOMES

SECOND FLOOR PLANS

2B-2

PA



BUILDING SECTION B-B

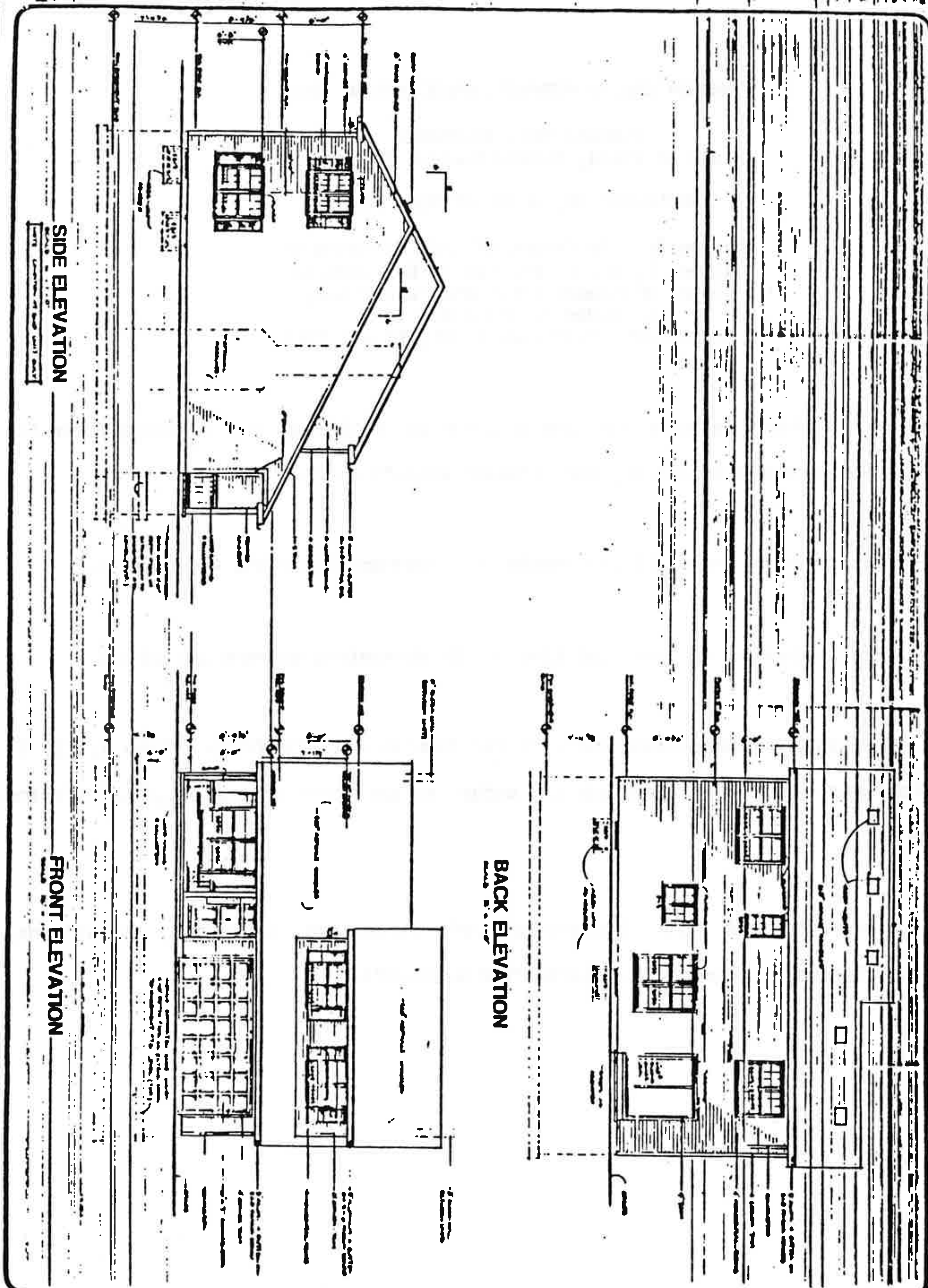
PUMPKIN HILL TOWNHOMES

SECTIONS

2B-2

4156.16

A-4



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A-5

PUMPKIN HILL TOWNHOMES

ELEVATIONS 2B-2

PASSERO ASSOCIATES

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

Pumpkin Hill Townhomes
Town of Chili, Monroe County, New York

AMENDMENT NO. 4 TO OFFERING PLAN

The Approximate Amount of this Offering of
Phases I, II, IV and III is $416,000.00
(cost of common areas and facilities,
included in the price of
the 172 Lots in Phases I, II, IV and III)

This Amendment is made for the purpose of modifying the Offering Plan for Pumpkin Hill Homeowners Association, Inc. ("Association") as follows:

1. Incorporate Phase III of Pumpkin Hill Townhomes into the Association.

2. Establishment of final lot lines to be determined as each lot closes.

3. Operating expenses and reserves for Pumpkin Hill Townhomes Phases I, II, IV and III shall correspond with the projected budget as set forth in the original Offering Plan, page 14B.

4. Amendment of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens ("Declaration").

134

INCORPORATION OF PHASE III OF
PUMPKIN HILL TOWNHOMES INTO THE ASSOCIATION

Forest Creek Equity Corp. ("Sponsor") is presently developing Pumpkin Hill Townhomes Phases I, II and IV on approximately 21.52 acres of land. Of the 32 Lots in Phase I, 32 are currently completed. Of the 40 Lots in Phase II, 40 are currently completed. Of the 49 Lots in Phase IV, 49 are currently completed or under construction.

In accordance with the original Offering Plan, the Sponsor desires to, and hereby does, incorporate an additional 51 Lots to be known as Pumpkin Hill Townhomes Phase III on approximately 7.860 acres of land of which 4.267 acres will remain common area. This land was acquired from Faber Construction on July 13, 1984.

Construction of Pumpkin Hill Townhomes Phase III shall commence August 1, 1987 and is anticipated to be completed by December 31, 1988. A plot plan showing the details of Pumpkin Hill Townhomes Phase III is contained herein as Exhibit "A". Reference is hereby made to Exhibits "B", "C" and "D" of the Offering Plan for a r 'oosite plan of Pumpkin Hill Townhomes, Phases I through IV. The Supplemental L aration incorporating Phase III is contained herein as Exhibit "B". Letters concerning Planning Board approval
are contained herein as Exhibit "C".

All areas contained in Pumpkin Hill Townhomes Phase III which are not contained within the perimeter of a subdivision lot will be known as common areas, and will be conveyed to the Association prior to the closing of title to the first lot within Phase III. The common areas in Phase III will consist of roads, parking areas, walkways and landscaped areas.

The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvements of lots within the phase or could impede the improvement of such lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as landscaping and walkways in the areas of buildings under construction or to be tructed and the finished topping coat of common roadways.

The Sponsor reserves the right to establish final lot lines at the time of each townhome closing when each lot will be resurveyed. This process is necessary to assure the establishment of an exact location for party walls.

As incorporated, Phase III of Pumpkin Hill Townhomes is subject to all terms and conditions of the original Offering Plan, as amended, and this Amendment. The estimate of operating expenses and reserves for the Association for the first year of operation of Pumpkin Hill Townhomes Phases I, II, IV and III is set forth in the original Offering Plan beginning on page 14B, and a synopsis of the information is contained in Exhibit "D". Assessments for lots within Pumpkin Hill Townhomes Phase III will be levied by the Board of Directors of the Association in their sole discretion, but in any event not prior to the sale of the first lot in Pumpkin Hill Townhomes Phase III. A purchaser of a lot improved by a townhome will take title subject to reciprocal easements for maintenance purposes. See Declaration of Protective Covenants, nditions, Restrictions, Easements, Charges and Liens, Article "4" and Exhibit "B" of Amendment.

The Engineer's Certification for Pumpkin Hill Townhomes Phases I, II, IV and III is attached hereto as Exhibit "E".

ALL OF THE DOCUMENTS REFERRED TO IN THIS AMENDMENT AND THE OFFERING PLAN, AS AMENDED, ARE IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT WITH YOUR OWN ATTORNEY BEFORE SIGNING ANY CONTRACT AND ALSO PROVIDE YOUR ATTORNEY WITH A COPY OF THIS AGREEMENT AND THE OFFERING PLAN, AS AMENDED.

Article 2, Section 2.02 of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens allows the Sponsor to bring additional properties within the scheme of the Declaration. The Sponsor hereby amends the Declaration to incorporate Phase III property as contained in the Supplemental Declaration set forth as Exhibit "B".

At the time of this Amendment 32 closings have occurred in Pumpkin Hill ıhomes Phase I, 40 closings have occurred in Phase II, 21 closings have occurred in Phase IV, and no closing have occurred in Phase III. The Pumpkin Hill Homeowners Association has been in operation for approximately two and one half (2-1/2) years and at this time the Sponsor maintains exclusive control of the Board of Directors.

All material changes of facts or circumstances affecting Pumpkin Hill Homeowners Association are included herein.

FOREST CREEK EQUITY CORP.

BY: Bernard J Iacovangelo Pres.

BERNARD J. IACOVANGELO,
PRESIDENT

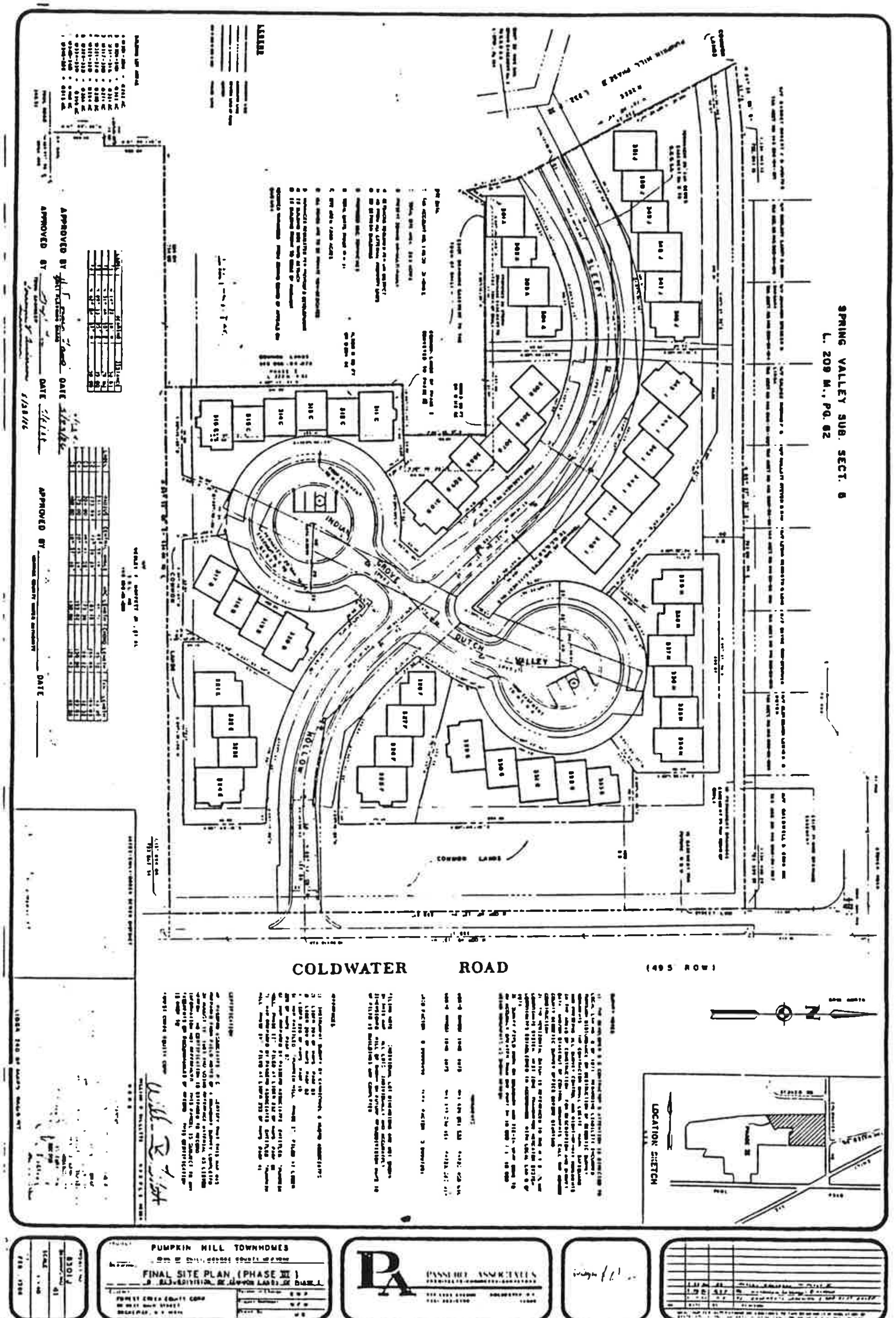
SPRING VALLEY SUB. SECT. 6
L. 209 M., PG. 82
COLDWATER ROAD
LOCATION SKETCH
COMMON LANDS
PUMPKIN HILL TOWNHOMES
FINAL SITE PLAN (PHASE III)
APPROVED BY
DATE

EXHIBIT "A"

EXHIBIT B

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

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

PUMPKIN HILL TOWNHOMES
P[HASES I, II, IV AND III
MONROE COUNTY, ROCHESTER, NEW YORK

THIS SUPPLEMENTAL DECLARATION, made this 31st day of July, 1987, by the undersigned with a common mailing address in FOREST CREEK EQUITY CORP., 80 West Main Street, Suite 300, Rochester, New York 14614.

WHEREAS, FOREST CREEK EQUITY CORP. is the Sponsor of PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC. as established by a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens dated October 29, 1984 and recorded in the Monroe County Clerk's Office in Liber 6664 of Deeds, at page 1, on February 14, 1985, reinafter referred to as the "Declaration", and

WHEREAS, the Declaration declared that certain real property described therein was subject to a uniform plan of protective covenants, conditions, restrictions, easements, charges and liens, and

WHEREAS, the Sponsor, pursuant to Article 2, Section 2.02 of the Declaration, desires to declare certain additional real property, as is particularly described in Schedule "A" attached hereto and made a part hereof, to be subject to the uniform plan of protective covenants, conditions, restrictions, easements, charges and liens.

NOW THEREFORE, the Sponsor, for itself, its successors and assigns, declares that the real property described in Schedule "A" attached hereto and made a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens contained in the Declaration, as amended. Said covenants, conditions, restrictions, easements, charges and liens shall run with the real property, shall be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and signs, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the undersigned, being the owners of real property subject to the Declaration, as amended, set their hands and seals the date first stated above.

FOREST CREEK EQUITY CORP.

BY: [signature]
BERNARD J. IACOVANGELO, PRESIDENT

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

BY: [signature]
BERNARD J. IACOVANGELO

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

On this 24 day of July, 1987, before me personally came BERNARD J. IACOVANGELO to me personally known, who, being by me duly sworn did depose and say that he resides in Chili, New York, that he is the President of FOREST CREEK EQUITY CORP., 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.

Sandra M Wilmot
Notary Public

SANDRA M. WILMOT
Notary Public, State of N.Y., Monroe Co.
My Commission Expires December 87

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

On this 24th day of July, 1987, before me personally came BERNARD J. IACOVANGELO to me personally known, who, being by me duly sworn did depose and say that he resides in Chili, New York, that he is the President of PUMPKIN HILL HOMEOWNERS ASSOCIATION, 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.

Sandra M Wilmot
Notary Public

SANDRA M. WILMOT
Notary Public, State of N.Y., Monroe Co.
My Commission Expires December 87

SCHEDULE "A"

ALL THAT TRACT OR PARCEL OF LAND, situated in Part of Town Lot 110 of the John Smith Allotment, in the Town of Chili, County of Monroe, State of New York, and being more particularly described as follows:

Beginning at a point in the centerline of Coldwater Road (49.5' wide), at the division line between lands, now or formerly Forest Creek Equity Corp. on the north and lands of Wesley Moffett, Jr., et. al. on the south; thence

1. Westerly, along said division line, having an assigned bearing of South 89°-13'-05" West, a distance of 534.88 feet to lands of Pumpkin Hill Homeowners Association, Inc. as recorded in the Monroe County Clerk's Office on October 27, 1986; thence

2. North 00°-46'-55" West, along the aforesaid line, 230.00 feet; thence

3. North 89°-13'-05" East, along lands of the said Homeowners Association, 50.00 feet; thence

4. North 00°-46'-55" West, along lands of said Homeowners Association, 80.00 feet; thence

5. South 89°-13'-05" West, along lands of said Homeowners Association, 228.00 feet; thence

6. South 31°-48'-50" West, along lands of said Homeowners Association, 20.00 feet to a point on the easterly phase line of Pumpkin Hill, Phase II; thence

7. North 14°-22'-18" West, along said easterly line 50.62 feet to a point on the southerly line of Sleepy Hollow; thence

8. North 28°-30'-44" West, along the easterly phase line of Pumpkin Hill, Phase II, 239.34 feet to a point on the northerly line of lands of Forest Creek Equity Corp.; thence

9. North 84°-28'-05" East, along said line, 63.76 feet to an angle point; thence

10. North 89°-27'-36" East, continuing along said northerly line, 783.00 feet to the centerline of Coldwater Road; thence

11. South 00°-49'-15" East, along said centerline 556.17 feet to the point of beginning.

All as shown on a Map prepared by Passero Associates, P.C., entitled "Final Site Plan (Phase III) and Resubdivision of Common Lands of Phase", Drawing No. 8301J-41, dated October 10, 1986. The Map was filed in the Monroe County Clerk's Office at Liber 240 of Maps, page 97.

TOWN OF CHILI

Originated in 1822

TOWN OFFICES: 3235 CHILI AVENUE, ROCHESTER, NEW YORK 14624 TEL: 889-3550

March 14, 1986

Forest Creek Equity Corp.
80 W. Main Street
Rochester, New York 14614

Re: Your application for final site plan approval to erect 51 town-house condominium units to be known as Pumpkin Hill Town-homes Section 3 at property located at 844 Paul Road in RM zone.

Gentlemen:

The Chili Planning Board, at their March 11, 1986 public hearing, voted unanimously to approve the above described application with the following conditions:

1. Pending implementation of the Town Engineer's comments (see attachment).
2. Pending approval of the Town Engineer.
3. Provide the Planning Board documentation of the hold harmless agreement with the Churchville-Chili School District.

Sincerely yours,

J. Donald Faso

J. Donald Faso, Chairman
Chili Planning Board

JDF/kr
Enc.
xc: David Ryan, Superintendant of Schools
Richard Stowe, Town Atty.
Everett Vail, Insurance Counselor
Robert Connolly, Bldg. Inspector
Planning Board Members
Rod Prosser, Town Engineer's Office
Gerald Charipar, Monroe Cty. Planning Dept.
Passero Associates
file

EXHIBIT "C"

Joseph C. Lu, P.E., P.C.
CONSULTING ENGINEERS

50 CHESTNUT PLAZA
ROCHESTER, NEW YORK 14604
TELEPHONE 716-546-5226

March 13, 1986

Mr. Don Faso, Chairman
Town of Chili Planning Board
3235 Chili Avenue
Rochester, New York 14624

Re: Pumpkin Hill, Phase III
Final Site Plan Comments

Dear Don and Fellow Board Members:

Summarized below are the items which we wish to have addressed by the Design Engineers for Pumpkin Hill, Phase III:

1) We believe that the watermain at the east end of Sleepy Hollow Drive should be looped to the watermain on Coldwater Road under this construction for improved fire flow and maintenance purposes.

2) Replacement of the 2" blowoff valve at the same location with a fire hydrant will afford greater protection of the units on the east end of Sleepy Hollow Drive.

3) Regardless of whether the Town accepts the 24" storm pipe crossing Sleepy Hollow Drive, we would like to see a stormwater manhole located in the area of, but just off, the road surface. There is too much drainage passing through this pipe to allow routing through the two stormwater inlets as shown. Also, the wording of the stormwater easement to the Town for this portion of the system must be done very carefully such that the Town does not accept responsibility for future maintenance and/or replacement of substandard features. Essentially, we are talking only an "access" easement in this area as I see it, but this item is more a legal technicality than one concerning engineering.

4) Similarly, a paved swale using asphalt rather than the Town required concrete invert is proposed on the north side of the 24" storm pipe and within proposed easement. The Town should not accept responsibility for future maintenance of asphalt gutter construction.

The erosion control plan, sheet #47, note #3, indicates use of calcium chloride for dust control. This item will require New York State Department of Environmental Conservation approval prior to use.

If there are any questions, feel free to contact myself or Tom Guerin at our office.

Very truly yours,

Rod

Rodney T. Prosser, P.E.

xc: Dan Savage, Passero Associates

RTP:tm

EXHIBIT "D" **SCHEDULE "A"**

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

PROJECTED INCOME AND EXPENSE FOR
100% OCCUPANCY THROUGH PHASES I, II, III AND IV

Projected Income (Note 1)	$166,464
Projected Expenses	
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Repairs & Maintenance (Amenities)	1,474
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Refuse Removal	14,034
Insurance	12,556
Accounting	1,000
Legal	500
NYS Franchise Taxes	250
Taxes (Real Estate)	12,086
Vehicles & Equipment	6,227
Reserve ($13.46 per month)	27,800
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Total	$166,464

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

FOOTNOTES TO SCHEDULE A

Note 1 - Projected Income

The project will be comprised of 172 units with substantially 5 units per cluster. In each cluster, units vary as to square footage and type of construction, hence, the assessment for individual units vary. The project will be built in four (4) phases, with Phase I containing 32 lots, Phase II containing 40 lots, Phase III containing 51 lots, and Phase IV containing 49 lots.

Type of Unit	Square Footage	Monthly Assessment	Phase I, II, III & IV	Total 100% Occupancy Charges
Small Ranch (1A)	1,021	$78	11	$ 10,296
Small 2 Story (2C)	1,169	79	45	42,660
Medium 2 Story (2A)	1,268	80	35	33,600
Large Ranch (1B)	1,212	81	13	12,636
Large 2 Story (2B)	1,325	81	42	40,824
3 Bedroom 2 Story (3A)	1,805	88	8	8,448
Ranch with Options (1AO)	1,244	81	12	11,664
Large 2 Story (2B2)	2,850	88	6	6,336
		Total	172	
		Total Estimated Revenue		$166,464

Monthly assessment fees are payable to the Association on a monthly basis and are due on the first day of every month. The fee will be prorated for the first month of occupancy, with the full month's common charge assessment due thereafter.

The sponsor will provide a $250 escrow per unit sold prior to closing. This will be reimbursed to the sponsor by the buyer at closing. The escrow funds are not reflected herein.

Note 2 - Projected Expenses

Projected expenses are based on expenses in the original 100% occupancy projections dated October 17, 1984, as adjusted for:

1. The historical data available for the two (2) previous fiscal years of operations.

2. The change in unit mix from the original projection, and;

3. The cost of leasing vehicles instead of owning.

EXHIBIT A-2

ENGINEER'S CERTIFICATION

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

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

A. The Sponsor of the Offering Plan for a Homeowners Association or PUMPKIN HILL TOWNHOMES retained me/our firm to prepare a report describing the property when constructed (the "Report"). We examined the building plans and specifications that were prepared by Passero Associates dated February 1986, and prepared the Report dated July 27, 1987, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

1. I/We understand that I/We an/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13 NYCRR Part 22 insofar as they are applicable to this Report.
2. I/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.
3. I/We certify that 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 I/We examined;

b. In my/our opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/We examined;

c. Not omit any material fact;

d. Not contain any untrue statement of a material fact;

e. Not contain any fraud, deception, concealment or supression;

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 I/We:

   (1) Knew the truth;

   (2) With reasonable effort could have known the truth;

   (3) Made no reasonable effort to ascertain the truth; or

   (4) Did not have knowledge concerning the representations or statement made.

141

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

LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSERO
NO. 055172
STATE OF NEW YORK

Sworn to before me this 29th
day of July, 1987.

Dawn M. Passero

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

PASSERO ASSOCIATES, P.C.
100 Liberty Pole Way, Rochester, NY 14604 · 325-1000
OFFICES IN
Syracuse, NY
Atlanta, GA
Boca Raton, FL

LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSERO
NO. 055172
STATE OF NEW YORK

July 27, 1987

SPECIFICATIONS FOR CONSTRUCTION

1. Water mains to be constructed in accordance with the Monroe County Water Authority.

2. Water mains and services shall have a minimum cover of 5.0 feet as measured from the top of the pipe to the finished grade.

3. The water main shall be disinfected equal to AWWA standard specifications for disinfection of water mains, designation C-601-6, with the exception of Item 7.3. Following flushing of the main, samples of water shall be collected by the Monroe County Health Department. The main shall not be placed in service until the water has been approved and notification thereof received from the Monroe County Health Department.

4. The meter vault, master meter, and any appurtenances shall be installed in accordance with approved drawings and Monroe County Water Authority.

5. The sanitary and storm sewers shall be constructed in accordance with the requirements and specifications of the Gates-Chili-Ogden Sewer District and Town of Chili, respectively. There shall be eight (8) catch basins, two (2) yard drains and one hundred two (102) roof drains.

6. All roadways and pavements constructed shall be private and maintenance shall be the responsibility of the Homeowners Association.

7. Maximum allowable infiltration or exfiltration for sanitary sewers shall be limited to 100 gallons per inch of diameter per mile of pipe per day.

8. After construction and prior to acceptance, sanitary sewers shall be tested for infiltration and exfiltration and photographed by the contractor. The contractor shall notify the Division's local district office forty-eight (48) hours prior to photographing and/or infiltration and exfiltration testing.

9. Cellar infiltration to discharge to the storm sewer system in the rear. Use a pump and check valve if required.

10. Laundry wastes to discharge to sanitary sewer system via pump if necessary (with check valve).

LICENSED PROFESSIONAL ENGINEER
KENNETH W. PASSERO
NO. 055172
STATE OF NEW YORK

11. If basement floor drains are installed, these drains must be connected to the sanitary sewer.

12. Individual one inch (1") service lines to be installed to each unit including curb stops for Lots 301 through 351.

13. Water pressure test performed on the hydrant on Paul Road south of Chili Avenue on July 25, 1984, showed a static pressure of 45 P.S.I., residual pressure of 39 P.S.I. with an actual flow of 853 G.P.M. and a calculated flow of 1846 G.P.M. at 20 P.S.I. residual.

14. All eight inch (8") P.V.C. SDR-35 sanitary sewer pipe shall conform to ASTM D-3034 and as per G.C.O.S.D. requirements.

15. The location, sizes and elevations of existing utilities are not guaranteed and may be approximate only. The contractor shall be responsible for determining the exact location and depth of all utilities and structures prior to excavation or construction. The cost of repairing damaged utilities shall be the sole expense of the contractor.

16. All sanitary manholes to be four feet (4') minimum in diameter.

17. The sidewalk shall be five feet (5') wide consisting of a two inch (2") asphalt concrete top course, five inches (5") of crushed stone base and be sloped for proper drainage.

18. Install new eight inch (8") diameter water mains, new hydrants and water services. Distance from the hydrant to its valve must not be less than six feet (6').

19. Erosion control measures must be taken during construction to contain siltration within the site, including staking straw bales around each inlet to the storm sewer.

20. There must be at least a ten foot (10') separation between the water and sewer laterals.

21. Pumpkin Hill Townhomes - Section 3 to be 51 townhomes with an average daily flow of 15,300 G.P.D.

22. Water main crossing storm or sanitary sewers shall be laid to provide a separation of at least eighteen inches (18") vertically measured and at least ten feet (10') horizontally measured from the outside of pipe.

23. The length of water pipe to be centered at the point of crossing so that the joints will be equidistant and as far as possible from the sewers.

24. Sewers, laterals and appurtenances shall be constructed in conformance with the requirements of the Gates-Chili-Ogden Sewer District. Each townhome will be serviced by a sanitary sewer lateral consisting of four inch (4") diameter PVC SDR-21 sanitary lateral pipes. All laterals will have interior cleanouts in the basements of each townhome. Exterior cleanouts will be provided at change in alignment and at intervals not to exceed seventy-five feet (75').

25. Roads shall be constructed in substantial conformity with local government specifications except that concrete gutters shall be twenty-four inches (24") in width. Roads and parking lots shall be constructed of a twelve inch (12") base of crushed stone, two inches (2") AC binder and one inch (1") AC top.

26. Additional specifications are set forth in Pages 41 through 45 of the Offering Plan.

STATE OF NEW YORK
DEPARTMENT OF LAW
120 BROADWAY
NEW YORK, NY 10271
(212) 341-2145

ROBERT ABRAMS
Attorney General

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

Forest Creek Equity Corp.
c/o Gallo & Iacovangelo
Attn: D. Guttman
80 West Main St., Suite 200
Rochester, NY 14614

RE: Pumpkin Hill HOA
File Number: H840052
Date Amendment Filed: 08/25/87
Receipt Number: 223318557

Amendment No: 4
Filing Fee: $ 75.00

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.

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,

DERRICK GIBBS
ASSISTANT ATTORNEY GENERAL / B.G.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

FINANCIAL REPORTS
AT
SEPTEMBER 30, 1986

JJR & Co

Jerald J. Rotenberg & Co.
Certified Public Accountants
Rochester, New York 14614

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

TABLE OF CONTENTS

Accountants Report

Balance Sheet at September 30, 1986

Statement of Surplus (Deficit) at September 30, 1986

tatement of Revenues and Expenses for the Year Ended September 30, 1986

Statement of Changes in Financial Position for the Year Ended September 30, 1986

Notes to Financial Statements

JJR & Co

Jerald J. Rotenberg & Co.

500 First Federal Plaza
Rochester, New York 14614 (716) 546-1158

Jerald J. Rotenberg, C.P.A.
Joseph C. Ange, Jr., C.P.A.
Stanley Underberg, C.P.A.
James H. Cohen, C.P.A.
Rocco N. Platino, C.P.A.
Harvey G. Levy, C.P.A.
John L. Worboys, C.P.A.

Dennis L. Mart, C.P.A.
Ralph O. Hinchliffe, C.P.A.

Board of Directors
Pumpkin Hill Homeowners Association, Inc.
Rochester, New York

Gentlemen:

We have examined the Balance Sheet of Pumpkin Hill Homeowners Association, Inc. as of September 30, 1986, and the related Statements of Income, Surplus (Deficit) and Changes in Financial Position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Pumpkin Hill Homeowners Association, Inc. as of September 30, 1986, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Jerald J. Rotenberg & Co.

Rochester, New York
March 13, 1987

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

BALANCE SHEET AT SEPTEMBER 30, 1986

ASSETS

Current Assets	
Cash	$ 5,553
Common Charges Receivable	148
Prepaid Real Estate Taxes	3,506
Total Current Assets	$ 9,207
Property and Equipment - Net of Depreciation	2,258
Other Assets	
Cash - Replacement Reserve	32,538
Total Assets	$44,003

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts Payable	$ 6,459
Accrued Income Taxes	250
Deferred Common Charges	1,143
Total Current Liabilities	$ 7,852
Capital	
Reserves - Replacement	35,622
Surplus	529
Total Capital	$36,151
Total Liabilities and Capital	$44,003

The accompanying notes are an integral part of this financial statement and should be read in conjunction therewith.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

STATEMENT OF SURPLUS (DEFICIT) AT SEPTEMBER 30, 1986

Deficit - Beginning of Year	($ 267)
Net Income for the Year	796
Surplus - End of Year	$ 529

The accompanying notes are an integral part of this financial statement and should be read in conjunction therewith.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 1986

Revenues	
Common Charges	$41,612
Interest	1,410
Other	104
Total Revenues	$43,126
Operating Expenses	
General	$ 3,949
Grounds Maintenance	11,331
Insurance	6,973
Legal and Accounting	1,000
Management Fees	6,241
Office Expense	362
Payroll and Payroll Taxes	1,687
Property Taxes	4,411
Refuse Removal	1,934
Total Operating Expenses	$37,888
et Income Before Reserve Funding	$ 5,238
Reserve Funding	4,192
Net Income Before Taxes	$ 1,046
Provision for Taxes	250
Net Income for the Year	$ 796

The accompanying notes are an integral part of this financial statement and should be read in conjunction therewith.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 1986

Source of Funds	
From Operations	
Net Income for the Year	$ 796
Depreciation	362
Total from Operations	$ 1,158
Increase in Accounts Payable	2,818
Increase in Other Current Liabilities	446
Increase in Replacement Reserve	26,442
Total Source of Funds	$30,864
Use of Funds	
Addition to Property and Equipment - Net	$ 2,620
Increase in Receivables and Prepaid Assets	2,567
Increase in Cash - Replacement Reserve	24,299
Total Use of Funds	$29,486
Increase in Cash	$ 1,378
Cash - Beginning of Year	4,175
Cash - End of Year	$ 5,553

The accompanying notes are an integral part of this financial statement and should be read in conjunction therewith.

142

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.
Rochester, New York

NOTES TO FINANCIAL STATEMENTS

Note A - Summary of Significant Accounting Policies

Method of Accounting

The association maintains its books and prepares its financial statements on the accrual basis of accounting.

Fixed Assets

All fixed assets included in the original offering are transferred from the developer, Forest Creek Equity Corporation, to the Homeowners Association upon completion. Repairs to the original fixed assets and amenities will be funded through replacement reserves established.

Income Taxes

The association files Form 1120H for federal tax purposes, which is a special election available for Associations of Homeowners. The election limits the specific items which are taxable for corporate income tax purposes.

e B - Scope of Business

The association commenced operation in October, 1984. The association was incorporated under the Corporation Laws of the State of New York, to own and to provide for the maintenance, preservation and agricultural control of the exterior of the homes, lots and the common areas and to obtain services for the homeowners of the Pumpkin Hill Townhouse Project on Paul Road, Rochester, New York.

Note C - Replacement - Cash and Reserves

The Association is required by governmental agencies to set aside a portion of each month's common charges for future use in the repairing, replacement or reconstruction of amenities and structural components held in common by the Association's members.

The Association maintains replacement cash funds as follows:

Central Trust Company	
Money Market Immediate Access Account	$32,538

- continued -

-te C - continued

Replacement reserve transactions for the year ended September 30, 1986 were as follows:

	Balance 10/1/85	Reserve Funding from Operations	Homeowners Initial Deposits	Balance 9/30/86
Road Resurfacing	$ 59	$ 450	$ ---	$ 509
Drive Repair	27	333	---	360
Seal Drives	43	333	---	376
Road, Gutters, Walks	27	206	---	233
Roofs	243	1,862	---	2,105
Painting	119	910	---	1,029
Miscellaneous	228	1,746	---	1,974
Amenities	59	450	---	509
Sewers	104	793	---	897
Working Capital	8,271	(2,891)	22,250	27,630
Total	$9,180	$4,192	$22,250	$35,622

Note D - Deferred Common Charges

Deferred common charges represent October common charges paid by the members during September.

149

AMENDMENTS TO THE BY-LAWS OF
PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

The Amendments set forth below are made to the By-Laws of Pumpkin Hill Homeowners Association, Inc. (the "Declaration") which was recorded in the Monroe County Clerk's Office at Liber 6664, of Deeds, page 1.

A majority of two-thirds (2/3) or more of the members demonstrated their approval at a meeting called for the purpose of amending the By-Laws, by voting to amend the By-Laws as set forth below:

The text of Section 1-105 will be amended read as follows:

> **The office of the Association and the Board of Directors shall be located at PUMPKIN HILL HOMEOWNERS ASSOCIATION INC., 19 Sleepy Hollow, Rochester, New York 14624**

The text of Section 2-01 will be amended to read as follows:

> **The affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons, all of whom shall be Owners and who have been residents of Pumpkin Hill for at least six months. Only one person from any unit may serve on the Board at any given time. No one will be eligible to run for the Board if they have unpaid dues, fees or fines owed to the Pumpkin Hill Homeowners Association.**

The text of Section 2-02(H) will be amended to read as follows:

> **Adoption, amendment and enforcement of rules and regulations not inconsistent with these By-Laws, covering the details of operation and use for the property.**

The text of Section 2-03 will be amended to read as follows:

> **The term of office of each Board member shall be three (3) years from the date the Board member was elected. At the close of the term, the outgoing Board member will relinquish all documents, records and keys which pertain to the affairs of the Association.**

The test of Section 2-05 will be amended to read as follows:

> **At any regular or special meeting duly called, any one or more members of the Board of Directors may be removed with or without cause by a majority of voting Association members, and a successor may then and there be elected to fill the vacancy so created. Any Board Members so elected shall serve for the unexpired term of his predecessor in office. Any Director whose removal has been proposed by the Association member shall be given an opportunity to be heard at the meeting at which a vote is to be taken on the issue of his removal. The Board of Directors shall have the authority to remove from office any member of the Board who has been absent for three consecutive regular meetings or has any unpaid dues, fees or fines. A successor shall be appointed by the Board as prescribed in Section 2-04.**

The text of Section 2-06 will be amended to read as follows:

> **The first meeting of the newly elected Board of Directors shall be held within fifteen (15) days of the bi-annual meeting for elections as set forth in Section 3-01 to elect their officers, identify committees and establish job responsibilities and general organizational structure. Outgoing Directors must relinquish to the Board all documents, records and keys in their possession.**

The text of Section 10-01 will be amended to read as follows:

> **Address: "19 Sleepy Hollow, Rochester, New York 14624"**

This instrument is prepared and recorded to make the above amendments to the By-Laws effective as provided in Section 11-01 of the By-Laws.

1019

IN WITNESS WHEREOF, these Amendments to the By-Laws have been executed the 16 day of October, 1993.

PUMPKIN HILL HOMEOWNERS ASSOCIATION, INC.

By: James W. Schweichler
James W. Schweichler, President

STATE OF NEW YORK)

COUNTY OF MONROE) ss.:

On this 16 day of OCT., 1993, before me the subscriber, personally appeared James W. Schweichler, to me known, and being by me duly sworn, did depose and say that he resides at 11 Alder Bush, Rochester, New York 14624, that he is the President of Pumpkin Hill Homeowners Association, Inc., the association described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said Association.

Kristen A. Knezek
Notary Public

KRISTEN A. KNEZEK
NOTARY PUBLIC STATE OF N.Y., MONROE CO.
MY COMMISSION EXPIRES 6-23-94