

AMENDMENT NUMBER ONE

This is the first amendment to the Offering Plan for the Stonehedge Homeowners' Association. The purpose of this amendment is to (i) extend the term of the Offering for an additional year from April 8, 1989 to March 19, 1990, (ii) provide information on the builder's warranty for the Homeowners' Association; and (iii) to disclose an amendment to the Declaration.

The Offering Plan is hereby amended as follows:

1. The Offering Plan may not be used after March 19, 1990 unless extended by amendment.
2. The amendment to this offering was prepared by Underberg & Kessler, Stephen H. Waite, of counsel.
3. The Sponsor has provided the attached limited warranty for all homes constructed in the Stonehedge Homeowners' Association.
4. The Declaration of Covenants, Conditions and Restrictions for the Stonehedge Homeowners' Association was filed in the Monroe County Clerk's Office on August 2, 1988. The first townhome was transferred on September 19, 1988.

5. The attached Amendment to the Declaration of Covenants, Conditions and Restrictions was recorded in the Monroe County Clerk's Office on December 9, 1988.

6. The Sponsor transferred nine (9) townhomes prior to the filing of this Amendment.

Victor-Rawson Development Corporation (the "Sponsor"), is currently developing the Stonehedge Subdivision. Construction has begun on eighteen lots and nine lots have been transferred. Another two lots are under contract. There have been no material changes of fact or circumstances affecting the Stonehedge Homeowners' Association except as contained in this Amendment. The Sponsor retains full control over the Board of Directors of the Stonehedge Homeowners' Association.

Dated: ~~June~~ ^{Sept.} 20, 1989

VICTOR-RAWSON DEVELOPMENT CORPORATION

BY:

Daniel C. Murphy

SCHEDULE A

STONEHEDGE HOMEOWNERS' ASSOCIATION, INC.

Projected Schedule of Receipts and Expenses
Fiscal Year June 1, 1989 to May 31, 1990

Projected Income: (\$965.76 per unit, per year, payable monthly @ \$80.48 per month, based on 34 units)

1) Electricity for Common Property	\$	-0-
2) Water and Sewer		148.00
3) Management		1,000.00
4) Repairs and Maintenance		
A. Buildings		1,000.00
B. Grounds (trees, shrubs, lawns)		12,490.00
C. Driveways		250.00
5) Service Contracts		-0-
6) Supplies and Office Equipment		200.00
7) Snow Removal		2,520.00
8) Refuse Removal		-0-
9) Insurance		7,718.00
10) Accounting		800.00
11) Legal		500.00
12) Taxes		
A. Real Estate		960.00
B. Franchise and Corporate		850.00
13) Reserve for Maintenance		3,400.00
14) Reserve for Contingencies		1,000.00
Total	\$	----- 32,836.00

\$965.76/year - \$80.48/month

STONEHEDGE HOMEOWNERS' ASSOCIATION, INC.

Footnotes to Schedule A

1. Electricity:

Common area lighting for the 26 units located on the private drive will be provided by coach lamps located on the front of each of the units. The electricity for these lights as well as all the electricity consumed within the dwelling units will be separately metered and the unit owner will pay for the same directly to the Rochester Gas and Electric Corporation.

2. Water and Sewer:

Water for the entire property is provided by the City of Rochester Water Bureau. Each unit owner in the Homeowners' Association will pay for domestic water service directly to the City of Rochester Water Bureau. Water consumption for landscape purposes will be privately metered from several unit owners who will be reimbursed for such consumption at the current residential rate. The total estimated cost for landscape watering will be approximately \$148.00.

All sanitary sewer charges will be billed directly to each individual unit owner by Pure Waters. The Homeowners' Association will not incur any sewer related charges.

3. Management:

The management agent shall be the Victor Rawson Development Corporation. The management fee includes supervision of all maintenance work and services, negotiation and placement of service contracts, assistance in the preparation of the annual budget, maintenance of the books, records necessary for the collection and disbursement of common charges, and other activities normally related to professional fee management of a homeowners' association. A contract for these services will be in effect for the period of one year from June 1, 1989 to May 31, 1990. The management fee of One thousand (\$1,000.00) dollars has been established by the sponsor. The management fee is lower than the prevailing rate in the Rochester, New York area and it is possible that the cost will increase if the sponsor ceases to control the association. Sponsor estimates that independent professional management for the Homeowners' Association would cost approximately \$6,000.00.

Footnotes to Schedule A:

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4. Repairs and Maintenance:

A. Buildings:

This item includes projected maintenance of the exterior of the buildings in the amount of One thousand (\$1,000.00) dollars which according to Sponsor's estimates should cover all building maintenance required during the first year operation which is not covered by warranty. In the future years building maintenance such as painting, staining, roof repairs, etc., will be budgeted in accordance with the then current needs. Painting and staining of buildings is normally completed over a 4 to 6 year cycle. Minor roof repairs, in the unlikely event they should be required would take place as needed. All items of this type would in the future have to be paid for with operating funds.

B. Grounds:

Estimate is based upon a proposed full-service contract with Berry's Landscape, 1244 Stone Road, Rochester, New York, for a total contract sum of Twelve thousand four hundred ninety (12,490.00) dollars. The contract will provide for lawn mowing, fertilization, insect and weed control, pruning and trimming of shrubs, weeding all shrub beds and Spring and Fall clean up. The contract will include maintenance of all trees, shrubs and lawns which will be installed by Sponsor.

C. Driveways:

All driveways and roadways will be constructed utilizing a gravel base, asphalt binder and top coat as per local specifications. J.G. Turner Inc., has estimated \$250.00 to sweep the driveways and roadways, inspect them for damage or deterioration and make minor repairs as needed. Eight of the units will be located on Cloverdale Street which is owned and maintained by the City of Rochester.

5. Service Contracts:

There are no service contracts other than described in footnotes numbers four (4) and seven (7).

6. Supplies and Office Equipment:

A nominal amount (\$200.00) has been estimated by Sponsor and budgeted to provide necessary office and bookkeeping supplies, postage, stationary and communications to homeowners.

Footnotes to Schedule A

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7. Snow Removal:

The projected expense for a full winter season of snow removal and salting as needed from the 34 driveways and private road will be approximately \$2,520.00. This bid quote was provided by Pelican Bay Marina, 560 River Street, Rochester, New York 14612 and is based on a minimum snowfall of 3 inches.

8. Refuse Removal:

Refuse removal for all 34 units will be provided for by the City of Rochester, Department of Environmental Services. On collection day refuse should be placed on the driveway in front of the garage doors where it will be picked up. Residential refuse collection occurs once a week. Each individual homeowner will be billed directly by the City of Rochester and, therefore, the Homeowners' Association will not incur any expenses relative to refuse collection.

9. Insurance:

The Association will carry a master insurance policy covering property damage on an all risk basis except for specified policy exclusions (e.g. earthquake, floods), and liability insurance protecting the Association. As currently quoted, the master policy will be a special Townhouse Package Policy to which each unit is added as it is transferred at an annual premium of approximately \$2.27 per thousand of value pro-rated to the policy expiration date. This policy is based upon a \$250.00 deductible provision. The amount of coverage is based upon 100% of estimated replacement costs for the homes and garages exclusive of the land, underground utilities and foundation. Liability insurance coverage will be comprehensive general public liability in the amount of one million dollars. The estimated insurance expense is based on a quote from M.A.L. Insurance Agency, Inc., of Rochester, New York.

10. Accounting:

This item is an estimate of the cost for routine accounting including a certified annual report and required tax reports by a professional accountant and the cost of duplicating and distributing copies of same to individual homeowners. An estimate of \$800.00 was provided by the firm of Eldridge, Fox and Porretti, C.P.A., 11 Gibbs Street, Rochester, New York.

Footnotes to Schedule A

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11. Legal:

Jerry Goldman, Esq., 47 South Fitzhugh Street, Rochester, New York, has estimated the corporate books of the Homeowners' Association can be maintained and it's other legal matters handled for \$500.00 during the first year of operation. This cost is considered as a contingency fund for routine advice or letters from counsel on matters pertaining to interpretations of the Declaration or By-laws.

12. Taxes:

A. Real Estate Taxes:

Total real estate taxes for 1989 - 1990 will be \$960.00.

Based upon correspondence received from The Assessment Department, Town of Greece, New York, the estimated taxes for the common area of land located in the Town of Greece will be \$63.96. The estimate is based upon an assessment of \$200.00 for common area. The current 1989-1990 tax rates for the Town of Greece, including the School Taxes are \$176.31 per thousand. The 1989 Monroe County tax rate is \$143.50 per thousand.

According to the Tax Department, City of Rochester, the estimated taxes for the common area in the City of Rochester will be \$895.13. The 1.62 acres of common land and private road will have an assessed valuation of \$2,000.00. This commonly owned parcel will be taxed at the non-homestead tax rate, which for 1989-1990 (City and School) is \$31.67/\$1,000.00 value plus embellishment charges.

The 1989 County rate is \$10.14/\$1,000.00 value.

B. Franchise and Corporate Tax:

The tax counsel of Sponsor has estimated the property will be subject to New York Franchise Tax and Federal Income Tax in the amount of approximately \$850.00.

13. Reserve for Maintenance:

The amount of \$100.00/unit/year has been allotted to reserve for future replacements and capital improvements based on Sponsor's best estimates of future needs. This fund is distinguished from the contingency fund as stated below in Footnote #14 and is accumulated as a working capital fund to provide the Homeowners' Association with the monies for capital items and/or emergencies. Since the roof, sidings and asphalt areas of the property will be newly constructed, it is not likely that major capital repairs will be necessary during the first five (5) years.

Footnotes to Schedule A

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However, the details of the individual items as they apply to the entire property are as follows:

Roof:

First quality work and materials, estimated life in excess of 20 years, estimated replacement cost \$1,785.00 per unit.

Painting:

Exterior painting of all windows, doors and trim, all fascia, louvers, overhangs and picket fences. Painting will be done on a four (4) year cycle at an estimated cost of \$575.00 per unit.

Staining:

Staining of the cedar siding to be done on a six (6) year cycle at the cost of \$925.00 per unit.

Pavement Area:

Total estimated pavement area of the main road, driveways and parking areas equals 48,000 square feet. Asphalt has an estimated useful life in excess of 20 years with an estimated current value of \$12,480.00.

The total of the above items to be funded from reserves is \$265,270.00 exclusive of inflation. Estimated scheduled deposits to reserve are as follows:

Year	1	@	100/unit x 34	=	\$	3,400.00
Year	2	@	100/unit x 34	=		3,400.00
Year	3	@	125/unit x 34	=		4,250.00
Year	4	@	130/unit x 34	=		4,420.00
Year	5	@	135/unit x 34	=		4,590.00
Years	6-10	@	average of 200/unit/year	=		34,000.00
Years	11-20	@	average of 240/unit/year	=		81,600.00

Total 20 year additions exclusive of interest
or early use of funds \$ 135,660.00

Note: At time of replacement, should the established reserves be insufficient to fund the entire cost, there exists the possibility of a special assessment. (Neither the Department of Law nor any other government agency has passed upon the adequacy of these funds).

Footnotes to Schedule A

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14. Reserve for Contingencies:

Sponsor has estimated \$1,000.00 for unanticipated contingency. This amount may be used at the discretion of the Board of Directors to make up deficits in other items of the budget and thus may not be available at the end of the year or sufficient to pay for major capital repairs or replacement items (see Footnote #13).

15. Any correspondence addressing Lakeshore Townhomes is reference to a previously used name.

SUBDIVISION: LAKESHORE TOWNHOMES SUBDIVISION

LIMITED WARRANTY

NAME OF PURCHASER (S): _____

ADDRESS OF PURCHASER (S): _____

ADDRESS OF HOME WARRANTED: _____

NAME OF BUILDER: VICTOR RAWSON DEVELOPMENT CORP.

ADDRESS OF BUILDER: 2946 West Ridge Road

Rochester, New York 14626

WARRANTY DATE: _____

BUILDERS' LIMIT OF
TOTAL LIABILITY: \$160,000.00

This Limited Warranty excludes
all consequential and incidental damages,
except as required by New York State law.

1. To Whom Given. This Limited Warranty is extended to the Purchaser named on page 1, while the purchaser owns the Home. It does not extend to subsequent owners of the Home or other persons.

2. By Whom Made. This Limited Warranty is made exclusively by the Builder whose name and address appear on page 1.

3. Final Inspection of the Home. Before the Purchaser moves into the Home or accepts the deed, the Builder will set up an appointment for final inspection of the Home with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature--such as mars, chips, dents, cracks, or scratches--that may have occurred during the final stages of finishing the home, or any unfinished work caused by back-orders beyond the Builder's control. The Builder may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Home will be itemized on a Final Inspection Sheet, which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and the Builder before occupancy of the Home or transfer of the deed.

When the Purchaser moves into the Home or accepts the deed, the Builder's responsibility is limited to:

(a) completion of items shown on the Final Inspection Sheet, as provided in the Final Inspection Sheet, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below. The purpose of the Limited Warranty is to identify the Builder's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Home.

4. Limited Warranty. This Limited Warranty excludes all other warranties on the construction and sale of the Home and its components, both express and implied. There are no warranties which extend beyond the face hereof.

5. Warranty Coverages and Periods. The Warranty Period for all coverages begins on the Warranty Date shown on page 1. (This Warranty Date is the date that the purchaser, or member of the purchaser's family, takes title to the Home or any person begins residential occupancy of the Home, whichever date is earlier.) It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Home will be free from latent defects that constitute:

- (a) defective workmanship performed by the Builder, an agent of the Builder or subcontractor of the Builder;
- (b) defective materials provided by the Builder, an agent of the Builder or subcontractor of the Builder; or
- (c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Builder.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Builder are warranted to be free from latent defects that constitute defective installation by the Builder.

Installation will be considered to be defective if the Builder's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code and the Accepted Standards which are attached to this Limited Warranty.

The Plumbing System means: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: For six years from the Warranty Date, the Home will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

- (a) defective workmanship performed by the Builder, an agent of the Builder or subcontractor of the Builder;

- (b) defective materials provided by the Builder, an agent of the Builder or subcontractor of the Builder; or
- (c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Builder.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the following non-load bearing portions of the Home do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation.

6. Exclusions from All Coverages. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

- (a) Loss or damage caused by workmanship performed by any person other than (i) the Builder, (ii) an agent of the Builder, or (iii) a subcontractor of the Builder.
- (b) Loss or damage caused by defective materials supplied by an person other than (i) the Builder, (ii) an agent of the Builder, or (iii) a subcontractor of the Builder.
- (c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Builder.
- (d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to acceptance of the deed or occupancy of the Home ought to have revealed.

(e) Defects in outbuildings including but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Home itself.

(f) After the first year Basic Coverage, concrete floors of basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Home.

(g) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.

(h) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Builder, its employees, agents, or subcontractors; or

(ii) failure by the Purchaser or anyone other than the Builder, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Builder of any defects or damage within a reasonable time; or

(iv) changes in the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Home.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption,

wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Home Owner has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage.

(p) Bodily injury or damage to personal property.

(q) Failure of the Builder to complete construction of the Home.

(r) Loss or damage when which arises while the Home is being used primarily for nonresidential purposes.

(s) Loss or damage due to abnormal loading on floors by the Home Owner which exceeds design loads as mandated by the Building Code.

(t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(u) Consequential damages (except where required by state law).

(v) Any claim not filed in a manner set forth below in paragraph 8, "Step-by Step Claims Procedures."

7. Warranty. If a defect occurs in an item covered by this Limited Warranty, the Builder will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Builder's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Builder.

In no event will the Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability, shown on page 1.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Home themselves which

is necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to the Builder.

8. Step by Step Claims Procedures. (a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Builder, identified on page 1, no later than the first business day after warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by that deadline, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Builder's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Builder, including but not limited to the Builder's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Builder and the Builder's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide reasonable access to the Builder and the Builder's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Builder will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Builder will determine whether to accept or reject the claim. If the Builder rejects the claim, the Builder will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If the Builder accepts the claim, the Builder will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Builder will use good faith efforts to process and handle claims in a timely

manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Builder's control.

9. Legal Actions. (a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Builder in any Court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in clause 8(d) above.

10. General Provisions. (a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Builder and the Purchaser, their heirs, executors, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the laws of New York State.

NOTE: THE ATTACHED NOTICE OF WARRANTY CLAIM FORM AND THE ATTACHED ACCEPTED STANDARDS ARE PART OF THIS WARRANTY.

ACCEPTED STANDARDS Conventional Wood Frame Construction

PERFORMANCE STANDARDS — TOPIC INDEX

The Performance Standards list specific items (defects) within each separate area of coverage. The first section covers Workmanship and Materials; the second section covers Systems. The standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

1. Possible Deficiency - a brief statement, in simple terms of problems that may be encountered.
2. Performance Standard - a performance standard relating to a specific deficiency.
3. Responsibility - a statement of the corrective action required of the Builder to repair the deficiency or a statement of the Home Owner's maintenance responsibilities.

Workmanship and Materials, First Year Only

1. Site Work
2. Concrete
3. Masonry
4. Wood and Plastic
5. Thermal and Moisture Protection
6. Doors and Windows
7. Finishes
8. Specialties
9. Equipment
10. Plumbing
11. Heating and Cooling
12. Ventilation
13. Electrical
14. Sidings
15. Asphalt Driveways
16. Native Trees

Systems, First and Second Year

17. Plumbing System
18. Ventilation System
19. Electrical System

SITE WORK

COVERAGE: 1st Year Only AREA: Workmanship & Materials

A. SITE GRADING

- | | |
|-------------------------|--|
| (1) Possible Deficiency | Settling of ground around foundation, utility trenches or other areas. |
| Performance Standard | Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from the Home. |
| Responsibility | If the Builder has provided final grading: upon request by the Homeowner, Builder shall fill settled areas affecting proper drainage, one time only, during the first year of the Limited Warranty period. Homeowner shall be responsible for removal and replacement of shrubs or other landscaping affected by placement of such fill. |

B. SITE DRAINAGE

- | | |
|-------------------------|--|
| (1) Possible Deficiency | Improper drainage of the site. |
| Performance Standard | The necessary grades and swales shall have been established by the Builder to ensure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours), except that in swales which drain other areas, or in areas where sump pumps discharge, a longer period can be anticipated (generally no more than 48 hours). No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated. |
| Responsibility | The Builder is responsible only for initially establishing the proper grades and swales. The Home Owner is responsible for maintaining such grades and swales once they have been properly established |

C. EROSION

- | | |
|-------------------------|---|
| (1) Possible Deficiency | Erosion on the lot in general and specifically in swales. |
| Performance Standard | The Builder may be required by contract to provide a finish dozer grading and/or hand raking. As defined in A. and B. above, water will be drained away from the structure and off the lot. The running water is often collected or concentrated in depressions called swales, quite frequently constructed on or near side and rear lot lines. Heavy rains and snow melt before lawns have matured can cause erosion or deterioration of the graded surface in general, but particularly in swale areas. Hillside lots with steeper slopes are more at risk. |
| Responsibility | The Builder is not responsible. It is the Home Owner's responsibility to protect the slopes and swales provided by the builder. The Home Owner can minimize erosion damage by using techniques such as straw bales, straw mulch, soil saver, burlap, hydroseed with a mulch additive or staked sod. |

2. CONCRETE

COVERAGE: 1st Year Only AREA: Workmanship & Materials

A. EXPANSION AND CONTRACTION JOINTS

- | | |
|-------------------------|--|
| (1) Possible Deficiency | Separation or movement of concrete slabs within the structure at expansion and contraction joints. |
| Performance Standard | Concrete slabs within the structure are designed to move at expansion and contraction joints. |
| Responsibility | None. |

B. CAST-IN-PLACE CONCRETE

- | | |
|-------------------------|---|
| (1) Possible Deficiency | Basement or foundation wall cracks |
| Performance Standard | Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired. |
| Responsibility | Builder will repair cracks in excess of 1/8 inch wide. Builder will not be responsible for color variation between existing & new patching material. |
| (2) Possible Deficiency | Cracking of basement floor. |
| Performance Standard | Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 in width or 1/8 inch in vertical displacement shall be repaired. |
| Responsibility | Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required. Builder will not be responsible for color variation between existing & new patching material. |
| (3) Possible Deficiency | Cracking of slab in attached garage, porches or stoops. |
| Performance Standard | Cracks in garage slabs, porches or stoops, in excess of 1/4 inch in width or 1/4 inch in vertical displacement shall be repaired. |
| Responsibility | Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required. Builder will not be responsible for color variation between existing & new patching material. |
| (4) Possible Deficiency | Uneven concrete floors/slabs. |
| Performance Standard | Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms originally designed for habitability shall not have pits, depressions, or areas of unevenness. |

NOTICE OF WARRANTY CLAIM FORM

Dear Home Owner: To ask the Builder to correct a defect in your Home that you think is covered by the Builder's Limited Warranty, you must complete this form and deliver it to the Builder. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Builder is aware of the problem, fill out this form and deliver it to the Builder.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any item blank.

Your Name: _____

Mailing Address: _____

Phone: _____

Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

Date: _____

(signature)

Date: _____

(signature)

AMENDMENT NUMBER TWO

This is a second amendment to the offering plan for Stonehedge Homeowners Association. The purpose of this amendment is to (i) extend the term of the offering plan for an additional twelve (12) months through June 1, 1991; (ii) provide financial disclosure information from the Sponsor; (iii) provide certified financial information on the homeowners association; and (iv) provide a new budget for the fiscal year from June 1, 1990 to May 31, 1991 along with a new certification of the Adequacy of the Budget.

The offering plan is hereby amended as follows:

1. The offering plan may not be used after twelve (12) months after acceptance of this amendment, unless extended;

2. The Sponsor has transferred sixteen (16) townhomes prior to the filing of this amendment;

3. The following financial information is provided regarding the Sponsor with regard to this offering:

a. Sponsor currently owns the following lots in the subdivision: Lots 102, 101, 114, 115, 120, 121, 122, 124, 125, 126 127, 128, 129, 130, 131, 132, 133, 134;

b. Sponsor currently pays full monthly maintenance charges on Lots 101 and 102, which are models. The common charges are \$160.96 per month for both lots;

c. Sponsor does not currently receive any monthly rents from tenants of any units;

d. Sponsor does not currently owe any financial obligations to the homeowners association which will become due within twelve (12) months from the date of the amendment, including but not limited to, reserve and working capital fund payments and payments for repairs and improvement obligations. However, Sponsor will have to install the top coat on the private road when all construction is completed.

e. All of the lots listed in subparagraph a above are covered by a building loan and a revolving building line of credit with Central Trust Company with offices at 44 Exchange Street, Rochester, New York, 14692. Current outstanding amount of the loans are as follows:

Building loan	\$ 91,114.08
Revolving Building Line of Credit	315,865.00

The maturity date for these loans is September 1, 1991. The monthly payments are of interest only on the unpaid balance at prime plus 1.25%. The total interest payment for August was \$4,448.95;

f. The means of payment of the obligations disclosed in items b, d and e above will be funded through the sale of townhome lots. In the absence of sales, payments will be made from the Victor Rawson operating capital fund;

g. The Sponsor is current on all monthly maintenance fees and on all building loans;

h. David Wegman, a principal of Sponsor, is also a principal of Ontario Heights Development, Inc., which is constructing townhomes in the Drumlins. An offering plan has been submitted to the New York State Department of Law and this offering plan is available for public inspection. Ontario Heights is current in all of its financial obligations to the homeowners association;

i. Sponsor is still in control of the Board of Directors of the Stonehedge Homeowners Association. Under the terms of the offering plan, the initial directors will be selected by Sponsor until all 34 of the lots have been transferred or five years after the first lot is transferred, whichever comes first.

There have been no material changes of fact or circumstances affecting the Stonehedge Homeowners Association, except as contained in this amendment. The Sponsor retains full control of the Board of Directors of the Stonehedge Homeowners Association.

SCHEDULE A

STONEHEDGE HOMEOWNERS' ASSOCIATION, INC.

Projected Schedule of Receipts and Expenses
Fiscal Year June 1, 1990 to May 31, 1991

Projected Income: (\$993.36 per unit, per year, payable
monthly @ \$82.78 per month, based on 34 units)

1) Electricity for Common Property	\$	-0-
2) Water and Sewer		148.00
3) Management		1,000.00
4) Repairs and Maintenance		
A. Buildings		1,000.00
B. Grounds (trees, shrubs, lawns)		12,852.00
C. Driveways		250.00
5) Service Contracts		-0-
6) Supplies and Office Equipment		200.00
7) Snow Removal		2,520.00
8) Refuse Removal		-0-
9) Insurance		7,684.00
10) Accounting		800.00
11) Legal		500.00
12) Taxes		
A. Real Estate		1,170.37
B. Franchise and Corporate		400.00
13) Reserve for Maintenance		4,250.00
14) Reserve for Contingencies		1,000.00
	Total	
	\$	33,774.37

\$993.36/year - \$82.78/month

STONEHEDGE HOMEOWNERS' ASSOCIATION, INC.

Footnotes to Schedule A

1. Electricity:

Common area lighting for the 26 units located on the private drive will be provided by coach lamps located on the front of each of the units. The electricity for these lights as well as all the electricity consumed within the dwelling units will be separately metered and the unit owner will pay for the same directly to the Rochester Gas and Electric Corporation.

2. Water and Sewer:

Water for the entire property is provided by the City of Rochester Water Bureau. Each unit owner in the Homeowners' Association will pay for domestic water service directly to the City of Rochester Water Bureau. Water consumption for landscape purposes will be privately metered from several unit owners who will be reimbursed for such consumption at the current residential rate. The total estimated cost for landscape watering will be approximately \$148.00.

All sanitary sewer charges will be billed directly to each individual unit owner by Pure Waters. The Homeowners' Association will not incur any sewer related charges.

3. Management:

The management agent shall be the Victor Rawson Development Corporation. The management fee includes supervision of all maintenance work and services, negotiation and placement of service contracts, assistance in the preparation of the annual budget, maintenance of the books, records necessary for the collection and disbursement of common charges, and other activities normally related to professional fee management of a homeowners' association. A contract for these services will be in effect for the period of one year from June 1, 1990 to May 31, 1991. The management fee of One thousand (\$1,000.00) dollars has been established by the sponsor. The management fee is lower than the prevailing rate in the Rochester, New York area and it is possible that the cost will increase if the sponsor ceases to control the association. Sponsor estimates that independent professional management for the Homeowners' Association would cost approximately \$6,000.00.

Footnotes to Schedule A:

Page 2

4. Repairs and Maintenance:

A. Buildings:

This item includes projected maintenance of the exterior of the buildings in the amount of One thousand (\$1,000.00) dollars which according to Sponsor's estimates should cover all building maintenance required during the third year operation which is not covered by warranty. In the future years building maintenance such as painting, staining, roof repairs, etc., will be budgeted in accordance with the then current needs. Painting and staining of buildings is normally completed over a 4 to 6 year cycle. Minor roof repairs, in the unlikely event they should be required would take place as needed. All items of this type would in the future have to be paid for with operating funds.

B. Grounds:

Estimate is based upon a proposed full-service contract with Berry's Landscape, 1244 Stone Road, Rochester, New York, for a total contract sum of Eleven thousand three hundred ninety (11,390.00) dollars. The contract will provide for lawn mowing, pruning and trimming of shrubs, weeding all shrub beds and Spring and Fall clean up. The contract will include maintenance of all trees, shrubs and lawns which will be installed by Sponsor. Fertilization and weed control of the lawns will be provided by Chemlawn at a cost of \$ 1,402.00.

C. Driveways:

All driveways and roadways will be constructed utilizing a gravel base, asphalt binder and top coat as per local specifications. J.G. Turner Inc., has estimated \$250.00 to sweep the driveways and roadways, inspect them for damage or deterioration and make minor repairs as needed. Eight of the units will be located on Cloverdale Street which is owned and maintained by the City of Rochester.

5. Service Contracts:

There are no service contracts other than described in footnotes numbers four (4) and seven (7).

6. Supplies and Office Equipment:

A nominal amount (\$200.00) has been estimated by Sponsor and budgeted to provide necessary office and bookkeeping supplies, postage, stationary and communications to homeowners.

Footnotes to Schedule A

Page 3

7. Snow Removal:

The projected expense for a full winter season of snow removal and salting as needed from the 34 driveways and private road will be approximately \$2,520.00. This bid quote was provided by Pelican Bay Marina, 560 River Street, Rochester, New York 14612 and is based on a minimum snowfall of 3 inches.

8. Refuse Removal:

Refuse removal for all 34 units will be provided for by the City of Rochester, Department of Environmental Services. On collection day refuse should be placed on the driveway in front of the garage doors where it will be picked up. Residential refuse collection occurs once a week. Each individual homeowner will be billed directly by the City of Rochester and, therefore, the Homeowners' Association will not incur any expenses relative to refuse collection.

9. Insurance:

The Association will carry a master insurance policy covering property damage on an all risk basis except for specified policy exclusions (e.g. earthquake, floods), and liability insurance protecting the Association. As currently quoted, the master policy will be a special Townhouse Package Policy to which each unit is added as it is transferred at an annual premium of approximately \$2.26 per thousand of value pro-rated to the policy expiration date. This policy is based upon a \$250.00 deductible provision. The amount of coverage is based upon 100% of estimated replacement costs for the homes and garages exclusive of the land, underground utilities and foundation. Liability insurance coverage will be comprehensive general public liability in the amount of one million dollars. The estimated insurance expense is based on a quote from Andolina Insurance Agency (formerly M.A.L.) 30 N. Union Street, Rochester, New York 14607.

10. Accounting:

This item is an estimate of the cost for routine accounting including a certified annual report and required tax reports by a professional accountant and the cost of duplicating and distributing copies of same to individual homeowners. An estimate of \$800.00 was provided by the firm of Eldridge, Fox and Porretti, C.P.A., 11 Gibbs Street, Rochester, New York.

Footnotes to Schedule A

Page 4

11. Legal:

Jerry Goldman, Esq., 47 South Fitzhugh Street, Rochester, New York, has estimated the corporate books of the Homeowners' Association can be maintained and it's other legal matters handled for \$500.00 during the first year of operation. This cost is considered as a contingency fund for routine advice or letters from counsel on matters pertaining to interpretations of the Declaration or By-laws.

12. Taxes:

A. Real Estate Taxes:

Total real estate taxes for 1990 - 1991 will be \$1,170.37

Based upon correspondence received from The Assessment Department, Town of Greece, New York, the estimated taxes for the common area of land located in the Town of Greece will be \$137.57. The estimate is based upon an assessment of \$200.00 for the common area. The current 1990-1991 tax rates for the Town of Greece, including the School Taxes are \$189.71 per thousand. The 1990 Monroe County tax rate is \$153.41 per thousand.

According to the Tax Department, City of Rochester, the estimated taxes for the common area in the City of Rochester will be \$1,038.80. The 1.62 acres of common land and private road will have an assessed valuation of \$2,000.00. This commonly owned parcel will be taxed at the non-homestead tax rate, which for 1990-1991 (City and School) is \$33.46/\$1,000.00 value plus embellishment charges.

The 1989 County rate is \$10.00/\$1,000.00 value.

B. Franchise and Corporate Tax:

The tax counsel of Sponsor has estimated the property will be subject to New York Franchise Tax and Federal Income Tax in the amount of approximately \$400.00.

13. Reserve for Maintenance:

The amount of \$100.00/unit/year has been allotted to reserve for future replacements and capital improvements based on Sponsor's best estimates of future needs. This fund is distinguished from the contingency fund as stated below in Footnote #14 and is accumulated as a working capital fund to provide the Homeowners' Association with the monies for capital items and/or emergencies. Since the roof, sidings and asphalt areas of the property will be newly constructed, it is not likely that major capital repairs will be necessary during the first five (5) years.

Footnotes to Schedule A

Page 6

14. Reserve for Contingencies:

Sponsor has estimated \$1,000.00 for unanticipated contingency. This amount may be used at the discretion of the Board of Directors to make up deficits in other items of the budget and thus may not be available at the end of the year or sufficient to pay for major capital repairs or replacement items (see Footnote #13).

15. Any correspondence addressing Lakeshore Townhomes is reference to a previously used name.

AMENDMENT NO. 3

This is the third amendment to the Offering Plan for Stonehedge Homeowners' Association. The purpose of this amendment is to extend the term of the Offering Plan for an additional period of twelve (12) months, to provide a new budget for the fiscal year ending May 31, 1992 together with a Certificate of Adequacy for that budget, and provide financial disclosure information from the Sponsor. The Offering Plan is hereby amended as follows:

1. This Offering Plan may not be used after October 15, 1992 unless extended by amendment.
2. There has been a change in the monthly common charge per Association member. The monthly assessment in the new budget is \$88.33 per month per unit. The prior charge was \$82.78 per month per unit. The current budget is attached hereto.
3. The Sponsor represents that it has the financial resources to meet its obligations with respect to unsold lots. Sponsor anticipates that it will fund its financial obligations with respect to its share of common charges from sales of units. In the event projected sales are not made, payment for such obligations will be made from the Victor-Rawson operating capital fund.
4. The Sponsor has obtained loans from Central Trust Company with offices at 44 Exchange Street, Rochester, New York 14692 to finance site development expenses and to finance construction of individual town house units. The current principal balance of the development loan is \$137,489.08. The current outstanding balance on the building construction line of credit is \$168,270.00. Both loans are current and are payable by installments of interest only on the unpaid balance at prime plus 1.25%. Maturity date for both loans is September, 1991 but Central Trust Company has issued a commitment to extend said loans to September 1, 1993. Arrangements are currently being made to close said loan extensions.
5. Neither Sponsor nor any principal of Sponsor owns 10% or more of the unsold shares or units of any other cooperative, condominium or homeowners' association, either as individual, general partner or principal, except that David J. Wegman is an owner of Tara Development Company, Inc., the Sponsor of Ridge Meadows Subdivision in the Town of Greece, Monroe County, New York. The Sponsor of Ridge Meadows Subdivision is current in its financial obligations, including, but not limited to, payment of maintenance or common charges, taxes, reserve or working capital fund payments, assessments, payments for repairs and improvements promised in the Offering Plan, and payment of underlying mortgages and loans for which the units have been pledged or mortgaged. Prior to August 1, 1991 David J. Wegman was an owner of Ontario Heights Development, Inc., a Sponsor of Drumlins Homeowners' Association, Inc. Mr. Wegman withdrew from that organization effective July 31, 1991 and retains no ownership interest.

6. The Sponsor is current on all financial obligations to the Homeowners' Association, including but not limited to, payment of all association charges and reserve or working capital fund payments and assessments which have become due, and is current in payment for repairs and improvements promised in the Offering Plan. The Sponsor was current on all such obligations during the twelve (12) month period prior to the filing of this amendment. Also, the Sponsor and all principals of the Sponsor are current in all such obligations with respect to other cooperatives, condominiums and homeowners' associations in which they own more than ten percent (10%) of the units as individuals, general partners or principals.

This amendment to the Offering Plan was prepared by Mayberry, Licht, Goldman & Leone, Kenneth D. Licht of counsel.

Victor-Rawson Development Corp., Inc. is currently developing Lakeshore Townhomes, a subdivision of thirty-four (34) townhouse units. Construction has begun on twenty-two (22) units of which nineteen (19) have been sold and one (1) is under contract to be sold. There have been no material changes of fact or circumstances effecting the Stonehedge Homeowners' Association, Inc. except as contained in this amendment. The Sponsor retains full control over the Board of Directors of Stonehedge Homeowners' Association.

Dated: September 17, 1991

VICTOR-RAWSON DEVELOPMENT CORP., INC.

By: *David J. Wegman* *Pres*
David J. Wegman, President

(lar) VR\Amendment.3

SCHEDULE A

STONEHEDGE HOMEOWNERS' ASSOCIATION, INC.

Projected Schedule of Receipts and Expenses
Fiscal Year June 1, 1991 to May 31, 1992

Projected Income: (\$1,060.00 per unit, per year, payable
monthly @ \$88.33 per month, based on 34 units)

1) Electricity for Common Property	\$	-0-
2) Water and Sewer		148.00
3) Management		1,000.00
4) Repairs and Maintenance		
A. Buildings		1,000.00
B. Grounds (trees, shrubs, lawns)		14,901.00
C. Driveways		250.00
5) Service Contracts		-0-
6) Supplies and Office Equipment		200.00
7) Snow Removal		2,520.00
8) Refuse Removal		-0-
9) Insurance		6,188.00
10) Accounting		800.00
11) Legal		500.00
12) Taxes		
A. Real Estate		1,393.00
B. Franchise and Corporate		374.00
13) Reserve for Maintenance		4,420.00
14) Reserve for Contingencies		2,346.00
	Total	-----
	\$	36,040.00

\$1,060.00/year - \$88.33/month

STONEHEDGE HOMEOWNERS' ASSOCIATION, INC.

Footnotes to Schedule A

1. Electricity:

Common area lighting for the 26 units located on the private drive will be provided by coach lamps located on the front of each of the units. The electricity for these lights as well as all the electricity consumed within the dwelling units will be separately metered and the unit owner will pay for the same directly to the Rochester Gas and Electric Corporation.

2. Water and Sewer:

Water for the entire property is provided by the City of Rochester Water Bureau. Each unit owner in the Homeowners' Association will pay for domestic water service directly to the City of Rochester Water Bureau. Water consumption for landscape purposes will be privately metered from several unit owners who will be reimbursed for such consumption at the current residential rate. The total estimated cost for landscape watering will be approximately \$148.00.

All sanitary sewer charges will be billed directly to each individual unit owner by Pure Waters. The Homeowners' Association will not incur any sewer related charges.

3. Management:

The management agent shall be the Victor Rawson Development Corporation. The management fee includes supervision of all maintenance work and services, negotiation and placement of service contracts, assistance in the preparation of the annual budget, maintenance of the books, records necessary for the collection and disbursement of common charges, and other activities normally related to professional fee management of a homeowners' association. A contract for these services will be in effect for the period of one year from June 1, 1991 to May 31, 1992. The management fee of One thousand (\$1,000.00) dollars has been established by the sponsor. The management fee is lower than the prevailing rate in the Rochester, New York area and it is possible that the cost will increase if the sponsor ceases to control the association. Sponsor estimates that independent professional management for the Homeowners' Association would cost approximately \$6,000.00.

Footnotes to Schedule A:

Page 2

4. Repairs and Maintenance:

A. Buildings:

This item includes projected maintenance of the exterior of the buildings in the amount of One thousand (\$1,000.00) dollars which according to Sponsor's estimates should cover all building maintenance required during the third year operation which is not covered by warranty. In the future years building maintenance such as painting, staining, roof repairs, etc., will be budgeted in accordance with the then current needs. Painting and staining of buildings is normally completed over a 4 to 6 year cycle. Minor roof repairs, in the unlikely event they should be required would take place as needed. All items of this type would in the future have to be paid for with operating funds.

B. Grounds:

Estimate is based upon a proposed full-service contract with Romig's Landscaping Services, 97 Mendota Drive, Rochester, New York, for a total contract sum of Thirteen thousand four hundred fifteen (\$13,415.00) dollars. The contract will provide for lawn mowing, pruning and trimming of shrubs, weeding all shrub beds and Spring and Fall clean up. The contract will include maintenance of all trees, shrubs and lawns which will be installed by Sponsor. Fertilization and weed control of the lawns will be provided by Chemlawn at a cost of \$ 1,486.20.

C. Driveways:

All driveways and roadways will be constructed utilizing a gravel base, asphalt binder and top coat as per local specifications. J.G. Turner Inc., has estimated \$250.00 to sweep the driveways and roadways, inspect them for damage or deterioration and make minor repairs as needed. Eight of the units will be located on Cloverdale Street which is owned and maintained by the City of Rochester.

5. Service Contracts:

There are no service contracts other than described in footnotes numbers four (4) and seven (7).

6. Supplies and Office Equipment:

A nominal amount (\$200.00) has been estimated by Sponsor and budgeted to provide necessary office and bookkeeping supplies, postage, stationary and communications to homeowners.

Footnotes to Schedule A

Page 3

7. Snow Removal:

The projected expense for a full winter season of snow removal and salting as needed from the 34 driveways and private road will be approximately \$2,520.00. This bid quote was provided by Joe Marinucci, 30 Seascape Drive, Rochester, New York 14612 and is based on a minimum snowfall of 3 inches.

8. Refuse Removal:

Refuse removal for all 34 units will be provided for by the City of Rochester, Department of Environmental Services. On collection day refuse should be placed on the driveway in front of the garage doors where it will be picked up. Residential refuse collection occurs once a week. Each individual homeowner will be billed directly by the City of Rochester and, therefore, the Homeowners' Association will not incur any expenses relative to refuse collection.

9. Insurance:

The Association will carry a master insurance policy covering property damage on an all risk basis except for specified policy exclusions (e.g. earthquake, floods), and liability insurance protecting the Association. As currently quoted, the master policy will be a special Townhouse Package Policy to which each unit is added as it is transferred at an annual premium of approximately \$1.82 per thousand of value pro-rated to the policy expiration date. This policy is based upon a \$250.00 deductible provision. The amount of coverage is based upon 100% of estimated replacement costs for the homes and garages exclusive of the land, underground utilities and foundation. Liability insurance coverage will be comprehensive general public liability in the amount of one million dollars. The estimated insurance expense is based on a quote from Andolina Insurance Agency, 30 N. Union Street, Rochester, New York 14607.

10. Accounting:

This item is an estimate of the cost for routine accounting including a certified annual report and required tax reports by a professional accountant and the cost of duplicating and distributing copies of same to individual homeowners. An estimate of \$800.00 was provided by the firm of Eldridge, Fox and Porretti, C.P.A., 11 Gibbs Street, Rochester, New York.

11. Legal:

Jerry Goldman, Esq., 1220 South Clinton Avenue, Rochester, New York, has estimated the corporate books of the Homeowners' Association can be maintained and it's other legal matters handled for \$500.00 annually. This cost is considered as a contingency fund for routine advice or letters from counsel on matters pertaining to interpretations of the Declaration or By-laws.

12. Taxes:

A. Real Estate Taxes:

Total real estate taxes for 1991 - 1992 are estimated to be \$1,393.00

Based upon correspondence received from The Assessment Department, Town of Greece, New York, the estimated taxes for the common area of land located in the Town of Greece will be \$98.00. The estimate is based upon an assessment of \$200.00 for the common area. The current 1990-1991 tax rates for the Town of Greece, including the School Taxes are \$204.34 per thousand. The 1991 Monroe County tax rate was \$165.40 per thousand. Since the 1991-1992 tax rates haven't been established yet, the above values are estimated.

According to the Tax Department, City of Rochester, the estimated taxes for the common area in the City of Rochester will be \$1,294.31. The 1.62 acres of common land and private road will have an assessed valuation of \$2,000.00. This commonly owned parcel will be taxed at the non-homestead tax rate, which for 1991-1992 (City and School) is \$36.77/\$1,000.00 value plus embellishment charges.

The 1991 County rate was \$10.04/\$1,000.00 value.

B. Franchise and Corporate Tax:

The tax counsel of Sponsor has estimated the property will be subject to New York Franchise Tax and Federal Income Tax in the amount of approximately \$374.00.

13. Reserve for Maintenance:

The amount of \$130.00/unit/year has been allotted to reserve for future replacements and capital improvements based on Sponsor's best estimates of future needs. This fund is distinguished from the contingency fund as stated below in Footnote #14 and is accumulated as a working capital fund to provide the Homeowners' Association with the monies for capital items and/or emergencies. Since the roof, sidings and asphalt areas of the property will be newly constructed, it is not likely that major capital repairs will be necessary during the first five (5) years.

However, the details of the individual items as they apply to the entire property are as follows:

Roof:

First quality work and materials, estimated life in excess of 20 years, estimated replacement cost \$1,785.00 per unit.

Painting:

Exterior painting of all windows, doors and trim, all fascia, louvers, overhangs. Painting will be done on a four (4) year cycle at an estimated cost of \$575.00 per unit.

Staining:

Staining of the cedar siding to be done on a six (6) year cycle at the cost of \$925.00 per unit.

Pavement Area:

Total estimated pavement area of the main road, driveways and parking areas equals 48,000 square feet. Asphalt has an estimated useful life in excess of 20 years with an estimated current value of \$12,480.00.

The total of the above items to be funded from reserves is \$265,270.00 exclusive of inflation. Estimated scheduled deposits to reserve are as follows:

Year	1	@	100/unit x 34	=	\$	3,400.00
Year	2	@	100/unit x 34	=		3,400.00
Year	3	@	125/unit x 34	=		4,250.00
Year	4	@	130/unit x 34	=		4,420.00
Year	5	@	135/unit x 34	=		4,590.00
Years	6-10	@	average of 200/unit/year	=		34,000.00
Years	11-20	@	average of 240/unit/year	=		81,600.00

Total 20 year additions exclusive of interest
or early use of funds \$ 135,660.00

Note: At time of replacement, should the established reserves be insufficient to fund the entire cost, there exists the possibility of a special assessment. (Neither the Department of Law nor any other government agency has passed upon the adequacy of these funds).

FOOTNOTES TO SCHEDULE A

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14. Reserve for Contingencies:

Sponsor has estimated \$2,346.00 for unanticipated contingency. This amount may be used at the discretion of the Board of Directors to make up deficits in other items of the budget and thus may not be available at the end of the year or sufficient to pay for major capital repairs or replacement items (see Footnote #13).

15. Any correspondence addressing Lakeshore Townhomes is reference to a previously used name.



STATE OF NEW YORK
DEPARTMENT OF LAW

120 BROADWAY
NEW YORK, NY 10271

(212) 341-2148

ROBERT ABRAMS
Attorney General

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

Victor Rawson Develop. Corp.
c/o Mayberry, Licht, et al.
Attn: Kenneth D. Licht
2220 South Clinton Avenue
Rochester, NY 14618

RE: Stonehedge H.O.A.

File Number: H880020

Amendment No: 3

Date Amendment Filed: 10/16/91

Filing Fee: \$ 150.00

Receipt Number: 904320511

Dear Sponsor:

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

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

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

Very truly yours,

JACQUELINE ORRANTIA
ASSISTANT ATTORNEY GENERAL

J.H.