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DECLARATION OF CONDOMINIUM

Affecting the land and all improvements thereon known as the Lockwood, a condominium at 601 Kreag Road in the Town of Perinton, County of Monroe and State of New York as more particularly described in Schedule "A" attached hereto.

W I T N E S S E T H :

DOWNING HOMES, INC., a New York corporation, with its office at 6025 Palmyra Road, Fairport, New York 14450 (hereinafter called the "Sponsor") hereby declares on behalf of itself, its successors and assigns:

ARTICLE I

SUBMISSION OF PROPERTY

The land described in Schedule "A", together with all improvements thereon shall be subject to the provisions of Article 9-B of the Real Property Law of the State of New York (hereinafter called the "Condominium Act") from the date of the recording hereof until the date on which this Declaration is terminated or abandoned.

ARTICLE II

NAME OF CONDOMINIUM

The name of the Condominium shall be "Lockwood".

ARTICLE III

DEFINITIONS

The terms used herein are defined as follows:

- A. Buildings. Structures which contain the several units constituting the residences at Lockwood and shown on the Plot Plan of the Condominium.
- B. Common Charge. Each unit's proportionate share of the Common Expenses of the ownership and operation of the Condominium Property in accordance with its Common Interest.
- C. Common Expenses. The Common Expenses shall include:
1. The cost of maintenance, repair and replacement of the Common Elements;
 2. The cost of operation, management and administration of the Condominium, including, but not limited to, compensation paid by the Condominium to a managing agent, accountants, attorneys, and other employees;

3. The cost of insurance, purchased and held in accordance with the provisions of this Declaration;

4. The cost of items for common use or benefit incurred by or in accordance with the provisions of the Condominium Act, this Declaration or the By-Laws attached hereto as Schedule "B".

D. Common Elements. The Comon Elements consist of all those parts of the Condominium Property which are not within the Units including, but not limited to, the following:

1. All land.
2. The walkways, driveways, lawns, shrubbery and landscaping.
3. The foundations, columns, girders, beams and supports to the Buildings.
4. Those portions of the exterior walls which are located between the centerline of such walls and the outside and which separate a Unit from the outside and other unit; those portions of the roof support joists which are located between the centerline of said joists and the outside; and all roofs.
5. Exterior doors and windows.

6. All central and appurtenant installations which are used in common by two or more Unit owners for services such as electricity, water and sewage, including all pipes, wires, cables and conduits used in connection herewith.

7. All other parts of the Condominium Property and all appliances and installations existing in the Buildings or on the Condominium Property for common use or necessary or convenient to the existence, maintenance, comfort or safety of the Condominium.

E. Limited Common Elements. Those areas specifically designated in Article VI hereof which are assigned or are appurtenant to a Unit and devoted exclusively to the use, operation and enjoyment of such Unit.

F. Common Interest. Each Unit's fractional undivided interest in fee simple absolute in the Common Elements.

G. Condominium. The term Condominium as herein used shall mean Lockwood.

H. Condominium Documents. The Declaration and By-Laws of the Condominium, as the same from time to time may be amended. The By-Laws shall be recorded in the Office of the Clerk of the County of Monroe as Schedule "B" to this Declaration.

I. Condominium Property. 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, which have been or are intended to be submitted to the provisions of the Condominium Act.

J. Plans. The Plans for the Condominium shall be filed in the Office of the Clerk of the County of Monroe, State of New York. They shall consist of the following documents: (1) Plot plan showing the Buildings, the Units, the walkways, driveways and the land (the "Plot Plan");

(2) Floor plans which shall be verified by a professional engineer as showing the layout, locations and approximate dimensions of the units and by the Assessor of the Town of Perinton for conformity of the Units with their assigned tax account numbers.

K. Condominium Unit. Condominium Unit means a part of the Condominium Property intended for residential use and to be held in fee simple by the owner thereof.

ARTICLE IV

THE BUILDINGS

The Buildings consist of the structures which will contain the several units of the condominium. The condominium contains four buildings, containing 8, 7, 6 and 3 units respectively. Each unit will contain a garage and a basement. There is a patio area appurtenant to each unit. Access is provided by a common driveway from Kreag Road.

ARTICLE V

COMMON ELEMENTS

The Common Elements shall be used in accordance with and subject to the following provisions.

A. Allocation of Common Interest. Each Unit owner shall have a 1/24 undivided interest in the Common Elements which shall serve as the basis for the apportionment of Common Charges. The Common Interest of the respective Units has been determined as being generally equal since the relationship between the approximate proportion of the floor area of each Unit to the aggregate floor area of all Units is nearly equal.

B. Changes in Common Interest. A Unit's Common Interest may be altered only by amendment of this Declaration executed in recordable form by all the Unit owners. No alteration of the Common Interest shall affect the lien of a prior recorded mortgage unless written consent of the holder of such mortgage is obtained and recorded.

The Common Interest of each Unit is appurtenant to the Unit and inseparable from unit ownership.

C. Covenant Against Partition. In order to effectuate the intent thereof and to preserve the Condominium and the condominium method of ownership, the property constituting the Common Elements shall remain undivided and no person, irrespective of the nature of his or her interest in the Common Elements, shall bring any action or proceeding for partition or division thereof, or any part thereof, until the termination of this Declaration in accordance with provisions contained herein.

D. Rules and Regulations. No person shall use the Common Elements or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Unit Owners. Without in any manner intending to limit the generality of the foregoing, the Unit Owners shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the Common Elements to Unit owners and their respective families, visitors, guests, invitees and employees.

E. Maintenance, Repair, Replacement, Management and Operation. Maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Board of Managers, but nothing contained herein shall be construed so as to preclude the Board of Managers from delegating to a person or person of its choice, such duties as may be imposed upon the Board of Managers by this Section E.

F. Expenses. Expenses incurred or to be incurred for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed as a Common Charge and collected from Unit owner in accordance with the provisions of this Declaration.

G. Use. Subject to the rules and regulations as amended from time to time each Unit owner may use the Common Elements for their intended use and in such manner as shall not restrict, interfere with or impede the use thereof by other Unit owners.

H. Alterations and Improvements. The Board of Managers shall have the right to make or cause to be made such alterations and improvements to the Common Elements as it deems necessary or advisable, provided that the making of such alterations and improvements shall be first approved by an affirmative vote of at least

eighteen of the unit owners. The cost of such alterations or improvements shall be assessed as a Common Charge.

ARTICLE VI

LIMITED COMMON ELEMENTS

The following areas shall be Limited Common Elements devoted to the exclusive use of the Unit to which they are assigned or are appurtenant:

1. Each courtyard - atrium appurtenant to Units ~~1-13~~. *2-8 & 20-25 INCL.*
2. Each wood deck patio appurtenant to Units ~~14-24~~. *9-19 INCL.*

Each unit owner shall, at his own cost, repair, maintain and replace a Limited Common Element assigned or appurtenant to his unit.

ARTICLE VII

COMPOSITION OF UNITS

A. Real Property. Each Unit with its Common Interest shall for all purposes constitute a separate parcel of real property which is owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the Condominium Property, subject only to the provisions of this Declaration.

B. Boundaries. Each Unit, shall be bounded as shown on the Plans, subject to such encroachemnts as may be created by the remodeling construction or by settlement or movement of the structure of which the Unit is a part.

Each Unit is measured horizontally from the centerline of the exterior walls to the centerline of the walls which divide the unit from the outside and other units. Doors and windows which open from or into a Unit are a part of the Unit as are all walls located entirely within a Unit. All finishing and decorative materials, including but not limited to, paint, wallpaper, and fabrics are a part of the Unit.

Each Unit is measured vertically from the top side of the concrete basement floor to the centerline of the wood support joists which support the roof. All finishing and decorative materials including, but not limited to, linoleum, carpeting, hardwood floors, and paint are part of the Unit.

All pipes, wires, conduits and utility lines or portions thereof located within a Unit shall be owned by the Unit owner unless owned by a public utility company. Any portion of the pipes, wires, conduits and public utility lines not owned by a public utility company and located in the Common Elements shall be owned in common by all the Unit owners.

C. Tax Account Numbers. The following tax account numbers shall constitute the identity of the units:

<u>Unit No.</u>	<u>Tax Acct. No.</u>	<u>Unit No.</u>	<u>Tax Acct. No.</u>
1	5131-505	13	5131-565
2	5131-510	14	5131-570
3	5131-515	15	5131-575
4	5131-520	16	5131-580
5	5131-525	17	5131-585
6	5131-530	18	5131-590
7	5131-535	19	5131-595
8	5131-540	20	5131-600
9	5131-545	21	5131-605
10	5131-550	22	5131-610
11	5131-555	23	5131-615
12	5131-560	24	5131-620

the value of the Units, the use of the Condominium Property shall be restricted in accordance with the following provisions:

A. Use of Units. The Units shall be used for residential dwelling purposes only.

B. Use of Common Elements. The Common Elements shall be used only for their intended purpose and for the utilization and enjoyment of the Unit owners.

C. Nuisances. No nuisances shall be allowed upon the Condominium Property nor shall any use or practice be allowed which interferes with the peaceful possession and quiet enjoyment of the Condominium Property by the Unit owners.

D. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

E. Interpretation. In interpreting deeds, mortgages and plan, the physical boundaries of the Units shall be conclusively presumed to be its boundaries rather than the metes and bounds description expressed in any deed, mortgage or plans.

F. Regulations. Regulations concerning use of the Condominium Property may be promulgated by the Unit Owners as hereinabove set forth; provided, however, that copies of such regulations shall be furnished to each Unit owner prior to the time that the same become effective. The initial regulations in the By-Laws (Schedule "B" hereto) shall be deemed effective until amended by a document recorded in the Office of the Clerk of the County of Monroe. No regulations and no amendment thereto may impair, affect or limit the rights of mortgagees as elsewhere recited.

ARTICLE X

CERTIFICATION BY BOARD OF MANAGERS

Upon request by a Unit owner or by a prospective purchaser or lessee of a Unit, the Board of Managers shall provide a written statement certifying the kind and amount of the current annual Common Charges assessed against the Unit. Such statement shall further certify the kind and amount of any Common Charges and special assessments which are accrued and unpaid as of the date when the request is made. Neither grantor nor grantee shall be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid Common Charges against such Unit accrued prior to the conveyance thereof in excess of the amount certified in such statement.

ARTICLE XI

ADMINISTRATION

The administration of the Condominium Property shall be governed by the following provisions:

A. Governing Body. The Condominium shall be governed by a Board of Managers consisting of not less than five nor more than seven persons, elected in the manner prescribed in the By-Laws.

B. By-Laws. The By-Laws of the Condominium shall be in the form attached hereto as Schedule "B" until amended in the manner therein provided.

C. Powers and Duties of Board of Managers. The powers and duties of the Board of Managers shall be those set forth in the Condominium Act, this Declaration and the By-Laws, together with those reasonably implied to effect the purpose of the Condominium and this Declaration; provided, however, that if there are conflicts or inconsistencies between this Declaration and the By-Laws, the terms and provisions of this Declaration shall prevail, and the Board of Managers covenant to vote in favor of such amendments to the By-Laws as will remove such conflicts

or inconsistencies. If there are inconsistencies between the Condominium Act, this Declaration and the By-Laws, the Condominium Act shall prevail, and the Board of Managers covenant to vote in favor of such amendments to the Declaration and By-Laws as will remove such conflicts or inconsistencies.

The powers and duties of the Board of Managers shall be exercised in the manner provided by the By-Laws provided that any duties or rights of the Board of Managers which are granted by or to be exercised in accordance with the provisions of this Declaration shall be so exercised.

D. Determinations by the Board of Managers.

Unless the vote of a greater number is required by this Declaration or the Condominium Act, votes or approval cast or given in behalf of at least four Units by the members of the Board of Managers present at a meeting at which a quorum is present, or the unanimous written consent of the Managers, shall constitute the decision of the Board of Managers.

E. Notice or Demands. Notices or demands for any purpose shall be given in the manner provided in this Declaration and in the By-Laws.

ARTICLE VIII

MAINTENANCE AND REPAIR OF UNITS

A. Unit Owner's Responsibility. It shall be the responsibility of each Unit owner to maintain, repair and replace at his or her expense, all portions of his or her Unit, including, but not limited to, floors, walls, all wall finishing and decorative materials, ceiling finishing and decorative materials, windows, doors, conduits, ducts, plumbing, water service, wiring, and appliances except insofar as the same have been designed as Common Elements in which case the responsibility for maintenance, repair and replacement shall be borne by the Board of Managers and the cost thereof assessed as a Common Charge. Each Unit owner shall further be responsible at his or her expense for the maintenance, repair and replacement of the Limited Common Elements appurtenant or assigned to his or her Unit.

B. Right of Entry. The Board of Managers or any one or more qualified persons designated by the Board of Managers shall have the right and authority to enter upon and within any Unit in the presence or with the consent of the owner or occupant thereof for the purpose of (1)

performing necessary maintenance, repair or replacement of or to a portion or portions of the Common Elements, (2) abating any nuisance, or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Unit, or (3) for any other purpose reasonably related to the performance by the Board of Managers of its responsibilities under the terms of this Declaration or the By-Laws as the same may from time to time be amended or modified. This right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of the owner or occupant of such Unit and shall be preceded by reasonable notice to the owner or occupant thereof whenever circumstances permit; provided, however, that the Board of Managers or its designees shall have access to any Unit for purposes of making emergency repairs therein necessary to prevent damage to the Common Elements or any other Unit at any time without notice, presence or consent of the Unit owner or occupant.

ARTICLE IX

USE RESTRICTIONS

In order to provide for congenial occupation of the Condominium and to provide for the protection of

F. Service of Process. Service of process in connection with any action commenced against the Condominium or its Board of Managers may be made upon the President or Secretary thereof at the Unit in the Condominium in which he or she resides.

G. Funds Held by Board. All funds acquired by the Board of Managers of the Condominium and the proceeds thereof, after deducting therefrom the costs incurred by the Board in acquiring the same, shall be held for the benefit of the Unit owners for the purpose stated herein.

ARTICLE XII

INSURANCE

The insurance which shall be carried upon the Condominium Property shall be governed by the provisions which follows:

A. Authority to Purchase. Except builders' risk and other required insurance furnished by Sponsor during construction, all insurance policies covering the Condominium Property (with the exception stated below in C) shall be purchased by the Board of Managers for the

benefit of the Unit owners and their respective mortgagees as their interests may appear and shall provide for the issuance of a certificate of insurance with a New York Standard Mortgagee Endorsement to any permitted holder of a first mortgage lien on a Unit and shall include a waiver of the right of subrogation as to any claims against Unit owners, the Board of Managers and their respective employees, agents, and guests. Such policies and endorsements shall be deposited with the Board of Managers.

B. Authority to Adjust. The Board of Managers is hereby irrevocably appointed the agent for each Unit owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium to adjust and settle all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

C. Unit Owner's Right to Purchase Insurance Coverage. Each Unit owner is encouraged to obtain insurance, at his or her own expense, affording additional coverage upon improvements and betterments of the Unit and coverage upon his or her personal property and for

his or her personal liability and additional insurance required by law, if any, provided that such insurance shall contain the same waiver of subrogation as that to which reference is made in Paragraph A above and provided that such insurance shall not in any way affect or diminish the insurance procured by the Board of Managers. To the extent that a Unit owner obtains coverage for any risk related to his or her Unit or the Condominium Property from an insurer other than the Condominium's insurer, he or she shall provide current certificates of coverage and deliver them to the Board of Managers.

D. Coverage.

1. Property Insurance. The Condominium Property shall be insured in an amount equal to the maximum insurable replacement value thereof as determined by the insurance company affording such coverage at least once in any three year period. Such coverage shall afford protection against:

- (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement;
- and

- (b) such other risks as from time to time is customarily covered with respect to structures similar in construction, location and use as the buildings, including but not limited to, vandalism, malicious mischief, windstorm and additional perils.

2. Public Liability and Property Damage.

Insurance covering public liability and property damage shall be provided in such amount and in such forms as shall be determined by the Board of Managers.

3. Worker's Compensation. Should worker's compensation insurance be required by law for the condominium, a worker's compensation insurance policy meeting those requirements shall be procured by the Board of Managers.

4. Cross-liability Endorsements. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Unit owners as a group (and/or the Board of Managers) to an individual Unit owner, and cross-liability endorsements to cover liabilities of an individual Unit owner to the Unit owners as a group (and/or the Board of Managers).

E. Premiums. Premiums for insurance policies purchased by the Board of Managers shall be paid by the Board and constitute a Common Charge.

F. Insurance Trustee. All insurance policies purchased by the Board of Managers shall be for the benefit of the Condominium, the Unit owners and their mortgagees as their respective interests may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Board of Managers, as Insurance Trustee. The Board, as Insurance Trustee, shall receive such proceeds as are paid and hold the same in trust for the purpose stated herein and for the benefit of the Condominium, the Unit owners and their respective mortgagees, in the following shares:

1. Common Elements. Proceeds on account of damage to Common Elements - for each Unit owner and his or her mortgagee, if any, in accordance with such owner's percentage interest in the Common Elements.

2. Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(a) Partial destruction of a building (where the building is to be restored). The share of the owners of a damaged Unit or Units shall be in proportion to the cost of repairing the damage suffered by each such Unit. The Board of Managers shall certify each Unit Owner's share, and each Unit owner shall be bound by such certification.

(b) Total destruction of a Building (where the Building is not to be restored and this Declaration is terminated in accordance with Articles XIII and XIX hereof):

(i) Destruction of Buildings. The share of each owner shall be in proportion to the value that his or her Unit bears to the value of all Units in the Building. The Board of Managers shall certify each Unit Owner's share and each Unit Owner shall be bound by such certification.

G. Distribution of Proceeds. Proceeds of insurance policies received by the Board of Managers, as Insurance Trustee, shall be distributed to or for the benefit of the beneficial owners, in the following manner:

1. Reconstruction of Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided.

2. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds held by the Board of Managers pursuant to Article XII of this Declaration shall be distributed to the Unit owner or owners for whom they are so held or to the mortgagees of such unit or units, if any, provided, however, that before disbursing any such proceeds the Board of Managers shall, within 60 days after the damage, either arrange and pay for the demolition of the Building or Buildings so damaged or arrange for the sale of the Condominium property. The expenses of any such Demolition or sale shall be assessed as a Common Expense and shall be paid by the Unit owners

prior to the distribution to them of any insurance proceeds. This is a covenant for the benefit of the mortgagee of a Unit and may be enforced by it.

ARTICLE XIII

RECONSTRUCTION OR REPAIR

OF CASUALTY DAMAGE

A. Responsibility. If any portion of the Buildings shall be damaged by fire or other casualty, the damaged portion shall be reconstructed or repaired unless this Declaration is terminated in accordance with Article XIX hereof, subject, however, to the following provision:

Destruction of Less Than all Buildings.

If less than all Buildings are damaged so that they cannot be reconstructed or repaired the Unit owners in the remaining buildings shall have the election of terminating the Condominium or continuing the Condominium without the damaged building.

B. Plans on Reconstruction. Any reconstruction or repair shall be substantially in accordance with the Plans as modified by current good building practices.

C. Encroachments. Encroachments upon or in favor of Units which may be created as a result of reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Unit owner upon whose property such encroachment exists, provided that such reconstruction was done substantially in accordance with the Plans. Such encroachments shall be allowed to continue in existence for so long as the Building stands.

D. Allocation of Responsibility. In the event of damage by fire or other casualty, the Unit owner shall be responsible for the reconstruction and repair of the interior of his or her Unit, including but not limited to walls, floors and appliances, insofar as the same have not been designated as a Common Element. The Board of Managers shall be responsible for the reconstruction and repair of the Common Elements.

E. Procedure.

1. Estimate of Costs. Immediately after a casualty the Board of Managers shall obtain reliable and detailed estimates of the cost of reconstructing or restoring the damaged property. Such costs may include professional fees and premiums for such bonds as the Board of Managers desires.

there is a mortgagee endorsement, then to such payees as the Unit owner and the first mortgagee jointly direct. Nothing contained herein, however, shall be construed as to limit or modify the responsibility of the Unit owner to make such reconstruction or repair.

3. Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance remaining after payment of all costs of the reconstruction and repair for which the fund was established, such balance shall be distributed jointly to the Unit owners in accordance with their respective percentage interest in the Common Elements and their mortgagees who are the beneficial owners of the fund.

4. Allocation. When the damage is to both the Common Elements and the Units, the insurance proceeds shall be applied first to the costs of repairing or reconstructing the Common Elements and then to the cost of repairing or reconstructing the Units.

ARTICLE XIV

TAXES AND SPECIAL ASSESSMENTS

The assessment of each of the Units for taxes and special assessments by governmental bodies are governed by the provisions of §339-y of the Condominium Act, but Sponsor can make no warranty or representation that the assessing entity or entities will comply with this law.

ARTICLE XV

ASSESSMENTS

Assessments against the Unit owner shall be made by the Board of Managers and shall be paid by the Unit owners of the Condominium in accordance with the following provisions:

A. Liability For Common Expenses. Each Unit owner, including the Sponsor, shall be liable for a share of the Common Expense as assessed for the purpose of securing the proper management, maintenance and operation of the Condominium and shall pay such share as a Common Charge. Such share shall correspond to the each Unit's fractional interest in the Common Elements, and any surplus of Common Charges held and collected over Common Expenses paid shall be owned by the Unit owner in a like share.

B. Assessments Other Than Common Expenses. Any assessment, the authority to levy which is granted to the Board of Managers by the Condominium Documents, shall be paid by the Unit owners to the Board of Managers in the proportions set forth in the provisions of the Condominium Documents authorizing the assessment.

C. Accounts. All sums collected by the Board of Managers from assessments may be commingled in a single fund but they shall be held for the Unit owners in the respective shares in which they are paid and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be as follows:

1. Common Expenses Account - to which shall be credited collections of assessments for all Common Expenses.
2. Alteration and Improvement Account - to which shall be credited all sums collected for alteration and improvement assessments.
3. Reconstruction and Repair Account - to which shall be credited all sums collected for reconstruction and repair assessments.

4. Emergency Account - to which shall be credited all sums collected for emergencies and cost of any litigation.

5. Surplus Account - to which shall be credited any surplus which may be set aside for future contingencies and reserves from funds collected.

D. Assessments for Common Expenses. For so long as Sponsor is entitled to select the members of the Board of Managers, Sponsor shall determine and assess all Common Expenses. When Sponsor is no longer entitled to select the Board of Managers, the Board shall make an assessment for Common Expenses at its first meeting thereafter and such assessment shall be due and payable in equal monthly installments commencing on the first day of the month following the date on which the assessment is made and ending on December 1 the same year. Thereafter, all assessments for Common Expenses shall be made annually and in advance for each calendar year on or before the second Monday in December of the year preceding the year for which the assessment is made. The annual assessment shall be due and payable in twelve equal consecutive monthly payments, on the first day of each month, beginning with January of the year for which the assessment is made. The total of the assessments shall be in the amount of the estimated Common Expenses

for the year as required for the proper management, maintenance and operation of the Condominium, including a reasonable allowance for contingencies and reserves less the amounts of unneeded Common Expense account balances. If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

E. Additional Assessments. Additional assessments shall be made in accordance with the provisions of the Condominium Documents, and if the time of payment is not set forth in the Condominium Documents, the same shall be determined by the Board of Managers.

F. Assessments for Emergencies. Assessments for the cost of emergencies and litigation shall be made by the Board of Managers, as the need therefor arises.

G. Assessment Roll. The assessments against all Unit owners shall be set forth upon a roll of the Units which shall be available in the office of the Condominium for inspection at all reasonable times by Unit owners or their duly authorized representatives. Such roll shall indicate for each Unit the name and address of the owner or owners, the assessment and the amount thereof paid and unpaid. A certificate made by the Board of Managers as to

the status of a Unit owner's assessment account shall limit the liability of any person for whom made other than the Unit owner. The Board of Managers shall issue such certificates to such persons upon the written request of the Unit owner.

H. Lien for Assessments. The Board of Managers, on behalf of the Unit owners, shall have a lien on each Unit and all appurtenances thereto for the unpaid assessments thereof, together with interest thereon, prior to all other liens except: (1) liens for taxes on the Unit in favor of any assessment entity, school district, special district, county or other taxing unit and (2) all sums unpaid on a first mortgage or record. Upon the sale or conveyance of a Unit, such unpaid Common Charges shall be paid out of the sale proceeds or by the grantee. This liability may not be avoided by a waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessment is made. Any grantor or grantee of a Unit shall be entitled to a statement from the Board of Managers, setting forth the amount of the unpaid Common Charges accrued against the Unit, and neither grantor nor grantee shall be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set

forth therein. The Board of Managers, upon the written request of a Unit owner, shall issue such a statement to the Unit owner.

I. Creation of Lien. The unpaid portion of an assessment which is due shall be secured by a lien arising when a verified notice claiming the lien has been recorded by the Board of Managers in the Office of the Clerk of the County of Monroe stating the name and address of the Condominium Property, the liber and page of record of the Declaration, the name of the record owner of the Unit, the Unit designation, the amount due, and the date when due.

The lien when so filed shall continue in effect until all the sums secured thereby, with the interest thereon, shall have been fully paid or until the expiration of six years from the date of filing, whichever occurs sooner. Upon such payment the Unit owner shall be entitled to an instrument duly executed and acknowledged by the Board of Managers certifying to the fact of payment.

J. Interest. Assessments and installments thereof paid on or before fifteen (15) days after the date when due shall not bear interest but all sums not so paid on or before fifteen (15) days after the date when due shall bear interest from the date when due until paid at the maximum rate of interest per annum then permitted under applicable law to be charged to individuals, provided, however,

that such rate shall in no event exceed 10 percent (10%) per annum. All payments upon account shall be applied first to the interest and then to the assessment payment first due. All interest collected shall be credited to the Common Expense Account.

K. Suit. The Board of Managers, on behalf of the Unit owners, in its discretion, may enforce collection of due and unpaid assessments by suit at law or by foreclosure of the liens securing the assessments, or by any other competent proceedings, and in any event the Board of Managers, on behalf of the Unit owners, shall be entitled to recover in the same action, suit or proceeding the payments which are delinquent at the time of judgment or decree together with the interest thereon at the maximum legal rate of interest per annum then permitted under applicable law to be charged to individuals, provided, however, that such rate shall in no event exceed ten percent (10%) per annum, and all costs incident to the collection and the action, suit or proceedings, including, without limiting the same, reasonable attorneys' fees.

If the Board of Managers elects to foreclose the lien securing the assessments, such foreclosure suit shall be authorized by and shall be brought in the name of the Board of Managers, acting on behalf of the Unit owners. The Board of Managers, acting on behalf of the Unit owners, shall have power to bid in the Unit at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

ARTICLE XVI

COMPLIANCE, DEFAULT

Each Unit owner shall be governed by and shall comply with the terms of the Condominium Documents as amended from time to time. A default shall entitle the Board of Managers or other Unit owners to the following relief:

A. Legal Proceedings. Failure to comply with any of the terms of the Condominium Documents shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, and such relief may be sought by the Board of Managers or, if appropriate, by an aggrieved Unit owner.

B. Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by a Unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

C. No Waiver of Rights. The failure of the Board of Managers or a Unit owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Board of Managers or Unit owners to enforce such right, provision, covenant or condition in the future.

D. Cumulative Rights. All rights, remedies, and privileges granted to the Board of Managers or a Unit owner pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Condominium Documents or at law or in equity.

ARTICLE XVII

LIABILITY FOR DAMAGE AND INDEMNIFICATION

Each Unit owner shall agree to and be governed by the following provisions on liability for damages and indemnification:

A. Liability for Damage. All Unit owners shall be liable for the expense of any maintenance, repair, reconstruction or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his, or their guests, employees, agents or lessess, but only to the extent that such expense is not met by the proceeds of insurance carried by the Condominium. Such liability shall include any increase in fire insurance

rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

B. Indemnification. In the event any personal injury or property damage is sustained by any person while physically within a Unit or Restricted Common Element and such injury or damage shall result in a claim or suit against the owner of another Unit or against the Board of Managers, any of its officers, agents or employees, the owner of the Unit or Restricted Common Element with which such injury or damage occurred shall (1) indemnify and hold harmless such other owner and/or the Board of Managers and/or any of its officers, agents or employees against whom the claim or suit is brought and (2) defend, at his or her own cost and expense, any litigation resulting therefrom in which such other owner and/or the Board of Managers and/or any of its officers, agents or employees has been made a party; provided that no such obligation shall exist with respect to such other owner or person whose negligence or willful misconduct caused or contributed to the cause of any such injury or damage.

C. Indemnification - Acts and Decisions by the Board of Managers. To the full extent authorized by law the

Unit owners shall indemnify and hold harmless any person made a party in any civil or criminal action or proceeding by reason of the fact that he, or his testator or intestate is a Manager of the Board of Managers.

ARTICLE XVIII

AMENDMENTS

Except for alterations in each Unit owner's percentage interest in the Common Elements which require the consent of all Unit owners the Condominium Documents may be amended in the following manner:

A. Declaration. Amendments to the Declaration shall be proposed and adopted as follows:

1. Notice. The Board of Managers, or a group of not less than four (4) Unit owners, shall issue a notice to all Unit owners stating:
 - (a) The time and place of meeting to consider the proposed amendment; and
 - (b) The subject matter of the proposed amendment.

Such notice shall be subscribed by an authorized manager, where issued by the Board of Managers, or all four (4) Unit owners, where issued by Unit owners.

2. Resolution. A resolution adopting a proposed amendment may be passed at such meeting upon an

affirmative vote therefore by not less than eighteen percent (18%) of the Unit owners of the Condominium subject, however, to the written approval by all first mortgagees of record where the Amendment would impair or adversely affect the security held by such mortgagees.

3. Amendment by Written Consent. In lieu of a meeting to adopt a proposed amendment, an amendment may be adopted by the unanimous written consent of the Unit owners subject to the written approval by all first mortgagees of record where the Amendment would impair or adversely affect the security held by such mortgagees.

4. Recording. A copy of each amendment so passed shall be certified by the officers of the Board of Managers as having been duly adopted and shall be effective when recorded in the Office of the Clerk of the County of Monroe, New York. Copies of the same shall be sent to each Unit owner and his or her mortgagee in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

B. Restrictions on Amendments. For so long as Sponsor owns one or more Units, this Declaration may not be amended so as to adversely affect Sponsor's interests without Sponsor's written consent.

C. By-Laws. The By-Laws of the Condominium shall be amended in the manner provided in that document.

ARTICLE XIX

TERMINATION

The Condominium shall be terminated, if at all, in the following manner:

A. Voluntary Termination. Voluntary termination of the Condominium may be effected by the agreement of all Unit owners and first mortgagees, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyances of land. The termination shall become effective when such agreement has been recorded in the Office of the Clerk of the County of Monroe. Where a Unit is owned by more than one person, only one vote shall be recognized from the Unit. If the persons owning a Unit are evenly divided on whether to terminate, the vote shall be considered to be cast in favor of the position taken by the majority of the other Unit owners.

B. Involuntary Termination. If it is determined in the manner elsewhere provided herein, that the Condominium Property shall not be reconstructed or repaired after being damaged by fire or other casualty, the Declaration shall be deemed to have been terminated. The determination

not to reconstruct or repair after a casualty loss and the termination of the Condominium shall be set forth in a certificate of the Board of Managers which certificate shall become effective upon being recorded in the Office of the Clerk of the County of Monroe.

C. Effect of Termination. After termination of the Condominium, the Unit owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens against the Unit or Units formerly owned by such Unit owners shall have mortgages and liens upon the respective undivided share of the Unit owners. The undivided share of each Unit owner shall consist of: (1) the value that his or her Unit bears to the value of all Units in the Condominium; and (2) the value represented by his or her fractional interest in the Common Elements of the Condominium. All funds held by the Board of Managers (other than insurance proceeds held in accordance with Article XII, Section F(2), of this Declaration) shall be and continue to be held for the Unit owners and their mortgagees in proportion to their respective fractional interest in the Common Elements. The costs incurred by the Board of Managers in connection with a termination shall be a Common Expense.

Following termination, the Condominium Property may be partitioned and sold upon the application of any Unit owner. If the Board of Managers, following a termination, determines to accept an offer for the sale of the Condominium Property, each Unit owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Managers directs. In such event, any action for partition or other division of the Condominium Property shall be held in abeyance pending such sale and upon the consummation thereof shall be discontinued by all parties thereto.

D. Powers of Board of Managers. The Members of the Board of Managers acting collectively as agent for all Unit owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Condominium itself may be dissolved upon a termination.

ARTICLE XX

COVENANTS RUNNING WITH THE LAND

All provisions of the Condominium Documents shall be construed to be covenants running with the land and with

every part thereof and interest therein including but not limited to every Unit and the appurtenances thereto; and every Unit owner and claimant of the Condominium Property or any part thereof, or interest therein, and his or her heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of the Condominium Documents.

ARTICLE XXI

LIENS

A. Protection of Property. All liens against a Unit other than mortgage liens shall be satisfied or otherwise removed by the Unit owner within 30 days from the date the lien attaches. All taxes and special assessments upon a Unit shall be paid before becoming delinquent.

B. Notice of Lien. A Unit owner shall give notice to the Board of Managers of every lien upon his or her Unit other than for taxes and special assessments within five days after the lien attaches.

C. Notice of Suit. Unit owners shall give notice to the Board of Managers of every suit or other proceeding which will or may affect the title to his or her Unit, such notice to be given within five days after the Unit owner receives notice thereof.

D. Effect of Failure to Comply with Article.

Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

E. Mortgage Register. The Board of Managers shall maintain a register of all mortgages.

ARTICLE XXII

JUDICIAL SALES

A. Validity. No judicial sale of a Unit nor any interest therein shall be valid unless the sale is a result of a public sale with open bidding.

B. Redemption by Board of Managers. In the event proceedings are instituted for foreclose any mortgage or other lien on any Unit, the Board of Managers on its own behalf or on behalf of one or more Unit owners, shall have the right to redeem the Unit from the mortgagee or lienor for the amount due the mortgagee or lienor or to purchase the Unit at or prior to the foreclosure sale and in case of such redemption by the Board of Managers, the Board of Managers shall take and have absolute fee simple title to such Unit. Nothing contained herein shall preclude a bank, insurance company, Federal or State savings and loan association or any other mortgagee from owning a mortgage on any Unit, and such mortgagee shall have an unrestricted, absolute right to accept title to the Unit in lieu of foreclo-

sure or to foreclose the mortgage in accordance with the terms thereof and the laws of the State of New York and to take title to said Unit at the foreclosure sale.

ARTICLE XXIII

CONDEMNATION

In the event that an action in eminent domain is brought to condemn all or any portion of the Condominium Property the award made for such taking shall be payable as follows:

1. If the award is for the acquisition of the entire Condominium Property, the amount payable shall be paid to the Board of Managers, as trustee, for distribution to the Unit owners, in accordance with their respective percentage interest in the Common Elements subject to (a) the rights of mortgagees and (b) all unpaid assessments, together with any interest charges or fees attributable thereto.
2. If the award is for the acquisition of only part of the Condominium Property and is less than \$10,000, the entire amount thereof shall be payable to the Board of Managers, as trustee, for distribution to the Unit owner or owners whose Unit

or part thereof has been acquired subject to (a) the rights of mortgagees, and (b) all unpaid assessments, together with any interest charges or fees attributable thereto except that to the extent that the acquisition includes the Common Elements, the amount of the award allocable to such acquisition of the Common Elements shall be held by the Board of Managers to reduce the Common Charges for the next succeeding fiscal year.

3. If the award is for the acquisition of only part of the Condominium Property and is in excess of \$10,000, it shall be distributed to (a) each Unit owner whose Unit has been acquired in the proportion to the value that his or her Unit bears to the value of all Units taken as of the date of acquisition subject to (a) the rights or mortgagees and (b) all unpaid assessments, together with any interest charges or fees attributable thereto, and (B) to all Unit owners to the extent that the Common Elements have been acquired in proportion to their respective undivided percentage interest in the Common Elements.

ARTICLE XXIV

PROVISIONS PERTAINING TO SPONSOR

The following provisions shall apply to the Sponsor of the Condominium.

A. Control by Sponsor. Prior to September 1, 1983 and for so long as Sponsor owns one or more Units, the member of the Board of Managers shall be selected by Sponsor and such members as may be selected by Sponsor need not be residents of the Condominium. Subsequent to September 1, 1983, Sponsor shall no longer be entitled to select the members of the Board of Managers but such members shall then be elected in accordance with Article II(A) of the By-Laws. Provided, however, in no event shall the Sponsor be permitted, after May 1, 1984, to exercise its right to cast ballots for members of the Board of Managers or any other matters of the Condominium requiring the votes of unit owners for more than eleven (11) units owned by it.

B. Warranties. Sponsor specifically disclaims any warranties or representations in connection with the Condominium Property or the Condominium Documents except as specifically set forth therein, and no person shall rely upon any warranty or representation not specifically made therein. The estimates of Common Expenses and monthly charges for the first year of operation of the Condominium are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

ARTICLE XXV

SEVERABILITY RELATING TO
CONDOMINIUM DOCUMENTS

If any term, covenant, provision, phrase or other elements of the Condominium Documents is held to be invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or part of the Condominium Documents.

ARTICLE XXVI

UNIT DEEDS

Any transfer of title to a Unit shall include all appurtenances thereto, whether or not specifically described.

ARTICLE XVII

CAPTIONS

Captions used in the Condominium Documents are intended solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Condominium Documents.

ARTICLE XVIII

GENDER, SINGULAR, PLURAL

Whenever the context so permits, throughout the Condominium Documents, the use of the plural shall include the singular and the plural, and any gender shall be deemed to include all genders.

ARTICLE XVIV

SEVERABILITY RELATING TO DECLARATION

If any provision of this Declaration or any section, sentence, clause, phrase or word or the application thereof in any circumstances is determined to be in conflict with the laws of the State of New York, then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, Sponsor has executed this Declaration this ____ day of _____, 1982.

DOWNING HOMES, INC.

By: _____

STATE OF NEW YORK)

COUNTY OF MONROE) SS:

On this _____ day of _____, 1982, before me personally appeared Bernard E. Downing, to me personally known who, being by me duly sworn did depose and say that he resides in the Town of Perinton, Monroe County, New York, that he is the President of DOWNING HOMES, INC., the corporation described in and which executed the above 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.

EXHIBIT F

BY-LAWS OF

LOCKWOOD

ARTICLE I - IDENTITY

A. The Condominium. These are the By-Laws of Lockwood located at 601 Kreag Road in the Town of Perinton, New York and they are annexed as Schedule "B" to the Declaration of Condominium (the "Declaration"), and recorded in the Monroe County Clerk's Office on _____, in Liber ____ of Deeds, at page ____.

B. Government. These By-Laws provide the method by which the Condominium shall be governed.

C. Office. The office of the Condominium shall be at the Unit of the then current President of the Condominium.

D. Fiscal Year. The fiscal year of the Condominium shall be the calendar year.

E. Definitions. All the terms for which a definition has been given in Article III of the Declaration shall have the same meaning when used herein as that given in the Declaration.

ARTICLE II - BOARD OF MANAGERS

A. Membership and Election. The Condominium shall be governed by a Board of Managers. Said Managers shall serve without compensation. For so long as Sponsor, pursuant to Article XXIV A of the Declaration, is entitled to select the Board of Managers, there shall be one Manager and such Manager need not be a resident of the Condominium. Thereafter, the Board of Managers shall consist of not less than five (5) nor more than (7) persons, each of whom must be a resident of the Condominium. The Board of Managers shall be elected each year as follows: each Unit owner may cast one vote for his or her choice of five (5) Managers from the ballot provided for the election of Managers. If more than one person or a corporation holds title to a Unit, then one person shall be designated to cast the vote for the Unit by the respective owners or corporation. An owner may act as proxy of two or more Unit owners, if so designated, and shall have one vote for each Unit so represented. There shall always be at least five Managers. (As amended May 14, 1998)

B. Term. The term of each Manager's service shall extend for one year and until the next annual meeting of the Unit owners and until his or her successor shall be elected.

C. Removal. Any Manager may be removed by the remaining Managers of the Board prior to the expiration of his or her term for cause. Any Manager shall further be automatically removed from the Board when the Unit which he or she owns is conveyed, when foreclosure proceedings have been commenced against the Unit he or she represents or when he or she is no longer a resident of the Condominium.

D. Vacancy. A vacancy on the Board of Managers shall be filled in the manner provided for in the election of Managers and a special meeting of the Unit Owners shall be called for such purpose, except that if foreclosure proceedings have been brought against a Unit, the Board of Managers shall elect the successor.

E. Right to Vote. Each Manager shall have one vote.

F. Powers and Duties. The Board of Managers shall have all the powers and duties permitted the governing body of the Condominium pursuant to the provisions of the Declaration and the Condominium Act. Such powers and duties shall be exercised in accordance with the provisions of the Declaration of Condominium and the Condominium Act and shall include, but not be limited to, the following:

a. To make and collect assessments against Unit owners to defray the costs of the Condominium.

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

c. To assure the maintenance, repair, replacement, operation, improvement and alteration of the common elements and other property designated in the Declaration as a Common Expense and to accumulate reserves therefore.

d. To enter upon and within any Unit, in the presence or with the consent of the owner or occupant thereof, for the purpose of (1) performing necessary maintenance, repair or replacement of or to the Common Elements, (2) abating any nuisance or dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Unit, or (3) for any other purpose reasonably related to the performance by the Board of Managers of its responsibilities under the terms of the Declaration, as the same may from time to time be amended or modified. This right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of the owner or occupant of the Unit and shall be preceded by reasonable notice of the owner or occupant thereof whenever the circumstances

permit; provided, however, that the Board of Managers or its designees shall have access to any Unit for purposes of making emergency repairs therein necessary to prevent damage to the Common Elements or any other Unit at any time without notice, presence or consent of the Unit owner or occupant.

e. To assure the reconstruction or improvements after damage or destruction by fire or other casualty and the further improvement of the property.

f. To enforce by equitable and/or legal means the provisions of the Condominium Documents.

g. To purchase insurance for the protection of Unit owners and the Common Elements of the Condominium against loss or damage by fire or other casualty and liability as provided in the Declaration.

h. To adjust and settle, as agent for the Unit owners, all claims arising under the insurance policies purchased by the Board of Managers and to exercise and deliver releases upon the payment of claims.

i. To act as Insurance Trustee and to hold and distribute insurance proceeds received in accordance with the terms of the Declaration.

o. To reimburse its members for expenses incurred directly in the discharge of their duties as Managers.

G. Method of Calling Meetings.

a. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by the Board. Notice of regular meetings shall be given to each Manager personally or by mail, telephone or telegram at least 10 days prior to the day named for the meeting unless such notice is waived. The first regular meeting held in each calendar year shall be the annual meeting of the Board.

b. Special meetings of the Board of Managers may be called by the President and must be called by the Secretary at the written request of any one Manager. No less than three days' notice of the meeting shall be given personally or by mail, telephone or telegram, except in the case of an emergency, and such notice shall state the time, place and purpose of the meeting.

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

H. Quorum. A quorum at the Board of Managers' meetings shall consist of the presence of a majority of the Managers then authorized and constituting the Board of Managers. When a quorum is once present it is not broken by the subsequent withdrawal of any Manager or Managers. If at any meeting of the Board of Managers there be less than a quorum present, the Managers present shall adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

I. Determinations by the Board of Managers. Unless the vote of a greater number is required by the Declaration or the Condominium Act, votes or approval cast or given in behalf of at least four Units by the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers.

J. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the members of the Board of Managers consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board of Managers.

K. Officers. The officers of the Condominium shall be a President, Secretary and Treasurer. They shall be elected at the annual meeting by the Board of Managers from among the members of the Board and shall hold office for a term of one year and until the next annual meeting and until their successor shall be elected. Any officer may be peremptorily removed and replaced by majority vote of the Board of Managers at any meeting. Any person may hold two offices except that the President shall not also be the Secretary. The Board of Managers may from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Condominium.

a. The president shall be the chief executive officer of the Condominium and shall preside over the meetings of the Board of Managers and of the Unit owners. He shall have all the powers and duties which are usually vested in the office of the president, including but not limited to the power to appoint committees from among the Managers and residents of the Condominium as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Condominium.

b. The Secretary shall keep the minutes of all proceedings of the Board of Managers and of Unit owners. He shall attend to the giving and serving of all notices to the Managers and other notices required by law. He shall have custody of the seal of the Condominium and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Condominium, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary, and as may be required by the Managers or the President. In the absence or disability of the President, he shall exercise the powers and perform the duties of the President.

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

d. The compensation, if any, of all officers and employees of the Condominium shall be fixed by the Board of Managers; provided, however, that a member of the Board of Managers shall not be entitled to compensation for his or her services as such but shall be reimbursed for any out-of-pocket expenses incurred in behalf of the Condominium. This provision shall not preclude the Board of Managers from employing a Manager as an officer or employee of the Condominium or preclude the contracting with a Manager for the management of the Condominium in a capacity other than his or her capacity as a member of the Board of Managers.

ARTICLE III

FISCAL MANAGEMENT

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

A. Assessment Roll. The assessment roll shall be maintained in a set of books of account in which there shall be an account for each Unit. Such an account shall designate

the name and address of the owner or owners, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due thereon.

B. Budget.

a. The Board of Managers shall adopt a budget for Common Charges for each calendar year which shall contain estimates of the Common Expenses for the Condominium including but not limited to the following items:

1. Maintenance and operation of common elements such as landscaping, driveways and walkways, entrance and walk lights.

2. Utility services rendered to the Condominium and not billed to the individual Unit owners.

3. Reserve fund for the maintenance, repair and replacement of Common Elements such as the plumbing, and roofs of the buildings.

4. Casualty Insurance.

5. Liability Insurance.

6. Administration.

7. Taxes which may be assessed against the Condominium property until each Unit is separately assessed.

b. Copies of the proposed budget and proposed assessment shall be transmitted to each Unit owner at the time of the annual meeting for the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each Unit owner. * As amended 4/28/96.

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

D. Audit. An audit of the accounts of the Condominium, including a statement of receipts and expenditures, shall be made annually at the end of each fiscal year, by a certified public accountant, selected by the Board of Managers and a copy of the report, including a statement of receipts and expenditures for the year, shall be furnished to each Unit owner and to each of the other members of the Board of Managers.

E. Fidelity Bonds. Fidelity bonds shall be required by the Board of Managers for all officers and employees of the Condominium and from any contractor handling or responsible for Condominium funds. The amount of such bonds shall be determined by the Board of Managers but shall be at least equal to the amount of the total annual assessments against Unit owners for Common Expenses. The premium on such bonds shall be a Common Expense and be paid by the Board of Managers.

ARTICLE IV - MEETINGS AND POWERS OF UNIT OWNERS

A. First Meeting of Unit Owners. Within thirty days after the date on which Sponsor is no longer entitled to select the Board of Managers, the Sponsor shall call the first meeting of the Unit owners. At such meeting the Unit owners shall elect the Board of Managers in accordance with the provisions of Article II, section A of these By-Laws, and they shall serve until the annual meeting of Unit owners and until their successors shall be elected.

B. Annual Meetings. An annual meeting of the Unit owners shall be held for the election of Managers to the Board of Managers and for the transaction of other business on such day in each year as shall be designated by the Board of Managers. * As amended 4/28/96.

C. Special Meetings. Special meetings of the Unit owners shall be held from time to time when called by the Board of Managers or by the President or by three or more Unit owners.

D. Time and Place of Meetings. All meetings of Unit owners shall be held at the principal office of the Condominium or at such other place in the Towns of Pittsford or Perinton, Monroe County, New York, as may be designated by the Board of Managers and at a time to be designated by the Board.

E. Notice of Meeting. The Secretary shall give not less than seven days' notice of any meeting of Unit owners personally or by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Any Unit owner may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

F. Quorum. A quorum at any meeting of Unit owners shall consist of the presence of persons having at least three votes. When a quorum is once present it is not broken by the subsequent withdrawal of any Unit owner or owners.

G. Adjourned Meetings. In the event of the absence of a quorum the Unit owners present shall adjourn the meeting to another time and place and it shall not be necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. If a quorum is present at the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting.

H. Right to Vote. Each Unit owner shall be entitled to one vote at every meeting of Unit owners. In the event that more than one person or a corporation, partnership or other legal entity holds title to a Unit, then one person shall be designated in writing as the representative for such Unit and the representative so designated shall have only one vote.

I. Voting. Whenever any action is to be taken by the Unit owners, other than the election of Managers to the Board of Managers, such action shall be authorized by the votes of at least sixteen Unit Owners, unless otherwise required by the Declaration or the Condominium Act.

J. Proxies. Any Unit owner may authorize another person or persons to act in his or her behalf by proxy, provided that such proxy must be in writing and executed by the Unit owner giving it. Such proxy shall be revocable at any time by written notice to the Secretary by the Unit owner.

K. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Unit owners may be taken without a meeting by the unanimous written consent of the Unit owners.

ARTICLE V - RULES AND REGULATIONS * As amended 4/28/96.

A. Rules and Regulations. The following rules and regulations shall govern the use of the Units and the common elements as well as the conduct of the Unit owners and residents of the Condominium unless and until amended or modified by the Unit owners in accordance with Article VII of these By-Laws:

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

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

3. No baby carriages, velocipedes, or bicycles shall be allowed to stand on the sidewalks, entrances, driveways or other common elements of the Condominium.

4. No motor vehicle other than a private passenger type, and no boat or trailer may be stored or parked on any portion of the common areas, and may be kept only in an enclosed garage, except for those vehicles making deliveries or providing temporary services to the units in the Condominium.

5. No unit shall be used except for residential purposes.

6. No commercial or business activities shall be permitted upon any unit.

7. No advertising signs shall be placed or permitted to remain on the properties.

8. No animals of any kind shall be raised, bred or kept in any unit, except that dogs, cats or other domesticated household

pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that no more than two pets in the aggregate may be kept in any unit.

9. Window air conditioners, laundry poles and lines outside of dwellings are prohibited.

10. No radio, television or similar towers or antennae shall be erected on any lot or attached to the exterior of any unit.

11. There shall be no obstruction to the Common Areas nor shall anything be stored in the Common Areas without the prior consent of the Board of Managers.

12. Except in any individual patio area adjacent to a unit and fenced at the time of purchase, no permanent planting or gardening shall be done, and such planting as is done within the patio areas shall be kept trimmed so as not to encroach on neighboring property.

13. No fences, hedges or walls shall be erected or maintained upon the common areas except those erected at the time of the original construction of the buildings located thereon or as approved by the Board of Managers.

14. No Unit owner shall allow construction within his or her Unit which will impair the structured integrity of the Condominium. Any construction which will alter weight bearing walls or exterior boundaries of the Condominium Unit must be approved by the Board of Managers.

15. No alteration or addition to or re-painting of the exterior of any unit shall be done.

16. No building, fence, wall or other structure or change in landscaping shall be commenced, erected or maintained upon the units.

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

18. No garbage cans, supplies, milk bottles or other articles shall be placed on the common areas, nor shall anything be hung from the windows, or placed upon the window sills. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any of the windows or doors.

19. There shall be no unusual or objectionable noise or odors allowed to emanate from the dwelling units. No Unit owner shall play upon, or allow to be played upon, any musical instrument or operate or permit to be operated a tape recorder, phonograph, hi-fi, stereo, or other type of equipment for producing sound in the Unit between the hours of twelve o'clock midnight and the following eight o'clock a.m.

20. No garbage, trash, or cuttings shall be placed, stored or collected in any area other than one designated for such purpose.

B. Fines. Association members in violation of rules and regulations governing the association and it's members are subject to a fine. The offender will receive a warning notice and if the infraction is not corrected within a reasonable time frame, as determined by the Board, a fine of fifty dollars (\$50.00) may be imposed upon the offender. This fine will be charged each and every month until the offense has been corrected. (As amended June 25, 1998)

EXHIBIT G

JOHN C. OSBORN
ROBERT L. BECK
JOHN J. CONSIDINE, JR.
JAMES A. REED, JR.
DAVID S. VAN DE VATE
THOMAS C. BURKE
MICHAEL J. TOBIN
ROBERT T. DI GIULIO
WILLIAM T. LEHMAN
JEFFREY M. WILKENS

LINES, WILKENS, OSBORN & BECK
ATTORNEYS AND COUNSELORS AT LAW
47 SOUTH FITZHUGH STREET
ROCHESTER, NEW YORK 14614
716-454-6480

HOWARD J. YOUNGMAN
OF COUNSEL
STEPHEN V. LINES
RETIRED
FREDERICK J. WILKENS
(1906-1981)
ANNE M. HALL
DONALD T. NOWILL
JANE B. HOPFINGER
JEFFREY L. TURNER

April 19, 1982

Downing Homes, Inc.
6025 Pittsford-Palmyra Road
Fairport, NY 14534

Gentlemen:

We have reviewed your Offering Plan and the schedules, exhibits and documents accompanying the Offering Plan (hereinafter referred to collectively as the "Plan") for the condominium ownership of the land and the residential buildings being constructed thereon at 601 Kreag Road, Town of Perinton, Monroe County, New York (hereinafter referred to as the "Condominium"). The Condominium will be known as Lockwood. It is intended that all the townhouses comprising the Condominium (hereinafter referred to singly as a "Condominium Unit" and collectively as "Condominium Units") will be used by individuals as their residences.

As a basis for the opinions herein set forth, we have examined originals or copies of such corporate documents of records, such communications of public officials, and such other documents as we have deemed relevant and necessary, including the Declaration (the instrument which will create the Condominium) and the By-laws (governing the operations of the Condominium). In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals or copies thereof, and the conformity to authentic originals of all documents submitted to us as certified or photostatic copies. We have also considered all applicable provisions of the Internal Revenue Code, the tax laws of the State of New York, and local laws and ordinances.

Pursuant to the Plan, the purchaser of a Condominium Unit will receive legal title in fee simple to a residential Condominium Unit as well as ownership of an undivided interest in the land and appurtenances and all other parts of the Condominium Property held in common with the other owners of Condominium Units. Such a purchaser will have the right to place an individual mortgage on his separate Condominium Unit and will be liable to the local tax authority for the tax assessment with respect to his interest in the Property. Under these circumstances, the Internal Revenue Service has ruled that the owner of a Condominium Unit may deduct interest paid on his mortgage indebtedness and the real estate taxes assessed and paid on his interest in the Condominium Property. Revenue Ruling 64-31, 1964-1(part I) CB 300.

ARTICLE VI - AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

A. An amendment to these By-Laws may be adopted by the Unit owners.

B. Resolution. A resolution adopting a proposed amendment must receive the affirmative votes of approval cast or given in behalf of at least eighteen Unit owners.

C. The amendment shall become effective when set forth in an amendment to the Declaration and then only after such amendment to the Declaration has been recorded in the office of the Clerk of Monroe County.

D. These By-Laws shall be amended, if necessary, so as to be consistent with the provisions of the Declaration of Condominium.

Accordingly, based upon the foregoing and provided that the Plan becomes effective in accordance with its terms, it is our opinion that the owner of a Condominium Unit will be entitled, under present tax laws and regulations, to deduct from his gross income, for Federal and New York State income tax purposes, real estate taxes assessed against his Condominium Unit paid to local tax authorities and interest paid by him on any mortgage indebtedness covering his Condominium Unit. The same rules apply to mortgage indebtedness interest and real estate taxes paid, net of any reimbursement from other users, with regard to an owner's interest in the common elements. However, for Federal and New York State income tax purposes, an owner who does not occupy his Condominium Unit for personal residential purposes, but who holds it as an investment, may be subject to the overall limit on the deductibility of investment interest.

It is also our opinion that pursuant to Section 458 of the New York State Real Property Tax Law, certain owners of Condominium Units who are veterans of the United States Armed Forces may be entitled to exemptions covering part of the real estate taxes otherwise assessed by the tax authorities against their units.

We have considered the relevant cases and rulings on the Federal tax status of the Condominium, including Revenue Rulings 74-17, 1974-1 CB 130, 70-604, 1970-2 CB 9, 75-370, 1975-2 CB 25, 75-371 and 1975-2 CB 52. Although the Condominium would be deemed a taxable entity under such Rulings, receipts from capital or special assessments would not be taxable assuming these assessments are properly designated and accounted for, and that they are properly treated as trust funds. If this assumption is correct, the Condominium would not realize any significant amount of taxable income, other than with respect to investment income, such as interest earned on those funds deposited in bank accounts.

Moreover, if the Condominium meets the requirements of Section 528 of the Internal Revenue Code for a "Condominium Management Association", the Condominium would be able to elect to be exempt from Federal tax on membership fees, dues and assessments from owners of Condominium Units. There are numerous requirements that must be satisfied in order to qualify for that election (e.g., substantially all of the Condominium Units must be used by individuals for residences; 90% or more of expenditures must be for the purpose of acquiring, constructing, managing, maintaining and caring for property of the Condominium; 60% or more of its gross income must consist of membership dues, fees and assessments from owners of residential units in their respective capacities as owners; and no part of the Condominium's

Downing Homes, Inc.
Fairport, NY

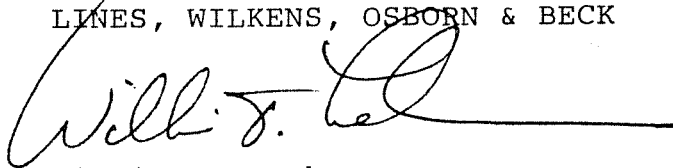
April 19, 1982
Page Three

net earnings may otherwise inure to the benefit of any private shareholder or individual). Even if the Condominium qualifies, it will be taxable at the Federal level on income from other sources, including investment income, at the rate of 50% on ordinary income and capital gains. We cannot give an opinion at this time whether the Condominium will qualify to make the election as an exempt organization or, if it does qualify, whether it would be advisable to make such election.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,

LINES, WILKENS, OSBORN & BECK



By: William T. Lehman

This is an opinion, not a guarantee, that deductions will be available as set forth above. This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the counsel to the condominium, the selling agent or any other person be liable if the condominium ceases to meet the requirements of the Internal Revenue Code of 1954, as amended, or the New York State tax law, as amended, by reason of future changes in fact or applicable law, regulations, decisional law or Internal Revenue Service rulings.

WTL:pc

DOWNING HOMES, INC.
6025 Pittsford-Palmyra Road
Fairport, New York 14450

April 19, 1982

Real Estate Financing Bureau
Department of Law
Two World Trade Center
Room 48-61
New York, NY 10047

Re: Lockwood Condominium

Gentlemen:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

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 Part 20 and such other laws and regulations as may be applicable.

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 will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; (d) did not have knowledge concerning the representations or statement made.

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

Very truly yours,

DOWNING HOMES, INC.

Bernard E. Downing
Bernard E. Downing, President

Ruth M. Downing
Ruth M. Downing

Timothy R. Downing
Timothy R. Downing

Brenton W. Downing
Brenton W. Downing

Bernard E. Downing
Bernard E. Downing

Sworn to before me this
19 day of April 1982.

William T. Lehman
Notary Public

WILLIAM T. LEHMAN
Notary Public in the State of New York
MONROE COUNTY, N. Y.
Commission Expires March 30, 1983

James LeChase, P.E.
364 Lanning Road
Honeoye Falls, N.Y. 14472
(716) 624-4756

March 15, 1982

Real Estate Financing Bureau
Department of Law
Two World Trade Center
Room 48-61
New York, New York 10047

Gentlemen:

The Sponsor of the Offering Plan for condominium ownership of the captioned property retained me to prepare a Report describing the property when constructed (the "Report"). I examined the building plans that were prepared by R. C. K. Associates and Douglas R. Bennett dated December 23, 1981 and April, 1981 respectively and prepared the Report dated March 8, 1982, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report. Further reference has been made to site plans prepared by Sear-Brown Associates, P.C. dated October, 1979.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

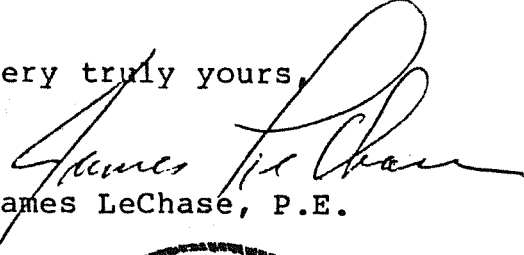
I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. I certify the Report does:

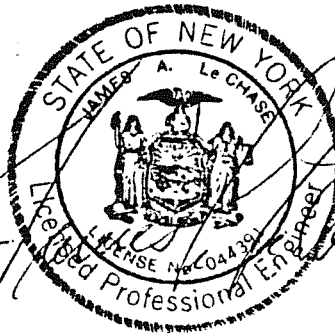
- (i) set forth in detail the condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to 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 examined;
- (iii) not omit any material fact;

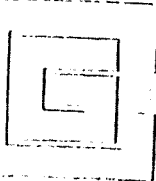
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment or suppression;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

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

Very truly yours,


James LeChase, P.E.





THE CABOT GROUP

April 21, 1982

Downing Homes, Inc.
6025 Pittsford Palmyra Road
Fairport, NY 14450

Re: Lockwood Condominium

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule(s) B, (B-1 and C) containing projections of income and expenses for the first year of condominium operation.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedule B, (B-1 and C).

We have reviewed the Schedule(s) and investigated the fact set forth in the Schedule(s) and the facts underlying them with due diligence in order to form a basis for this certification.

We certify that the projections in Schedule B, (B-1 and C) appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated).

We certify that this certification and all documents prepared by us hereafter that concern the Schedule(s) does:

- (i) set forth in detail the terms of the transaction as it relates to the Schedules and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;