

PINE RIDGE HOMEOWNERS ASSOCIATION

Crofton Associates, Inc.
111 Marsh Rd., Suite 1
Pittsford NY 14534

1-1-2014

DECLARATION & BY-LAWS

OFFERING PLAN

THIS OFFERING RELATES SOLELY TO MEMBERSHIP IN THE PINE RIDGE HOMEOWNERS ASSOCIATION, INC. AND THE DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS APPLICABLE TO ALL LOTS SOLD AT PINE RIDGE TOWNHOMES IN PINE RIDGE SUBDIVISION, GREECE, MONROE COUNTY, NEW YORK. PINE RIDGE SUBDIVISION IS BOUNDED ON THE EAST BY MT. READ BOULEVARD, ON THE WEST BY LAND OWNED BY WILLIAM AND JOANNE BEACHNER, ON THE NORTH BY STONE ROAD, AND ON THE SOUTH BY RIDGELEA COURT SUBDIVISION.

APPROXIMATE AMOUNT OF OFFERING: \$200,000.00 (value of common areas and amenities)

NUMBER OF LOTS FOR SALE: 56

NAME AND ADDRESS OF SPONSOR AND SELLING AGENT: MARK IV CONSTRUCTION CO., INC.
28 Willow Pond Way
Penfield, New York 14526
(716) 377-1190

THE DATE OF THE OFFERING PLAN IS MARCH 25, 1983.

THIS PLAN MAY NOT BE USED AFTER MARCH 24, 1984, UNLESS EXTENDED OR AMENDED.

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

SEE PAGE ONE FOR SPECIAL RISKS TO PURCHASERS.

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EXHIBITS

- A - Declaration of Covenants and Restrictions
- B - Certificate of Incorporation
- C - By-laws
- D - Site Plan
- E - Plot Plan
- F - Location Map
- G - Form of Purchase Agreement for Individual Lots
- H - Certification by Sponsor and Principals
- I - Certification by Sponsor's Engineer
- J - Certification by Sponsor's Expert Concerning
 Adequacy of Budget

SPECIAL RISKS

The Sponsor anticipates and intends to improve the 56 Lots known as Pine Ridge Townhomes with 56 Townhouses. Construction will commence in the winter of 1982 and is anticipated to be completed by the summer of 1984. Because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as market acceptance of the development, the availability of financing, environmental regulations and controls, and the general condition of the economy, the Sponsor gives no assurance that all 56 Lots now contemplated will be improved. See the section entitled Development and Description of Pine Ridge Townhomes Common Areas, page 17.

The Sponsor has provided the Town of Greece with an irrevocable Letter of Credit to secure the completion of watermains, storm and sanitary sewers, sidewalks and sediment basins, all of which will be dedicated to the Town of Greece upon their completion. The roadway within Pine Ridge Subdivision, which will be owned by the Association, is not secured by this Letter of Credit or other completion bond. The Sponsor has obtained firm commitments sufficient to finance the construction of the roadway and individual Townhomes. The Sponsor intends to complete the entire roadway, except for its finished top course of asphalt, prior to the conveyance of the first Lot. See the sections entitled Development and Description of Pine Ridge Townhomes Common Areas, page 17, and Obligations of Sponsor, page 38.

MEMBERSHIP IN
PINE RIDGE HOMEOWNERS ASSOCIATION, INC.

INTRODUCTION

MARK IV CONSTRUCTION CO., INC., (hereinafter referred to as "Sponsor"), is a New York corporation, with an office and principal place of business at 28 Willow Pond Way, Penfield, Monroe County, New York. The Sponsor acquired fee ownership of approximately ten (10) acres of land located in Greece, Monroe County, New York, on October 20, 1982. This property, commonly known as 3045 Mt. Read Boulevard and 1427-1463 Stone Road, is generally bounded by Stone Road on the north, Mt. Read Boulevard on the east, Ridgelea Court Subdivision on the south, and land owned by William and Joanne Beachner on the west. This property is referred to in this Offering Plan as "Pine Ridge Subdivision". Pine Ridge Subdivision is located south of West Ridge Road, also known as US Route 104, and approximately two and one-half (2-1/2) miles northeast of the Town of Greece's major retail shopping district.

The Sponsor plans to improve Pine Ridge Subdivision with 56 single family Townhouses on separate Lots. A "Townhouse" shall mean and refer to a residential dwelling constructed upon a given Lot and attached to at least one (1) other Townhouse by means of a party wall or otherwise. A "Lot" shall mean and refer to any portion of Pine Ridge Subdivision identified as a separate parcel on the tax records of the Town of Greece, or shown as a separate lot upon any recorded or filed subdivision map. Purchasers of Lots within Pine Ridge Subdivision are purchasing the Lot and the improvement constructed on it. The 56 Townhouses, with associated drives, walks and landscaped area shall be commonly referred to, and known as, "Pine Ridge Townhomes". All areas not contained within the perimeter of the 56 building lots, including the private right of way, will be common areas and conveyed to the Pine Ridge Homeowners Association, Inc., (hereinafter referred to as "Association"), prior to the sale of the first Lot within Pine Ridge Townhomes. The Sponsor shall not transfer title to the first Lot within Pine Ridge Townhomes until it has five (5) contracts of sale.

In addition to the 56 Townhouses, the Sponsor will construct and sell one (1) single family, detached dwelling on a parcel of land being 100 feet by 140 feet, and shown as Lot 58 on the Pine Ridge Subdivision map made a part hereof as Exhibit E. This single family residence will be offered for sale separate and apart from this Offering in the Association. The owner of Lot 58 will have access, by separate driveway, to Mt. Read Boulevard.

Also adjacent to Pine Ridge Townhomes, the Sponsor will construct, and initially manage, a professional office building containing 24,000 square feet on approximately 2.17 acres of land, and shown as Lot 59 on the Pine Ridge Subdivision map made a part hereof as Exhibit E. This office building will be offered for lease or sale separate and apart from this Offering in the Association. Lot 59 will have an access easement to Stone Road over Association property as shown on the Pine Ridge Subdivision map made a part hereof as Exhibit E. As consideration for the easement, the owner of Lot 59 shall pay its proportionate share of the maintenance costs of the private right-of-way, which costs shall be defined as twenty percent (20%) of the total amount of the Association's actual expenses, including reserve for replacement, for snow removal, road gutter repair, street resurfacing and repair, road sealing and repair, and street lighting maintenance and service.

All Owners of Lots at Pine Ridge Townhomes, as defined in a certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration"), to be recorded in the Monroe County Clerk's Office prior to the transfer of title to the first Lot, automatically become Members in the Association which has been formed for the purpose of insuring the efficient preservation of the values and amenities of Pine Ridge Townhomes. (See Exhibit B for a copy of the Certificate of Incorporation of the Association). The Members' obligation to become Members is set forth in the form of Purchase Agreement (see Exhibit G) which refers to the Declaration which governs the use and ownership of land within Pine Ridge Townhomes. The complete text of the Declaration is set forth as Exhibit A of this Offering Plan. The By-Laws of the Association are set forth as Exhibit C of this Offering Plan.

The purchase price of a Lot in Pine Ridge Townhomes includes the Townhouse constructed on it, the exclusive right to use the patio associated with the Townhouse, which may encroach onto Association property, and the cost of the Association property. Purchasers are advised that purchase prices are set by the Sponsor and are not subject to review or approval by the New York State Department of Law or any other governmental agency.

Members of the Association will have the right to vote annually for the Board of Directors who will conduct the affairs of the Association. Members will pay monthly maintenance and utility charges to the Association for:

1. The operation and maintenance of the Association property.

2. The exterior maintenance of the Townhouses, including the repair and replacement of exterior siding, gutters, downspouts and roofs, painting of the trim, windows and doors, but not including repair or replacement of windows, window panes or doors, or maintenance, repair or replacement of patios, porches or wood decks or spalling concrete walks, stoops or porches.
3. Refuse collection.
4. Fire and casualty insurance covering the Townhouses, Association property and liability insurance for the Association.
5. The creation of such reserves for contingencies as the Board of Directors may deem proper.
6. Maintenance, including repair and replacement, as necessary, of the common properties of the Association, including the driveways, roadways and parking areas, signs, and those portions of sewer, water, and utility laterals servicing one (1) or more Townhouse and not maintained by a utility company, public authority, municipality or other entity.

Owners of Lots are responsible for the payment of maintenance assessments to the Association. The estimated charges for the first year that Pine Ridge Townhomes is completed and operating are set forth immediately following this Section. A certification by an expert concerning the adequacy of such charges is set forth as Exhibit J. The Association may place a lien on Lots for which maintenance assessments have not been paid. This could result in foreclosure. Purchasers are advised to obtain a certificate from the Association (see Section 5.10 of Declaration set forth as Exhibit A), certifying to the status of payment of assessments, at the time they purchase their Lot.

Lot Owners will be solely responsible for the maintenance of the interior of their dwelling and the exterior maintenance of windows, doors, patios, concrete walk and stoop, porches or wood decks, and, in addition, will be responsible for snow removal from the walks, deck and/or patio area which abut their dwellings. They may decorate their dwellings as they desire, subject only to such rules and regulations regarding the exterior appearance of the dwellings as may be promulgated from time to time by the Association's Architectural Committee (see Section 7.08 of the Declaration set forth as Exhibit A).

The Town of Greece and the Greece Ridge Fire District will provide police and fire protection, respectively. Water and pure water services will be provided by the Eddystone Water District and Greece Sanitary Sewer District, respectively. The cost of police and fire protection and pure water services will be included in the Lot Owners real property tax. Water usage will be separately billed on the basis of consumption. Snow removal and road maintenance services are provided by the Association as discussed on the preceding page.

Owners of Lots may sell or mortgage their Lots to anyone without restriction. Each Lot is separate and not subject to mortgages of other Lots. However, Owners of Lots in Pine Ridge Townhomes should be aware that, if they resell their Lot, those who purchase from them will also automatically become Members of the Association, assuming all rights and obligations (see Section 3.02 of the Declaration set forth as Exhibit A). i

The purpose of this Offering Plan is to set forth all the terms of the offer of membership in the Association. The Sponsor may amend the Offering Plan from time to time by filing an amendment with the New York State Department of Law. All amendments shall be served on purchasers and members. A copy of this Offering Plan and all exhibits delivered to the Department of Law at the time this plan was filed are available for inspection, without charge to prospective purchasers and their attorneys, at the Sponsor's office.

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

PINE RIDGE HOMEOWNERS ASSOCIATION, INC.
ESTIMATE OF OPERATING EXPENSES AND RESERVES
FOR THE FIRST YEAR OF OPERATION COMMENCING
APPROXIMATELY APRIL 15, 1983

This estimate of operating expenses and reserves has been made by the Sponsor and is based upon the operation of comparable developments known to the Sponsor, or operated by it or a subsidiary company. This estimate cannot be construed as an assurance of actual expenses and is merely based upon information available to the Sponsor at the time of preparation.

No provision has been made for real estate taxes on the Association Property; the Sponsor has been advised by the tax assessor that the value of the Association Property will be reflected in the assessments of the Lots. Should there be an assessment of the Association Property, nominal or otherwise, the Maintenance Assessments will necessarily be increased to fund the resulting taxes.

These operating expenses are based upon the cost of operating the entire project with 56 Lots. Each Lot is assessed 1/56th of the total costs of operations. Based upon the following estimate, the yearly assessment per Lot is \$599.70, and the monthly assessment per Lot is \$49.98.

The projected income from the Office Building, as consideration for the easement previously discussed in the Introduction, is based on twenty percent (20%) of the projected expenses for snow removal, road gutter repair, street sealing, resurfacing and repair, and street lighting maintenance and service.

Assessments will be assessed yearly and payable monthly. Assessments will commence on the first day of the month immediately following the sale of the first Lot, or at such other time as the Sponsor shall determine. Yearly assessments will be prorated and adjusted in the year of sale.

Projected Schedule of Receipts
and Expenses for First Year
of Operation Commencing April 15, 1983

Projected Income

- I. Maintenance Charges:
\$599.70 per Lot per

year, payable monthly,
based on 56 Lots

\$33,583.00

II. Estimated Receipts from
Office Building

1,660.00

Total annual receipts

\$35,243.00

Projected Expenses

	<u>Annual Maintenance</u>	<u>Reserve for Replacement</u>
I. GROUNDS MAINTENANCE EXPENSES		
1. Snow removal	\$ 5,400.00	\$
2. Grass cutting, tree and shrub pruning and maintenance	7,700.00	200.00
3. Road gutter repair	300.00	
4. Street resurfacing and repair	200.00	800.00
5. Driveway and road sealing and repair		1,300.00
6. Street lighting maintenance and service	200.00	100.00
7. Fence maintenance and staining	100.00	
8. Miscellaneous	50.00	50.00
II. BUILDING MAINTENANCE EXPENSES		
1. Roof, gutter and downspout repair	400.00	1,830.00
2. Siding and caulking repair, and trim painting	350.00	1,120.00
3. Utility laterals		50.00
III. OPERATING EXPENSES		
1. Water usage	600.00	
2. Electrical usage (street lighting) and miscellaneous	420.00	
3. Trash removal	2,760.00	

4. Fire and casualty insurance 2,250.00

IV. ADMINISTRATIVE EXPENSES

1. Office supplies	600.00	
2. Legal	300.00	
3. Audit	800.00	
4. Management fee	5,900.00	
5. Association related insurance	763.00	
6. Petty cash	200.00	
7. Income taxes	400.00	
8. Miscellaneous	100.00	

Total annual maintenance expenses: \$29,793.00

Total annual reserves:

5,450.00

Total yearly assessments:

\$35,243.00

Comments

I. GROUNDS

(Numbered comments refer back to the numerical items of the Projected Expenses listed above. A comment numbered "2a" or "2b" refers to the annual maintenance assessment or reserve for replacement assessment, respectively.)

1. The driveways, parking spaces and street pavement will be plowed with the snow stored in specified landscaped areas, except for extraordinary large snowfalls, with a probability of one (1) every three (3) years, which will require removal away from the area by loader and truck. Sponsor estimates 20 services per year. The estimate is based on 17,000 square feet of driveway area (56 drives measuring 10' by 30') and 30,000 square feet of street pavement, including 27 parking spaces. The estimate is based on figures provided by Martex Management Company to Sponsor. Martex will provide the service for the stated amount, which amount is the going market rate.

2a. Total lawn area within the Townhouse Lots, public right of way in front of Townhouses and common areas is approximately 160,000 square feet, of which 1,500 square feet will be planting beds.

The service to be provided will consist of:

- a. Mowing for 20-week season.
- b. Edge trimming lawns twice yearly.
- c. Application of grub proofing, fertilizer and weed killers twice yearly.
- d. Approximately 40% of site is greenbelt or remote from dwellings with low level of usage. Mowing will be at less frequent intervals in these areas.
- e. Cultivating plant beds and weeding twice yearly.
- f. Trees and shrub pruning and replacement.

Cost estimate per square foot:

Lawns: \$.06/square foot
Beds: \$.15/square foot

These figures are based upon the estimate provided by Martex Management Company to the Sponsor. Martex will provide the service for the stated amount, which amount is the going market rate.

2b. A contingency allowance for removal and replacement of diseased or blighted trees with nursery stock of size considered standard for new construction.

3. Gutter repairs are budgeted for the occasional replacement of a section damaged by settlement. The gutter specifications are 3500 psi air entrained 2% concrete, with thickness from 6" to 7-1/2" and 24" wide. Catch basins and storm inlets are to be precast, reinforced concrete to Town of Greece specifications.

Gutters have an estimated life of 50 years; the repair schedule calls for replacement of damaged sections on an ongoing basis.

4. Every 20 years the roadways will be spot leveled and resurfaced with one (1) inch topping. A unit price of \$.33 per

square foot has been obtained from Northeast Paving, a contractor currently performing similar work in the Rochester area. Leveling has been estimated for those areas that may deviate from original grade by more than one (1) inch in ten (10) feet. This estimate takes into account the quality of the original roadway specifications which are 9" crushed stone base, compacted in two (2) lifts; 2" base course; 1" top course, applied in second year of service after patch leveling.

5. Every three (3) years the parking areas, roadway and driveways will be repaired and sealed. An estimated total cost of \$.07 per square foot has been obtained from Northeast Paving, a contractor currently performing similar repair work for the Sponsor's townhouse and apartment projects.

6a. Maintenance of the ten (10) post-top Sodium Vapor Street Lights, including bulb renewal and lense replacement as necessary. These figures are based upon the estimate of Multi Electric Co., Inc. to the Sponsor. Multi Electric will provide the service for the stated amount, which amount is the going market rate.

6b. The reserve for replacement of street lights is based on a 30 year estimated life for all parts. Selective replacement of damaged parts will be required from time to time. The luminaire (McGraw Edison "Traditionaire" or "Holopane" RSL 350) and pole selected for use are stocked by the local utility company and are in general use throughout the area.

7. Fences occasionally require mending of a loose board. Staining is anticipated every five (5) years. Unit price of \$1.00/lineal foot furnished by Martex Management Company based on current experience. Martex will provide the service for the stated amount, which amount is the going market rate.

8. Unanticipated replacement of miscellaneous items such as the project signs, grates, etc., based upon Sponsor's prior experience.

II. BUILDING MAINTENANCE EXPENSES

1a. Repairs to roofing are estimated for repairing an occasional leak to flashing or roofing. Gutters will be cleaned yearly. This scheduled maintenance and cost are based upon the professional opinion of Richard L. Rosen, a registered architect of the State of New York.

1b. Roof replacement is based on the traditional 20 year replacement schedule for 215 lb. fiber glass or asphalt sealdown shingles, with aluminum rake and drip edging, gutters and downspouts.

2a. Repairs to siding and trim on an as-needed basis will include caulking due to settlement, damage from vandalism, mischief, or accidental damage from miscellaneous objects or plant material. This scheduled maintenance and cost are based upon the professional opinion of Richard L. Rosen, a registered architect of the State of New York.

2b. The exterior of the Townhouses will be comprised of a variety of materials with varying maintenance requirements:

- a. Windows: Vinyl clad, with a scheduled useful life of 30 years.
- b. Doors: Paint door and frame every five (5) years.
- c. Vinyl Clapboard siding: Scheduled useful life of 40 years.
- d. Wood trim, bays, brackets, soffits and fascia: Painting every five (5) years.
- e. Brick: Limited pointing anticipated after 40 years.
- f. Block: Pointing and pargeting anticipated where required after 15 years.
- g. Caulking: Specification for original construction is butyl caulk and sealant, with estimated life of 20 years. Recaulking open joints due to settlement or improper installation as needed.

The Sponsor has estimated \$100.00 every five (5) years per Townhouse. This schedule of maintenance and cost is based upon the professional opinion of Richard L. Rosen, a registered architect of the State of New York.

3. Water laterals are copper Type "K". Sanitary sewer laterals are PVC plastic "SDR21." The replacement schedule, according to LaDieu-Eshbaugh, an independent engineering firm, is 100 years, and therefore, replacement is anticipated only in an unusual case of subsurface disturbance.

III. OPERATING EXPENSES

1. Water service is required for watering Townhouse and common area lawns during June, July, August, and September, as may be required. An estimate based upon the Sponsor's prior experience of 6 services per year has been calculated. At the rate of 1/2" per watering, .85 million gallons are required per season at Monroe County Water Authority rates costing approximately \$600.00 yearly.

2. Electric energy for the ten (10) street lights is estimated at \$.087 per kilowatt hour (private residential service rate) with an estimated 4,000 hours per year, controlled by photoelectric devices. The luminaires draw 100 watts and provide a minimum of 4/10 footcandle illumination. These figures are based on the estimate of Rochester Gas & Electric Corporation.

3. A quotation for weekly pickup of refuse from driveways has been obtained from Heberle Disposal Service. The estimate includes monthly bulk pickup from the curb.

4. Insurance of the individual Townhouses will be by a single master policy which includes fire, extended coverage, vandalism, and all risk, with a \$100.00 deductible. The limit of the policy will be \$1,500,000.00, the agreed amount replacement cost. The cost of this coverage is based upon the estimate provided by Fred S. James & Co. of New York, Inc. to the Sponsor.

IV. ADMINISTRATIVE EXPENSES

1. Office supplies, equipment, printing, mailing, and bookkeeping materials.

2. Legal counsel for ongoing operations.

3. Annual audited financial statement and federal tax returns. The cost of the audit is based upon the estimate provided by Cortland L. Brovitz & Co., P.C., to the Sponsor.

4. Complete financial management, negotiation of contracts, supervision and inspection of the work of contractors and labor, and office services for a project of this type would normally run 16% of total annual Assessments collected.

5. Liability insurance for the Association Property and its officers, employees and agents, including cross liability and contractual liability will be provided. Personal injury and property damage liability shall be \$500,000.00 each occurrence,

\$500,000.00 aggregate. Medical payment insurance shall be \$500.00 each person, \$25,000.00 each accident. Directors and officers liability for wrongful acts shall be \$250,000.00 each occurrence, \$500,000.00 aggregate. Fidelity bond for employee dishonesty shall be \$10,000.00. Depositors forgery coverage shall be \$5,000.00. The cost of this coverage is based upon the estimate provided by Fred S. James & Co. of New York, Inc. to the Sponsor.

6. Miscellaneous cash expenses.

7. IRS income tax to be levied on interest and non-exempt income

8. Hedge against unanticipated administrative costs.

LAW OFFICES

WOODS, OVIATT, GILMAN, STURMAN & CLARKE

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January 13, 1983

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Mark IV Construction Co., Inc.
28 Willow Pond Way
Penfield, New York 14526

Attn: Mr. Anthony M. DiMarzo
President

Re: Pine Ridge Homeowners
Association, Inc.

Gentlemen:

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

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

Association Validly Formed: The Association was validly formed under the Not-For-Profit Corporation Law of the State of New York.

Taxation of the Association: Section 528 of the Internal Revenue Code exempts qualifying homeowners associations from income taxes on "exempt function income." Exempt function income includes membership dues, fees, and

assessments received from association members. Income which is not exempt function income is subject to income tax at the current rate of 30 percent. Examples of non-exempt function income are interest earned on a sinking fund for capital improvements, amounts from non-members for use of the association's facilities, and amounts paid by association members for special use of the association's facilities.

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

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

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

Mark IV Construction Co., Inc.
January 13, 1983
Page 3

The Association will be subject to a franchise tax imposed under Article 9-A of the New York Tax Law, and will be required to pay an annual franchise tax upon the basis of its entire net income or upon such other basis as may be applicable. The Association will not be exempt from New York sales taxes.

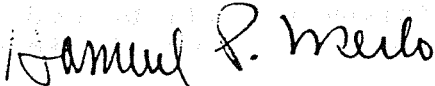
Enforceability of Declaration Provisions: Although we believe the provisions of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (the "Declaration") to be enforceable under current law, we do not assure such enforceability. Because of the relatively recent popularity of homeowners associations throughout the United States, the case law with respect to enforceability of covenants, conditions and restrictions, such as are contained in the Declaration, is new and developing. In addition, the enforceability of some provisions of the Declaration will depend on factors other than the actual text of the document such as the establishment, reasonableness, dissemination, timeliness and uniformity of enforcement of rules, regulations and architectural standards by the homeowners association.

Site Plan Approval: We have received a letter from Gary Tajkowski, Junior Planner and Clerk of the Planning Board for the Town of Greece, and based upon this letter, it is our opinion that if the townhomes sold in conjunction with Pine Ridge Townhomes are built in accordance with the plans and specifications, they will conform to applicable zoning ordinances and statutes.

We understand that this letter will be made part of the Pine Ridge Homeowners Association, Inc. Offering Plan.

Very truly yours,

WOODS, OVIATT, GILMAN, STURMAN & CLARKE


Samuel P. Merlo

SPM/dp

DEVELOPMENT AND DESCRIPTION OF
PINE RIDGE TOWNHOMES COMMON AREAS

The Sponsor will improve 56 Lots to be known as Pine Ridge Townhomes on approximately 7.69 acres of land. Construction on Pine Ridge Townhomes will be commenced in the winter of 1982 and is anticipated to be completed by the summer of 1984. A plot plan and site plan showing the details of the proposed development are contained herein as Exhibits E and D, respectively. BECAUSE OF A VARIETY OF CIRCUMSTANCES, INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL, SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROLS, AND THE GENERAL CONDITION OF THE ECONOMY, THE SPONSOR GIVES NO ASSURANCE THAT ALL 56 LOTS NOW CONTEMPLATED WILL BE IMPROVED.

All areas which are not contained within the perimeter of a subdivision lot will be known as common areas, and will be conveyed to the Association prior to the closing of title to the first Lot. The common areas will consist of roadways, parking areas, driveways, walkways and landscaped areas. The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvement of Lots or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as landscaping and walkways in the areas of buildings under construction or to be constructed and the finished topping coat of common roadways. The completion of the roadway, landscaping and walkways will be completed by the Sponsor, but is not secured by any letter of credit or completion bond.

Roads and Parking Areas.

The roads and parking areas will be constructed with a base of nine (9) inch crushed stone, two (2) inch asphaltic concrete binder and one (1) inch topping. The road and parking areas are not subject to dedication to the Town of Greece and will be owned by the Association. The cost of maintenance shall be funded through the Association budget as a common expense.

Driveways.

The driveways will be constructed with a base of six (6) inch R.O.B. gravel, with two (2) inch asphalt topping.

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Sub-soil Conditions.

Soils on the subject property range from sand and sand-gravel mixtures, and medium to medium stiff clays. The allowable bearing values, as prescribed by the New York State Building Code, and adopted by the Town of Greece as the applicable Building Code, are 4,000 to 8,000 pounds per square foot for these soil categories. The foundations and footings are designed so that loading on the soil shall not exceed 2,000 pounds per square foot. Therefore, normal construction processes may, and will, be utilized.

Landscaping.

Heinrich Fischer, a licensed landscape architect in New York State, has prepared the landscape plan for Pine Ridge Townhomes. Seventeen (17) Emerald Queen Norway Maples (of 1-1/2" caliper), 31 Summit Ash (of 1-3/4" caliper), and 19 Greenspire Linden (of 1-3/4" caliper) will be planted throughout the site. New screen planting will be provided by 55 Norway Spruce, Juniper or Yew (of 5' height).

Each dwelling Lot will be completely landscaped, with a decorative planting bed containing 1 Viburnum, 1 dwarf Burnish Bush or 1 ornamental Crabapple, Amur Maple or Shadblow and 5 compact Andorra Juniper or Denisformis Yews. Substitution of comparable species and sizes may be made due to availability.

The entire site will be covered with topsoil and seeded with grass seed hardy to the area.

Street Lighting.

Ten pole mounted street lights will be installed along Old Stone Lane, as shown on the site plan included as Exhibit D. The luminaires will be 100 watt, high pressure sodium, with street lighting distribution pattern, and photo controls. The poles will be 12 feet high, round tapered pointed street, with Anchor base. These lights will be maintained by the Association; the electricity will be billed to the Association.

Water Service.

Water is supplied by the Town of Greece Water District. Each Lot will be individually metered and water charges will be billed to each individual Lot Owner by the Town of Greece. The

Association will own hydrant meters, as required, charges for which will be billed to the Association by the Town of Greece. The Association will also own hose meters, as required, for attachment to individual Lot owners hose bibs, and will reimburse the Lot owners for water consumed for Association purposes. The Association will fund common water charges through maintenance assessments.

The main water service lines will be placed within the private street and the Town of Greece will assume ownership and responsibility for the main water line system. Main water line construction shall conform to the standard drawings, specifications and requirements of the Town of Greece.

The Association will own and maintain the service lines between the principal main water line and the individual Townhouses. Maintenance shall be limited to leakage and structural failure of the laterals. The cost of maintenance of the lateral lines shall be funded through the Association budget as a common expense. The Association will be granted an easement over individual Lots to own and maintain the lines.

Electric and Gas Service.

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

Gas will be supplied by the Rochester Gas and Electric Corporation. The entire installation will be underground and will be in conformity with the standards promulgated by the Rochester Gas and Electric Corporation. The system will be installed by the Rochester Gas and Electric Corporation on permanent easements to be granted by the Sponsor prior to the conveyance of the common areas. The system, to and including the meter, will be owned, operated and maintained by the Rochester Gas and Electric Corporation. Each Lot will have its own meter and each Lot Owner will be responsible for the cost of gas service consumed on his Lot.

Telephone.

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

Refuse Disposal.

Refuse will be collected by private contractor. Weekly refuse will be picked up from the driveways of each Townhouse. Bulk refuse will be picked up from the right of way of the private roadway once a month. The fee for this service shall be funded through the Association budget as a common expense.

Parking Areas.

Each Townhouse will have its own integral garage and driveway for the use of the Townhouse Owner, his guests and invitees. Additionally, the private roadway will have 27 spaces which may be used for transient purposes of Lot Owners and the general public having cause to be within the development. The 27 parking spaces may not be used for the storage of any vehicle or any other object by any Lot Owner. Parking is on a first come first served basis and is unattended. The spaces are located as shown on the site plan included as Exhibit D.

Storm Sewer System.

Surface water from Pine Ridge Townhomes will be collected by means of storm receivers and carried by storm sewers to the existing Town of Greece storm sewer system. The storm sewers at Pine Ridge Townhomes will be constructed of corrugated metal and reinforced concrete. The main storm sewer lines will be dedicated to the Town of Greece. The Town will be granted an easement over Association property to own and maintain the system.

Sanitary Sewer System.

The sanitary sewers at Pine Ridge Townhomes will be constructed of PVC plastic, Schedule 35, six (6) inches or larger. The main sanitary sewer system will be connected to and become part of the Town sanitary sewer system.

The main sanitary sewer system, including the laterals to

the cleanout, within Pine Ridge Townhomes will be dedicated to the Town of Greece. The cost of maintenance shall be funded through Town taxes and pure waters billing. The Town will be granted an easement over Association property to own and maintain the system.

The Association will own and maintain the sanitary service house laterals between the main sanitary sewer six (6) inch lateral and the individual Townhouses. These house laterals shall be four (4) inch diameter PVC plastic "SDR 21."

Mail Boxes.

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

Cable Television.

The Sponsor has been advised by People's Cable, Inc. that cable television service will be available to the Pine Ridge Townhomes. Each Lot Owner may participate in the service by paying a monthly charge directly to People's Cable. The Sponsor makes no representation as to when such cable television service will be initially available or the cost of such service. The Declaration prohibits the erection of exterior television antennas on Lots in Pine Ridge Townhomes without the prior consent of the Association's Architectural Committee.

Signs.

Road signs, entrance gate signs, and construction signs during the construction stages, will be provided throughout the site. An entry sign will be provided at the roadway entrance on Stone Road.

Common Property Liens.

At the time of its conveyance to the Association, the common property will be free and clear of all liens and encumbrances, except:

1. Those created by or pursuant to the Declaration (see Exhibit A),
2. Easements and rights of way granted to governmental authorities for drainage, sewers, and other municipal purposes,
3. Public utility easements,
4. Sewer, drainage or utility easements which may be granted in the future.

The Sponsor will provide and pay for a title insurance policy to cover the common property conveyed to the Association.

PINE RIDGE HOMEOWNERS ASSOCIATION, INC.

Pine Ridge Homeowners Association, Inc. (hereinafter referred to as the Association) was formed on December 30, 1982, under the Not-for-Profit Corporation Law of the State of New York. The Association is a Type "A" corporation under the aforementioned law. The Certificate of Incorporation is set forth as Exhibit B. The Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the Declaration), which is set forth as Exhibit A, provides the framework and procedures by which the Association, upon conveyance of common properties to it by the Sponsor, will maintain and administer the lands and the facilities comprising the Association property. The By-Laws which shall govern the operation of the Association are set forth as Exhibit C.

Summary of the Declaration.

Prior to the closing of title to any Lot in Pine Ridge Townhomes, the Sponsor will file a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") in the Office of the Monroe County Clerk. The Declaration is set forth in this Offering Plan as Exhibit A.

The Declaration provides that its provisions shall run with the land and shall be enforceable by the Sponsor, the Association and the Owner of any Lot. With respect to the legal enforceability of the provisions of the Declaration, see the opinion of Sponsor's counsel, Woods, Oviatt, Gilman, Sturman & Clarke, set forth in this Offering Plan on page 17.

By accepting a deed, lease or other instrument conveying any interest in a Lot, the grantee, lessee, or other person accepting such interest covenants to observe, perform and be bound by the provisions of the Declaration, including the personal responsibility for the payment of all charges and assessments which may become liens while such person holds an interest in a Lot.

The following is a summary of the important provisions of the Declaration:

Article III - The Association Structure, Membership and Voting Rights

There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until two (2) years after the transfer of the first Lot, or until 28 Lots are transferred, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote.

The Declaration also provides that for three (3) years from the date of recording of the Declaration or until the Sponsor or its designee no longer owns 25% or more of the Lots then covered by the Declaration, whichever first occurs, the Board of Directors may not, without the Sponsor's written consent, which consent shall not be unreasonably withheld, (i) make any addition, alteration, or improvement to the Association property, costing more than 20% of the then current annual budget; (ii) assess any amount for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to 150% of the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses bears to the total amount of the initial budget of estimated expenses; (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the Association; (iv) enter into any service or maintenance contract for work not provided for in the initial budget of estimated expenses except for services or maintenance to facilities not in existence on said date; or (v) reduce the quantity or quality of the services or maintenance of Association Property. (See Section 3.12 of the Declaration set forth as Exhibit A.)

Article IV - Property Rights and Easements

Every Member shall have:

- a) A right of easement and enjoyment in Association property;
- b) An easement of ingress and egress by vehicle or on foot over Association property;
- c) An easement to use and maintain all pipes, wires, conduits, drainage areas and public utility lines servicing such Member's Lot and located on other Lots or on the Association property;
- d) An easement over Association property and over the property of any adjacent Lot for performance of routine maintenance on a Member's Townhouse;
- e) An easement over Association property for the exclusive use and enjoyment of the Lot Owner's deck or patio, as constructed by the Sponsor, servicing the Owner's Townhouse. A Lot Owner may enclose his deck or patio by adding privacy fencing not to exceed an area of fifteen by twenty feet (15'x20'). The additional fencing installed by a Lot Owner shall be located only in the immediate area of his deck or patio. An area enclosed by a Lot Owner shall be maintained by the Lot Owner.

These rights and easements shall be in common with other Members of the Association and are subject to the rights of the Association (i) to promulgate rules and regulations relating to the use, operation and maintenance of Association property; (ii) to grant easements or rights of way to utility corporations or governmental entities; (iii) to transfer Association property upon the consent of two-thirds (2/3) of all Members; (iv) to charge reasonable fees for the use of Association property; (v) to enter into agreements for the sharing of facilities with other associations, cooperatives or condominiums upon the consent of two-thirds (2/3) of all Members. Such rights shall be subject to the rights of the Sponsor (i) to have or grant easements and rights of way for access to, and utility lines for, the development of the Lots and (ii) to use the Association property for a sales center and parking area for prospective purchasers. The rights of each Member

shall further be subject to the right of any other Member to maintain and use the pipes, wires, conduits, etc. servicing such other Member's Lot.

The Association shall have:

- a) The right to use water or electricity from outdoor taps or sockets on any Lot, the cost of which shall be reimbursed to the Lot Owner based upon the difference calculated between the current utility bill and the average of the last two (2) preceding utility bills, or actual consumption as determined by submeters affixed by the Association to the bibs or outlets of any Lot;
- b) An easement to permit the maintenance, repair and replacement of roadways, light standards, signs and other property of the Association;
- c) An easement for access to each Lot for the maintenance, repair and replacement of the exterior of the dwellings and the storm water, sanitary and utility laterals;
- d) An easement for access to each Lot for the maintenance, repair and replacement of any pipes, wires, conduits, drainage areas, utility lines and facilities and cable television lines and facilities located on any Lot and servicing any other Lot;
- e) An easement over the Lots for placement, maintenance, repair and replacement of utility banks, telephone and cable television pedestals.

The Owner of the professional office building to be constructed on Lot 59 shall have an access easement over Association property as shown on the Pine Ridge Subdivision map made a part hereof as Exhibit E.

Article V - Assessments

Each Lot Owner, by becoming a Lot Owner shall be deemed to covenant and agree to pay to the Association (i) annual Assessments or charges for the maintenance and operation of Association

Property, for utilities and other services, consumed and/or used on or at the Lots and which are not individually metered or billed and for the maintenance, repair and replacement of all facilities commonly servicing the Members, whether on or off the Lots, such as landscaped areas, and of the exteriors of the Townhouses. (See Sections 6.01 and 6.02 of the Declaration and page 7 of this Plan for specific types of maintenance, repair and replacement included or excluded, as the case may be.) The Assessments shall be the personal obligation of the Lot Owner and shall, together with any late charges, accelerated installments thereof, interest and the cost of collection, be a charge and continuing lien upon the Lot against which the assessment is made.

The method for determining Maintenance Assessments is summarized on page 9 of this Offering Plan.

Article VI - Maintenance by the Association

The following maintenance services shall be performed by the Association and the cost of such maintenance shall be funded from the Maintenance Assessments:

- a) Maintenance of the signs and those landscaped areas within the perimeter of Townhouse Lots and Association property.
- b) With respect to the Townhouses, including garages, the Association shall repair and replace the exterior siding, gutters, downspouts and roofs, paint the trim, windows and doors, but shall not repair or replace windows, window panes or doors, or maintain, repair or replace porches, patios or wood decks. Exterior items which are vinyl coated and require no or low level maintenance will be maintained in accordance with manufacturers' recommendations.

With respect to the other improvements on the Townhouse Lots, the Association shall stain, repair and replace fences or railings initially installed by the Sponsor, but shall not repair or replace spalling concrete walks, stoops or porches. The water, storm sewer and sanitary sewer laterals servicing a Townhouse will be maintained by the Association. Maintenance and repair shall be limited to leakage and structural failure only.

- c) Plowing of snow from the roadway, driveways and parking areas.
- d) Refuse collection.
- e) Obtain and maintain (i) fire and casualty insurance on the Townhouses, (ii) fire, casualty and liability insurance on the Association property and (iii) directors' and officers' liability insurance for the officers and directors of the Association. (See Sections 9.01 and 9.03 of the Declaration for specific types of coverage obtained by the Association and coverages which are not obtained by the Association.)
- f) Enforcement of restrictive covenants and establishment of rules and regulations governing the use of the Association Property and the conduct of the Lot Owners.
- g) Maintenance, including repair and replacement, as necessary, of the Association property, including the driveways, roads, gutters, parking areas, signs, those portions of sewer, water, and storm water utility laterals (limited, however, to repair necessitated by leakage or structural failure) servicing one (1) or more Townhouses and not maintained by a utility company, public authority, municipality or other entity.

Article VII - Architectural Controls

An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing certain provisions of the Declaration and controlling any change in use or any additions, modifications or alterations to any improvement within the Pine Ridge Townhomes. The Architectural Committee shall not have any authority over any property owned by the Sponsor. No such addition, modification or alteration shall be made until plans setting forth such change are submitted to and approved by the Architectural Committee. Any Owner, lessee or occupant may obtain from the Architectural Committee a written certificate stating whether or not a particular parcel violates any provisions of the Declaration. A reasonable charge may be imposed for the issuance of such certificate. (See page 14 of this Offering Plan which contains

a statement of Sponsor's counsel, Woods, Oviatt, Gilman, Stilman & Clarke, as to the enforceability of architectural controls.)

Article VIII - Party Walls and Encroachments

An easement shall exist for encroachments by any Townhouse, including but not limited to patios, porches, decks, privacy fencing and all other improvements, on any other Lot or Association property as a result of construction, settling or shifting.

The cost of repair to a party wall shall be borne equally by the Lot owners who share such wall, assuming the damage was not the result of negligence or a willful act by one (1) of such Lot Owners.

Article IX - Fire and Casualty Insurance, Reconstruction

The required insurance coverages for the Association are set forth in Article IX of the Declaration set forth as Exhibit A of this Offering Plan.

A. Insurance Obtained by Board of Directors. The Board of Directors of the Association shall obtain and maintain, to the extent reasonably obtainable and to the extent obtainable at a reasonable cost, and in such amounts as the Board of Directors determines to be appropriate, unless otherwise required in the Declaration: (i) fire, casualty and liability insurance for Association Property, (ii) directors' and officers' liability insurance, (iii) fidelity bond, and (iv) fire and casualty insurance for the Townhouses. The cost of all insurance obtained by the Board of Directors will be included in the Maintenance Assessment charges billed to each Lot Owner by the Association.

The Board of Directors may also obtain such other insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

The Board of Directors shall not be liable for the failure to obtain such coverages or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from

reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable costs.

1. Fire and Casualty. Coverage shall be for the unit value of each Townhouse, including the wall to wall carpeting, lighting fixtures, bathroom fixtures, built-in appliances, wall coverings, and all machinery servicing the Lots and common facilities, excluding the land, foundations, the personal property of Lot Owners and occupants, and any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, built-ins and wall coverings) made by present or prior Lot Owners or occupants, and Lots for which the Sponsor is not paying full Maintenance Assessments as provided in Section 5.04 of the Declaration. The policies shall not provide for co-insurance between the insurer and the insured. For additional provisions, endorsements and coverages see Section 9.01 of Declaration set forth as Exhibit A.

The policies shall provide that adjustment of loss shall be made by the Board of Directors of the Association.

The proceeds of all policies of physical damage insurance shall, as provided in the Declaration, be payable to the Association or to an insurance trustee (bank, trust company or law firm) to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Lot Owners as hereinafter set forth. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.

The amount of fire insurance to be maintained until the first meeting of the Board of Directors following the first annual meeting of the Lot Owners shall be in at least the sum of \$40,000.00 per completed Townhouse. Prior to the completion of dwellings, they will be insured under the provisions of a builders risk policy maintained by the Sponsor.

Each Townhouse Lot Owner and such Lot Owner's known mortgagee shall be a named insured on the

policy and shall receive, at the time of purchase and at the time a new policy is obtained or an existing policy renewed, a certificate evidencing proof of insurance coverage. Upon request, duplicate originals of the policy and of all renewals of the policy shall be furnished to all known institutional mortgagees of the Lots.

2. Liability. The liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Lot Owners, but not the liability of Lot Owners arising from occurrences within such Owner's dwelling or on such Owner's Lot. The policy shall include the following endorsements: (i) comprehensive general liability, (ii) personal injury, (iii) medical payments, (iv) cross liability and (v) contractual liability.

Until the first meeting of the Board of Directors elected by the Lot Owners, this public liability insurance shall be in a combined single limit of \$500,000.00 covering all claims for bodily injury and property damage.

3. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a director or officer of the Association. This coverage provides for funds to be available to defend suits against officers and directors of the Association and to pay any claims which may result. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Directors. The policy shall not provide for "participation" by the Association or by the officers or directors of the Association.

Until the first meeting of the Board of Directors elected by the Lot Owners, the directors' and officers' liability coverage shall be in at least the sum of \$250,000.00.

4. Fidelity Bond and Surety Bond. The fidelity bond shall cover up to five (5) directors, officers and employees of the Association and of the Association's managing agent, if any, who handle

Association funds. The bond shall be in an amount not less than 50% of the Association's annual budget but in no event less than the amount of funds, including reserves, owned by or under the control of the Association.

Until the first meeting of the Board of Directors elected by the Lot Owners, the coverage shall be \$10,000.00 for dishonest acts and \$5,000.00 for forgery.

5. Allocation of Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense, provided, however, that the Board of Directors may assess any deductible amount necessitated by the gross negligence or wantonly malicious act of a Lot Owner against such Lot Owner.

B. Insurance Obtained by Lot Owners. The Sponsor suggests that purchasers of Lots obtain coverage for the following:

1. Fire and casualty coverage for (i) any upgrading, i.e., any replacement to the original construction of the dwelling or equipment in the dwelling which is of better quality, larger, or more costly than a replacement to the item as installed in the dwelling at the time it was initially offered for sale. Such upgrading items may include kitchen and bathroom flooring, carpeting, bathroom tile and fixtures, lighting fixtures, kitchen cabinets, carpeting and wall covering; (ii) any fixtures installed or improvements made by the Lot Owner which are not replacements of items in the dwelling at the time the dwelling was initially offered for sale; (iii) the personal property of the Lot Owner.

2. Liability coverage for occurrences within the dwelling or on the Lot of the Lot Owner. The customary form of policy for the above coverages is HO-6 or equivalent. Lot purchasers may obtain such coverage by making arrangements with their own insurance agent or with the insurance agent for the Association (whose name is available from the Sponsor on request).

Lot purchasers may also wish to obtain coverage for living expenses in the event their dwelling cannot be occupied because of fire or other casualty and to cover their liability for any "deductible" or other shortfall in the Association's coverage where the loss suffered was the result of their gross negligence or wantonly malicious act.

All policies obtained by Lot Owners must contain waivers of subrogation and the liability of carriers issuing insurance procured by the Board of Directors must not be affected or diminished by reason of any insurance obtained by a Lot Owner.

C. Reconstruction after Fire or Other Casualty.
The proceeds of fire and casualty insurance obtained by the Association must be applied to the repair and restoration of the dwellings or other insured property damaged. To the extent the repair and restoration will not duplicate the original exterior features, the prior approval of the Architectural Committee shall be required.

In the event that insurance proceeds are, for any reason, insufficient to pay all of the costs of restoring or repairing the property to the same condition as existed prior to the fire or other casualty, the Board of Directors shall levy a Special Assessment to make up the deficiency in such amounts and against such Lot Owners as the Board of Directors deems fair and equitable taking into account the damage sustained and any negligence which may have contributed to the damage and loss.

Article X - General Covenants and Restrictions

There are general prohibitions against the following unless the consent of the Architectural Committee and/or Board of Directors, where applicable, has first been obtained:

a) Placing or displaying for public view any advertisement or sign, other than a professional shingle indicating the name of a firm or person and such person or firm's profession, unless the size, materials, design, style and color of which has been first approved by the Architectural Committee.

b) Except for one (1) dog and one (1) cat belonging to an Owner or tenant of a Lot, fish, or birds kept in a cage, no animals, birds or insects shall be kept or maintained on any Lot or other portion of the Property except with the consent of the Board of Directors of the Association which may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of animals, birds and insects and (ii) prohibit certain types of animals, birds or insects entirely. In any event, pets may be allowed outdoors only within the area fully enclosed by privacy fencing, unless accompanied by a responsible person and leashed. A kennel or outdoor enclosure for retaining a pet out of doors may be constructed only within an area fully enclosed by privacy fencing. The Board of Directors of the Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any animal, bird or insect, if, in the opinion of the Board of Directors, acting in its sole discretion, such animal, bird or insect is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled.

c) Construction of walls or fences other than chain link fences.

d) Using a temporary building, trailer, basement, tent, shed or garage as a dwelling.

e) Outside television antennas.

f) Removal of any tree or shrub (this restriction shall not apply to the Sponsor).

g) Operation of a snowmobile.

h) Use of the property for wholesale or retail business or service occupations in conflict with applicable municipal laws and ordinances.

i) Outside storage for more than one 72 consecutive hour period per month of a recreational vehicle, camper, boat, truck, trailer, or any other vehicle any where within the Pine Ridge Townhomes development.

j) Outdoor performance of repair work (other than minor servicing) on any motor vehicle, boat or machine.

k) Outdoor drying or airing of any clothing or bedding outside of enclosed private yards.

- 1) Oil and mining operations.

The following are completely prohibited:

- a) Noxious or offensive activities;
- b) Keeping out of doors overnight any commercial vehicle weighing two (2) or more tons or any unlicensed vehicle;
- c) Construction of chain link fences.

Article XI - Enforcement, Amendment and Duration
of the Declaration

The costs of any action brought by the Association to enforce the Declaration, including legal fees, shall be a binding personal obligation of the violator. If the violator is (i) a Lot Owner, or (ii) any family member, tenant, guest or invitee of a Lot Owner, or (iii) a family member of a guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Lot Owner's family or (2) any family member of the tenant of such Lot Owner, such costs shall also be a lien upon the Lot owned by such Lot Owner.

The Association shall have the right to enter Lots to determine whether or not any improvements thereon are in compliance with the Declaration or the rules and regulations of the Association.

The Declaration may be amended or terminated upon the consent of the Members having not less than two-thirds (2/3) of the votes of all Lots subject to the Declaration except that, prior to three (3) years from the date of recording of the Declaration, so long as the Sponsor owns 25% or more of the Lots subject to the Declaration, no amendment shall be made which adversely affects the interest of the Sponsor, unless specifically approved by the Sponsor in writing.

The Declaration shall continue in full force and effect until December 31, 2005 and shall, as then in force, be automatically and without further notice, extended for successive periods of ten (10) years.

Management and Operation.

The business and affairs of the Association shall be managed by a five (5) member Board of Directors (see Article V of By-Laws set forth as Exhibit H), except that an initial Board of three (3) directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of transferring title to the first Lot in Pine Ridge Townhomes. The initial Board of Directors designated by the Sponsor shall serve until the first annual meeting after the Sponsor has transferred title to 28 Lots or two (2) years after the date of recording of the Declaration, whichever first occurs. Thereafter, directors of the Association shall be elected. The Sponsor agrees not to cast its votes available to it as Owner of Lots in Pine Ridge Townhomes to elect a majority of the entire board of directors after two (2) years from the date of recording of the Declaration or after the sale of 28 Lots. Additionally, the Sponsor agrees not to place a mortgage on any property owned by the Association while it is in control of the Board of Directors, without the consent of 51% of the Lot Owners, excluding itself.

No Director shall be required to be a Member of the Association and the number of Directors may be changed by amendment of the By-Laws. Nominations for election to the Board of Directors shall be made by a nominating committee which shall consist of a chairman, who shall be a member of the Board of Directors and two (2) or more Members of the Association. Write in votes for persons other than those nominated shall be permitted.

The term of office of the members of the Board of Directors shall normally be two (2) years or until their successors are elected, except that at the aforementioned first annual meeting of the Association after the transfer of 28 Lots or two (2) years after the date of recording of the Declaration, whichever first occurs, the Members shall elect three (3) directors for a two (2) year term and two (2) directors for a one (1) year term. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. (See Article V of By-Laws set forth as Exhibit H). A member of the Board of Directors may be removed, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members.

The initial Board of Directors will be composed of Anthony M. DiMarzo, Patsy DiMarzo and Loretto Basso, the President, Vice-President and principal of the Sponsor, respectively. The officers of the Association shall be Anthony M. DiMarzo, as President, Patsy DiMarzo, as Vice-President and Secretary, and Loretto Basso, as Secretary.

Membership and Voting Rights.

As defined in the Declaration, the Sponsor and all Lot Owners shall, upon becoming such, automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth as Exhibit A). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until two (2) years after the transfer of the first Lot, or until 28 Lots are transferred, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote.

The Declaration may be amended or rescinded upon the consent in writing of the Owners of not less than two-thirds (2/3) of all Lots. In addition, until three (3) years from the date of recording of the Declaration, or so long as the Sponsor owns 25% or more of the Lots subject to this Declaration, the written consent of the Sponsor will be required for amendment which adversely affects the Sponsor's interest.

The By-laws of the Association may be repealed or amended by a vote of a majority of Lot Owners or by the affirmative vote of a majority of the whole Board of Directors.

A Special Assessment for the construction of any capital improvement, and for any Special Assessment amounting to more than 20% of the then current amount of annual Maintenance Assessments must be approved by the vote of two-thirds (2/3) of the Lot Owners voting in person or by proxy at a meeting duly called.

Assessments.

The costs and expenses of operating the Association and of making capital improvements, if any, will be allocated among the Lot Owners and assessed by the Board of Directors (See Article V of Declaration set forth as Exhibit A.) Every Owner of a Lot (including the Sponsor) merely by becoming an Owner, covenants and agrees to pay annual Maintenance Assessments, payable monthly, and Special Assessments, if any, payable when due, to enable the Association to carry out its functions. Maintenance Assessments shall commence on the first day of the month following the sale of the first Lot, or at such later time as the Sponsor shall determine. All Maintenance and Special Assessments become a lien and charge against the Lot and shall also be a personal obligation of the Lot

Owner at the time the assessment falls due. If an assessment or installment thereof is not paid within ten (10) days of the due date, the Association may impose a late charge and, if the assessment or installment thereof is not paid within 30 days of the due date, the Association may collect interest on the amount due, accelerate the remaining installments, if any, bring legal action against the Owner personally obligated to pay the assessment, and/or foreclose the lien against the Lot. The waiver of the use or enjoyment of the Association Property or the abandonment of a Lot shall not be grounds for exemption from the obligation to pay Assessments. In no event shall voting rights be suspended for the non-payment of assessments.

The lien of the Assessments shall be subordinate to the lien of any purchase money first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

After Association charges have been levied on one or more Owners who have closed title to their Lots, the Sponsor's obligation for Association charges for unsold Lots shall be no less than an amount calculated in accordance with the following provision: the Sponsor shall be obligated for the differences between the actual Association expenses and the Association charges levied on owners who have closed title to their Lots. The Sponsor's obligation shall not include (i) Association charges for any addition, alteration or improvement to Association property or (ii) Association charges for the creation of or addition to all or part of a reserve, contingency or surplus fund or (iii) Association charges to hire any employees in addition to the number of employees referred to in the Offering Plan or (iv) service or maintenance work in addition to the service and maintenance referred to in the Offering Plan.

The Maintenance Assessment for each Lot shall be determined by multiplying the total annual Maintenance Assessment by one-fifty sixth ($1/56$), thereby assuring that each Lot bears an equal share of the Association expenses.

Any change in the basis of determining the Maintenance Assessment shall require the consent of not less than two-thirds ($2/3$) of the total votes of Members (see Section 5.06 of the Declaration set forth as Exhibit A). In addition, the written consent of the Sponsor will be required for any change which

materially adversely affects the interest of the Sponsor with respect to Lots covered by the Declaration, which consent will not be unreasonably withheld.

Working Capital Fund.

The Sponsor will advance to the Association prior to the conveyance of the first Lot \$100.00 per Lot.

The Purchase Agreement requires the initial purchaser of each Lot to reimburse the Sponsor for the \$100.00 advance per Lot made by the Sponsor to the working capital of the Association. The reimbursement will be made at the time of closing title to the Lot. Such advance to the Association is intended to fund the initial start up expenses of the Association, and will be used for such purposes as the Board of Directors, in its sole discretion, may determine, such as prepaid expenses of the Association, including, but not necessarily limited to fire, casualty and liability insurance obtained by the Association. It is believed the working capital fund is sufficient to meet the Association's initial start up expenses, and will be replenished as funds become available from Assessments collected. In no event will the working capital contribution be used to defray any Lot Owner's (including the Sponsor's) obligation for the payment of Maintenance Assessments. After the first election of a Board of Directors which is not controlled by the Sponsor, the funds will be turned over to the new Board of Directors with an accounting.

The New York State Department of Law, or any other government agency, has not passed upon the adequacy of the working capital fund.

LOCAL GOVERNMENT APPROVAL

On June 9, 1982, the Planning Board for the Town of Greece approved the Site Plan for Pine Ridge Townhomes. On September 22, 1982, the Planning Board for the Town of Greece approved the Preliminary and Final Subdivision Plan for Pine Ridge Subdivision.

OBLIGATIONS OF THE SPONSOR

The following are obligations of the Sponsor with respect to this offering of interest in the Association:

1. Complete Construction of Common Areas and Facilities. The Sponsor will complete construction of the common

areas and facilities as set forth in this Offering Plan and any amendments hereto. The Sponsor will pay for the authorized and proper work involved in the construction, establishment and transfer of all Association property that the Sponsor is obligated to complete under this Offering Plan. The Sponsor agrees to cause all mechanics' liens with respect to Association property to be promptly discharged or bonded.

The Sponsor will complete construction of all streets and parking facilities serving a Lot and any other facility that is vital to the health and safety of the Lot Owners prior to the conveyance of the Lot, subject to the terms of this Offering Plan, see page 20. If the Town of Greece permits occupancy, and if the incomplete items are not vital to the health and safety of the Lot Owners, then closing may occur. The Sponsor anticipates the project to be completed by the Summer of 1984.

The Sponsor has obtained adequate and firm commitments for the construction of the Association property and the Townhouses on the individual Lots. The Town of Greece holds an irrevocable Letter of Credit securing the land development of Pine Ridge Townhomes.

This representation shall in no way be deemed a limitation of any liability on the part of the Sponsor or of any right or remedy of the Association or the Lot Owners pursuant to law.

2. Service of Common Areas and Facilities. The Sponsor will make periodic checks of the property conveyed to the Association and correct any defect in construction due to improper workmanship or material substantially at variance with this Offering Plan, provided the Sponsor is notified of or otherwise becomes aware of any such defect within one (1) year from the date of completion of such construction or 14 months from the date of transfer of title to the first Lot, whichever is later. The Sponsor shall have no obligation to make any repair to or replace any of the Association Property except as expressly set forth in this Offering Plan. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements.

3. Pay Assessments. The Sponsor will pay assessments for each unsold Lot owned by the Sponsor in accordance

with the Declaration. (See Article V of Declaration set forth as Exhibit A).

4. Conveyance of Common Areas and Title Insurance. Prior to the transfer of title to any Lot, the Sponsor will convey, by warranty deed with lien covenant, the Association Property to the Association and furnish the Association with a policy of title insurance covering such property from a title company authorized to do business in New York. The policy covering the common areas shall be in the amount of \$200,000.00. Such policy will be furnished at Sponsor's sole cost and expense, and shall evidence good and marketable title.

5. File Subdivision Map. The Sponsor will file a subdivision map in the office of the Monroe County Clerk prior to the conveyance of the first Lot in Pine Ridge Townhomes, which map shall show the Lots upon which the dwellings are or will be located.

6. Defend and Indemnify. The Sponsor will defend and indemnify the Board of Directors against any suits or proceedings arising out of its acts or omissions.

7. Plans. The Sponsor will provide the Board of Directors with a set of "as built" plans. i

8. Right of Access. The Sponsor shall have the right of access in accordance with the Declaration to complete construction of the project. The Sponsor will repair and restore the area as required. The Sponsor does not anticipate any interference with a Lot Owner's use and enjoyment of the area, except on a temporary basis.

9. Hold Down Payments and Deposits in Escrow or Furnish Letter of Credit or Bond Until Closing. The Sponsor will either (i) hold the down payments and deposits of contract purchasers in escrow until transfer of title unless the contract purchaser fails to perform in accordance with the terms of the Purchase Agreement or (ii) furnish a letter of credit to assure the return of downpayments and deposits if the Sponsor defaults in its obligations under the Purchase Agreement. (See page 44 of this Plan).

10. Sponsor's Control of Development. Until (i) 11 months after the transfer of control of the Board of Directors, or (ii) 11 months after the closing of title to the last Lot, whichever is sooner, the Sponsor will not voluntarily assign, transfer or sell its interest in the real estate which is the subject of this Offering Plan, except in accordance with this Offering Plan, and the principals of the Sponsor will not voluntarily reduce by more than 49% their ownership of stock or their voting rights in the Sponsor. Further, during such period, the principals of the Sponsor shall not voluntarily liquidate the Sponsor except for the payment of any expenses (including salaries, fees and other expenses) and the repayment or reduction of the obligations of the Sponsor pertaining directly or indirectly to this Offering Plan.

NO BOND OR OTHER SECURITY HAS BEEN POSTED BY THE SPONSOR TO SECURE THE PERFORMANCE OF ITS OBLIGATIONS AS SET FORTH ABOVE. ACCORDINGLY, THE SPONSOR'S ABILITY TO MEET SUCH OBLIGATIONS COULD DEPEND ON ITS FINANCIAL CONDITION AT THE TIME IT IS CALLED TO PERFORM.

TRUST FUND PROVISIONS

The Sponsor has obtained an irrevocable letter of credit from Central Trust Company, a banking corporation with an office at 44 Exchange Street, Rochester, New York in the amount of Twenty-five Thousand Dollars (\$25,000.00) to secure the return of purchasers' deposits in the event the Sponsor defaults in its obligation to deliver the Lot as required in the Purchase Agreement. The letter is issued to Woods, Oviatt, Gilman, Sturman & Clarke, as attorneys for the Sponsor, and provides that payment will be made upon presentation of the letter of credit together with a signed certification from Woods, Oviatt, Gilman, Sturman & Clarke, "that MARK IV CONSTRUCTION CO., INC. has failed to refund deposit monies to purchasers ... in accordance with the terms of the Purchase Agreement." A copy of the letter of credit is available on written request of the purchasers or prospective purchasers to Woods, Oviatt, Gilman, Sturman & Clarke, 44 Exchange Street, Rochester, New York 14614. The Sponsor anticipates obtaining additional letters or a renewal of existing letters during development of Pine Ridge. In the event that a renewal of such letter of credit is not obtainable with respect to any purchaser's deposit, Woods, Oviatt, Gilman, Sturman & Clarke will draw upon such letter of credit in an amount to fully cover all down payments secured by such letter of credit.

Should a letter of credit not be issued and in effect to

cover a purchaser's deposit, such funds will be held in trust by the Sponsor in a non-interest bearing special account entitled "Pine Ridge Escrow Account" at Central Trust Company (hereinafter referred to as the "Escrow Depository"), 44 Exchange Street, Rochester, New York 14614 (or such other bank as Sponsor may select and disclose in a duly filed amendment to this Offering Plan) until the closing of title, and to be released upon the signature of Woods, Oviatt, Gilman, Sturman & Clarke. When title to a Lot closes (and not before such time, except in the event of default by the purchaser), the Escrow Depository shall pay to the Sponsor all monies held by the Escrow Depository for the purchaser's account.

Such deposits will be handled in accordance with Section 352-h and 352-e 2(b) of the New York General Business Law. The Sponsor agrees to pay such interest on deposits as a court may consider just and proper as part of an order granted pursuant to Section 354 of the General Business Law.

MANAGEMENT AGREEMENT

The Sponsor will enter into an agreement on behalf of the Association under the terms of which Martex Management Company, a subsidiary of the Sponsor, will act as Managing Agent of the Association for a period of two (2) years from the date of the first closing of title to a Lot. For its services, the Managing Agent will receive a fee of \$5,900.00 per year, which amount is a reasonable market rate. In addition, the Managing Agent will receive reimbursement for all out-of-pocket expenditures. The Management Agreement will be assignable by the Managing Agent with the consent of the Association, which consent will not be unreasonably withheld, and will be cancellable by the Managing Agent, within the first year of its term, upon not less than 60 days prior written notice, only if the Association fails or refuses to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority or to perform its obligations under the Management Agreement. The agreement will be cancellable by the Managing Agent at any time after the first year of its term on not less than 60 days written notice. The Association may cancel the Management Agreement at any time for cause. Upon the termination of the Management Agreement, it most likely will be necessary or desirable for the Association to obtain professional management services. The Sponsor makes no representations as to the availability of such professional management services or the terms of any contract which the Association may be able to negotiate with a professional property manager. Neither the Association nor the Managing Agent is obligated to continue the management arrangement after the two (2) year period.

As long as the Sponsor shall control the Board of Directors, the Sponsor will not commit the Board of Directors or the Association to any other Management Agreement which extends beyond the date on which the Sponsor's control ceases.

Services rendered to the Association by the Managing Agent will include:

- a. Billing and collecting common charges and expenses;
- b. Supervising landscape maintenance, snow removal from the roadways, parking areas and driveways, and repairs to the common elements;
- c. Hiring and discharging employees;
- d. Maintaining the Association books and attending meetings of the Board of Directors and Lot Owners;
- e. Maintaining payroll records and filing withholding tax statements for employees;
- f. ✓ Furnishing monthly reports of receipts and disbursements to the President and Treasurer of the Association.

The Managing Agent will not prepare the Association's annual certified financial statement. Such statement will be prepared by an independent certified public accountant employed by the Board of Directors at the expense of the Association. This expense is provided for in the estimate of common expenses for the first year of Association operation contained herein.

The Association will indemnify and defend the Managing Agent against all suits brought in connection with the Association and from liability for loss of person or property. The Association will also pay all expenses of the Managing Agent in defending against such suits.

Except as set forth above, no other contracts or agreements have been entered into by the Sponsor at this time which would bind the Association after closing of title to the first Lot. Any and all such agreements shall be entered into by the Association on its own behalf on its own authority.

IDENTITY OF PARTIES

Sponsor

Mark IV Construction Co., Inc., a New York corporation, with its principal office and business address of 28 Willow Pond Way, Penfield, New York, 14526, was formed in 1967 and has built approximately 2,000 townhouses, apartments, and detached homes.

Mark IV is currently developing the following projects:

1. Willow Pond, Penfield, New York, 300 single family detached homes and townhouses; since 1977.
2. Concorde Greene Estates, Penfield, New York, 80 single family detached homes; since 1980.
3. Brighton Meadows, Brighton, New York, 78 single family detached homes; since 1981.
4. The Commons at Cornhill, Rochester, New York, 168 single family detached and townhouse dwellings; since 1982.

The controlling principals of Mark IV are:

1. Anthony M. DiMarzo, President, since 1969 with a business address of 28 Willow Pond Way, Penfield, New York, 14526. Bachelor of Business Administration, Syracuse University, 1965. Mr. DiMarzo is chief operating officer of the corporation and is responsible for arranging interim and permanent financing for projects, and for personnel management at the managerial level.
2. Patsy DiMarzo, Vice President, since 1969 with a business address of 28 Willow Pond Way, Penfield, New York, 14526. Mr. DiMarzo is a licensed electrician and has extensive experience in all aspects of site development and maintenance. He is responsible for the operations of Martex Management Company, which will initially manage the Pine Ridge Homeowners Association, Inc., and for supervision of field superintendents and subcontractors. He directly supervises all landscape, grounds and structures maintenance for the 800 plus apartment and townhouse units owned and managed by Mark IV.
3. Loretto Basso, Principal of Mark IV with a business address of 28 Willow Pond Way, Penfield, New York, 14526. Mr. Basso is a skilled finish carpenter. He is responsible for supervising all aspects of construction.

The principal staff members of Mark IV associated with Pine Ridge Townhomes are:

1. Allen Shankman, Director of Marketing. Bachelor of Arts, Adelphi University, 1963. Mr. Shankman has extensive experience in marketing condominium and townhouse projects in the Rochester area, including The Townhomes of Eastbrooke (402 units), Colonial Parkway Condominiums (58 units), and Grosvenor East Townhouses (24 units).

2. Richard Rosen, Project Coordinator. Mr. Rosen is a registered architect and licensed community planner. He has extensive experience in planning, supervising and monitoring townhouse projects in the northeastern United States since 1963.

Consultants

In an effort to develop and sell Lots at Pine Ridge Townhomes, the Sponsor has retained a number of professional consultants to assist it. These include:

Budget Review - Mr. William G. Tomlinson, Rockhurst Corp., R48 South Estate Drive, Webster, New York.

Survey and Engineering - LaDieu-Eshbaugh, 498 Long Pond Road, Rochester, New York.

Legal Counsel - Woods, Oviatt, Gilman, Sturman & Clarke, Louis M. D'Amato, of counsel, 44 Exchange Street, Rochester, New York.

Architect - Richard Rosen, 28 Willow Pond Way, Penfield, New York.

Landscape Architect - Heinrich Fischer, 9 Hara Court, Fairport, New York.

Managing Agent

In accordance with the terms of the Offering Plan, the Sponsor will enter into a management agreement on behalf of the Association with Martex Management Company, hereinafter "Martex". Martex is a subsidiary of the Sponsor which has managed townhomes and apartment complexes in the Monroe County area since 1971.

Martex is currently managing the following properties:

1. Chartwell Townhouse Estates, French Road, Rochester, New York, 62 townhouse dwellings; since 1971.
2. Clearview Farms, Scottsville Road, Scottsville, New York, 311 townhouse and garden apartments; since 1972.
3. Littlecreek Apartments, Coldwater Road, Rochester, New York, 196 garden apartments; since 1972.
4. Willow Pond Apartments, Route 441, Penfield, New York, 181 townhouse and garden apartments; since 1975.
5. The Commons at Cornhill, South Fitzhugh Street, Rochester, New York, 17 townhouse dwellings and 10 detached homes; since 1982.

DOCUMENTS TO BE RECEIVED PERIODICALLY BY
ASSOCIATION MEMBERS

All Members of the Association will be entitled to receive annually from the Association, at the expense of the Association, copies of the following:

1. An annual audited financial statement to be received at the Annual Meeting.
2. Notice of the Annual Meeting, to be given not less than ten (10) days or more than 30 days before the date of the Annual Meeting.

DOCUMENTS ON FILE

In accordance with Section 352-e (9) of the General Business Law of the State of New York, copies of this Offering Plan and all exhibits or documents filed with the New York State Attorney General shall be available for inspection by prospective purchasers and by any person who shall have purchased securities offered by this Offering Plan or who shall have participated in the offering of such securities, at the on site office of the Sponsor and shall remain available for inspection for a period of six (6) years from the date of transfer of the first Lot.

GENERAL INFORMATION

Pending Litigation

The Sponsor is presently a party in one (1) lawsuit. The

Sponsor is a defendant in an action for alleged non-conformity of a finished house to the contract specifications. Damages are sought in the action in the amount of \$16,180.00.

Anthony M. DiMarzo and Patsy DiMarzo are members of a partnership which owns the Grande-Vie Home for Adults in Penfield, New York, which is the subject of an investigation by the United States Government regarding Veterans Administration payments to residents of the Home. Messrs. DiMarzo, who have not been involved in the operation or management of the Grande-Vie Home, vigorously deny any misconduct, and the Grande-Vie Home, which is contesting the investigation, also denies any wrongdoing.

The Sponsor is not involved in any other litigation, nor is the subject of any other investigation, which may become a lien on, or affect this offering of Pine Ridge Townhomes.

Non-Discrimination

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

No Offering to Minors

This Plan is not offered to persons less than 18 years of age.

No Prior Offering

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

No Contracts Binding Association

Except for the Management Agreement referred to above, the Sponsor has entered into no contract which will be binding upon the Association. The Sponsor, however, reserves the right to enter into contract substantially in accordance with the description of

services and charges set forth in the Estimate of Operating Expenses and Reserves at page 6 of this Offering Plan.

Offering Plan is Fair Summary

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

MARK IV CONSTRUCTION CO., INC.

By: Anthony M. DiMarzo
Anthony M. DiMarzo, as President

EXHIBIT "A"

DECLARATION

Establishing Pine Ridge Homeowners Association, Inc.

NAME: PINE RIDGE HOMEOWNERS
ASSOCIATION, INC.

SPONSOR: MARK IV CONSTRUCTION CO., INC.
28 Willow Pond Way
Penfield, New York 14526

DATED:

RECORDED:

WOODS, OVIATT, GILMAN, STURMAN & CLARKE

Attorneys for the Sponsor

44 Exchange Street
Rochester, New York 14614

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

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

THIS DECLARATION, made this ____ day of _____, 1983,
by MARK IV CONSTRUCTION CO., INC., a New York corporation, which has
offices at 28 Willow Pond Way, Penfield, New York, being hereinafter
referred to as "the Sponsor".

W I T N E S S E T H :

WHEREAS, the Sponsor is the owner of the real property
described in Article II of this Declaration and Lot 59 of the Pine
Ridge Subdivision as the same are shown on a map of said subdivision
recorded in the Monroe County Clerk's Office in Liber 222 of Maps,
at page 6, which the Sponsor desires to develop as a residential
and office community with open spaces and other common facilities
for the benefit of said community, and

WHEREAS, the Sponsor desires to provide for the
preservation of the values and amenities in said community and for
the maintenance of said open spaces and other common facilities,
and, to this end, desires to subject the real property described
above to the covenants, conditions, restrictions, easements, charges
and liens, hereinafter set forth, each and all of which is and are
for the benefit of said property and each owner thereof, provided
however, that Lot 59 of the Pine Ridge Subdivision is made subject
to this Declaration only with respect to the "Rights of Adjacent
Property Owners" (Section 4.06), and is not subject hereto for any
other purpose, and

WHEREAS, the Sponsor desires that certain portions of said
real property be subdivided into lots upon which are or will be
constructed residential dwelling units, which lots and units will be
individually owned and the Sponsor desires that such open spaces and
other common facilities shall remain available for the benefit of
all members of the community, and

WHEREAS, the Sponsor has deemed it desirable, for the
efficient preservation of the values and amenities in said community
to create an Association to which should be delegated and assigned
the powers of maintaining and administering the community property
and facilities and administering and enforcing the covenants and
restrictions and collecting and disbursing the assessments and
charges hereinafter created, and

WHEREAS, the Sponsor has incorporated the Pine Ridge Homeowners Association, Inc. under the Not-for-Profit Corporation Laws of the State of New York for the purpose of exercising the aforesaid functions.

NOW THEREFORE, the Sponsor, for itself, its successors and assigns, declares the real property described in Section 2.01 hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants, conditions and restrictions") hereinafter set forth.

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The following words, phrases or terms when used in this Declaration or in any Supplemental Declaration shall, unless the context otherwise prohibits, have the following meanings:

- A. "ASSOCIATION" shall mean and refer to the PINE RIDGE HOMEOWNERS ASSOCIATION, INC.
- B. "ASSOCIATION PROPERTY" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by or in possession of the Association.
- C. "DECLARATION" shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens as it may from time to time be supplemented, extended or amended in the manner provided for herein.
- D. "LOT" shall mean and refer to any portion of the property (with the exception of Association Property as heretofore defined) under the scope of this Declaration and (i) identified as a separate parcel on the tax records of the Town of Greece or (ii) shown as a separate lot upon any recorded or filed subdivision map.
- E. "MEMBER" shall mean and refer to each holder of a membership interest in the Association, as such interests are set forth in Article III.

- F. "OWNER" shall mean and refer to the holder of record title, whether one (1) or more persons or entities, of the fee interest in any Lot or Unit, whether or not such holder actually resides in such Unit or on such Lot.
- G. "PROPERTY" shall mean and refer to all properties as are subject to this Declaration.
- H. "SPONSOR" shall mean and refer to Mark IV Construction Co., Inc.
- I. "TOWNHOUSE" shall mean a single family dwelling, and all improvements associated with it, on the Property that is attached to at least one (1) other Townhouse by means of a party wall or otherwise.
- J. "UNIT" shall mean and refer to each completed Townhouse, as evidenced by issuance of a Certificate of Occupancy issued by the Town of Greece, including garage, situated upon the Property or any such structure or improvement on the Property which is intended to be occupied as a residence or in conjunction with a residence.

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ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. Initial Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the Town of Greece, County of Monroe and State of New York, and is more particularly described in Schedule A attached hereto and incorporated by reference herein, all of which property shall be hereinafter referred to as "Initial Property".

Section 2.02. Mergers. Upon a merger or consolidation of this Association with another association as provided in its Certificate of Incorporation or By-Laws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of this Association as a surviving corporation pursuant to a merger.

The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants, conditions and restrictions established upon any other properties. Any such merger or consolidation, however, may not result in the revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III
THE ASSOCIATION STRUCTURE,
MEMBERSHIP, VOTING RIGHTS AND DIRECTORS

Section 3.01. Formation of the Association. Pursuant to the Not-for-Profit Corporation Law of New York, the Sponsor has formed the Association, to own, operate, and maintain the Association Property, enforce the covenants, conditions and restrictions set forth in this Declaration and to have such other specific rights, obligations, duties and functions as are set forth in this Declaration and in the Certificate of Incorporation and By-Laws of the Association, and as they may be amended from time to time. Subject to the additional limitations provided in this Declaration, the Certificate of Incorporation and the By-Laws, the Association shall have all the powers and be subject to the limitations of a Not-for-Profit Corporation as contained in the Not-for-Profit Corporation Law of New York as it may be amended from time to time.

Section 3.02. Membership. The Association shall have as Members only Owners and the Sponsor. All Owners, upon becoming such, shall be deemed automatically to have become Members and there shall be no other qualification for Membership. Membership shall be appurtenant to, and shall not be separated from the ownership of any of the interests described in the definitions of the words "Owner" and "Sponsor" as found in Article I of this Declaration.

Section 3.03. Voting. There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until two (2) years after the transfer of the first Lot, or until 28 Lots are transferred, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote.

Section 3.04. Interest in More Than One Lot. If any person or entity owns or holds more than one (1) Lot, such Member shall be entitled to not more than one (1) vote.

Section 3.05. Lots Owned or Held by More Than One Person or by Corporation. When any Lot is owned or held by more than one (1) person as tenants by the entirety, in joint or common ownership or interest such Owners shall collectively be entitled to only that number of votes prescribed herein for such Lot and if such Owners cannot jointly agree as to how that vote should be cast, no vote shall be allowed with respect to such Lot.

In the case of a corporate Owner, votes may be cast by an appropriate officer of such corporation.

Section 3.06. Holder of Security Interest Not a Member. Any person or entity which holds an interest in a Lot only as security for the performance of an obligation shall not be a Member.

Section 3.07. Assigning Right to Vote. The Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership, may take successive like assignments. All such assignments shall be subject to the provisions of the Offering Plan pursuant to which the Sponsor has offered interests in the Association, including any duly filed amendments thereof.

Any other Owner shall be entitled to assign his right to vote, by power of attorney, by proxy or otherwise, provided that such assignment is made pursuant to the By-Laws of the Association. The By-Laws may require that the assignment specify the meeting or issue to which the assignment applies.

Section 3.08. Meeting and Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of this Declaration, the Certificate of Incorporation and By-Laws of the Association and the Not-for-Profit Corporation Law of New York as it may deem advisable for any meeting of its Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.09. Selection of Directors. The nomination and election of Directors and the filling of vacancies on the Board of Directors shall be governed by the By-Laws of the Association.

Section 3.10. Powers and Duties of Directors. The powers and duties of the Board of Directors shall be as set forth in the By-Laws of the Association.

Section 3.11. Indemnification of Officers and Directors. Every director and officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which such officer or director may be a party, or in which such officer or director may become involved, by reason of being or having been a director or officer of the Association, or any settlement thereof, whether or not such person is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each director or officer may otherwise be entitled.

Section 3.12. Sponsor's Written Consent Necessary for Certain Actions Taken by Board of Directors. Notwithstanding anything to the contrary contained in this Declaration, until three (3) years from the date of recording of this Declaration, or until the Sponsor, or its designee, no longer owns 25% or more of the Lots then subject to this Declaration, the Board of Directors may not, without the Sponsor's written consent, which consent will not be unreasonably withheld, (i) make any addition, alteration, or improvement to the Property of the Association costing more than 20% of the then current annual budget, (ii) assess any amount for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to 150% of the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses for the Association bears to the total amount of such initial budget of estimated expenses, or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget or (iv) enter into any service or maintenance contract for work not covered by

contracts in existence on the date of the first closing of title to a Lot, or (v) reduce the quantity or quality of services or maintenance of the Association Property. Until three (3) years from the date of recording of this Declaration, or until the Sponsor, or its designee, no longer owns 25% or more of the Lots then subject to this Declaration, this Section of the Declaration shall not be amended without the prior written consent of the Sponsor.

ARTICLE IV
PROPERTY RIGHTS AND EASEMENTS

Section 4.01. Dedication of Association Property. The Sponsor intends to convey to the Association, subsequent to the recordation of this Declaration, and subject to the provisions of this Declaration, certain tracts of land within the Property for the use and enjoyment of the Members, which land shall hereinafter be referred to as "Association Property". The Association shall accept any such conveyance made by the Sponsor provided such conveyance is made without consideration.

Section 4.02. Right and Easement of Enjoyment in Association Property. Every Member (and such Member's guests, licensees, tenants and invitees) shall have a right and easement of enjoyment in and to all Association Property, subject, however, to the rights of the Association, the Sponsor, the Lot Owners and adjacent property owners as set forth herein. Such easements shall be appurtenant to and shall pass with the interests of an Owner.

Every Member also shall have an easement for ingress and egress by vehicle or on foot over Association Property and the common utility and conduit easements described in Section 4.07 hereof. These easements will be subject to the rights of the Association as set forth in Section 4.03 herein.

Section 4.03. Rights of Association. With respect to the Association Property owned, and in accordance with the Certificate of Incorporation and By-Laws of the Association, the Association shall have the right:

- (a) to promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation of the facilities or which, in

the discretion of the Association, shall serve to promote the best interests of the Members;

- (b) to grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration;
- (c) to dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of the total votes of all Members who shall vote upon written ballot which shall be sent to every Owner not less than 30 days nor more than 60 days in advance of the canvass thereof. No such conveyance shall be made if lending institutions which together are first mortgagees on 33 1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees, whose names appear on the books or records of the Association, not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance;
- (d) to enter into agreements, reciprocal or otherwise, with other homeowners' and residents' associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than ten (10) days nor more than 60 days in advance of the vote on the proposed agreement;
- (e) to use water or electricity from outdoor taps or sockets on any Lot, the cost of which shall be reimbursed to the Lot Owner based upon the difference calculated between the current utility bill and the average of the last two (2) preceding utility bills, or actual consumption

as determined by submeters affixed by the Association to the bibs or outlets of any Lot.

Section 4.04. Rights of Sponsor. With respect to Association Property, the Sponsor shall have the right until the improvement, marketing and sale of all Lots is completed:

- (a) to grant and reserve easements and rights of way for the installation, maintenance, repair, replacement and inspection of utility lines, wires, pipes and conduits, including, but not limited to, water, gas, electric, telephone, cable television and sewer to service the Property;
- (b) to connect with and make use of utility lines, wires, pipes, conduits and related facilities located on the Association Property for the benefit of the Property;
- (c) to use the Association Property for ingress and egress to those portions of the Initial Property (as described in Section 2.01 of this Declaration);
- (d) to operate a sales center and to have prospective purchasers and others visit such sales center and use certain portions of Association Property, including, but not limited to, the roadways and parking spaces;
- (e) to grant to itself or to others such other easements and rights of way as may be reasonably needed for the orderly development of the Property.

All easements, rights-of-way and other rights granted by the Sponsor pursuant to (a), (b), (c) and (e) above, shall be permanent, run with the land and be binding upon and for the benefit of the Association and the Sponsor and their respective successors and assigns. The rights granted to the Sponsor shall remain in effect until the Sponsor completes the improvement, marketing and sale of all Lots or the Sponsor records a written memorandum releasing its rights hereunder.

Section 4.05. Rights of Individual Lot Owners. Each Lot

Owner shall have an easement over Association Property and over the property of adjacent Lot Owners for the performance of routine maintenance on a Lot Owner's Townhouse, provided, however, the right of entry shall be exercised upon reasonable notice to the adjoining Lot Owner, except in the case of an emergency, shall be limited to reasonable times, and shall be exercised so as not to impair the enjoyment of the adjacent Lot. The easement area shall be limited to that area reasonably necessary to effect repairs and maintenance of the Owner's Townhouse. The easement area shall be used for actual repairs and maintenance only; the storage of material, supplies and other objects associated with the work to be completed shall not be permitted. The Owner entering upon an adjacent Lot shall perform the contemplated work with dispatch, and shall be responsible for all costs for the repair and restoration of any damage caused to the adjacent Lot, including but not limited to structural repairs, replacement of lawns, bushes and similar objects. An Owner entering upon an adjacent Lot shall indemnify and hold harmless the adjacent Lot Owner against any and all claims which may arise by virtue of the repair or maintenance work performed.

Each Lot Owner shall also have an easement for the exclusive use and enjoyment of the Lot Owner's driveway as constructed by the Sponsor.

Each Lot Owner shall also have an easement for the exclusive use and enjoyment of the Lot Owner's deck or patio, as constructed by the Sponsor, servicing the Owner's Townhouse. Additionally, each Lot Owner may install additional privacy fencing to enclose an area not to exceed fifteen by twenty feet (15'x20'). Provided, however, the added privacy fencing is of design, color and material identical to that installed by the Sponsor, or as may be approved by the Architectural Committee, and is installed and located in the immediate area of the Lot Owner's deck or patio constructed by the Sponsor. Further provided, however, the added fencing for all Lots except Lots 1, 8, 11, 12, 15, 16, 19, 20, 23, 30, 31, 34, 35, 40, 41, 46, 51, and 56, shall not extend more than fifteen feet (15') beyond the rear building line, shall not extend beyond the side building lines, and shall be located entirely within the rear of the dwelling. For Lots 1, 8, 11, 12, 15, 16, 19, 20, 23, 30, 31, 34, 35, 40, 41, 46, 51, and 56, the added fencing shall not extend more than fifteen feet (15') beyond the side building line and shall not extend beyond the front building line closest to the fence. The location of added fencing which is in dispute shall be referred to the Architectural Committee for resolution.

Upon installing additional privacy fencing, the Lot Owner shall automatically be responsible for all maintenance of the area

enclosed by the fencing and the dwelling. Upon the removal of the additional privacy fencing, the Association will resume maintenance services.

Section 4.06. Rights of Adjacent Property Owners of Lot 59. The Owner of Lot 59 as shown on a map of the Pine Ridge Subdivision recorded in the Monroe County Clerk's Office in Liber _____ of Maps, at page _____, shall have an egress and ingress easement in common with others over the Association Property. The easement shall be as set forth, and of the dimensions shown, on the Pine Ridge Subdivision map and more particularly described in Schedule B attached hereto and made a part hereof.

The Owner of Lot 59 and the Association shall share in the costs and expenses of the ground maintenance of the easement area, including snow removal, road gutter repair, street sealing, resurfacing and repair, and street lighting maintenance and service. The costs and expenses to be borne by the Owner of Lot 59 shall be derived by multiplying the actual costs and expenses incurred by the Association, including reserves, for a fiscal year by a fraction the numerator of which is 20 and the denominator of which is 100. The sum of money to be paid by the Owner of Lot 59 shall be due upon receipt of notice, and shall be a continuing personal obligation of the Lot Owner. The Association shall have the right of collection and enforcement provided in law and equity.

The Association shall have full enjoyment of its property, provided it does not interfere with, or restrict, the use and enjoyment of this easement. The easement hereby granted shall run with the land in perpetuity, and bind the Sponsor, its successors and assigns. Upon the transfer of title of Lot 59, if the grantee assumes the covenants and conditions contained herein and there is no money owing to the Association for the cost and expenses of the ground maintenance of the easement area, then the granting party shall be released from performance hereunder.

Section 4.07. Common Utility and Conduit Easement. All pipes, wires, conduits and public utility lines located on each Lot shall be owned by the Owner of such Lot. Every Lot Owner shall have an easement in common with other Lot Owners to maintain and use all pipes, wires, conduits, drainage areas and public utility lines located on other Lots or on Association Property and servicing such Owner's Lot. Each Lot shall be subject to an easement in favor of the Owners of other Lots to maintain and use the pipes, wires, conduits, drainage areas and public utility lines servicing such other Lot and located on such other Lot. The Association shall have

the right of access to each Lot and residential dwelling thereon for maintenance, repair or replacement of any pipes, wires, conduits, drainage areas or public utility lines located on any Lot or within any residential dwelling thereon. The cost of such repair, maintenance or replacement shall be a common expense funded from the Maintenance Assessments, except that, if occasioned by a negligent or willful act or omission of a specific Lot Owner or Owners, it shall be considered a special expense allocable to the Lot Owner or Owners responsible and such cost shall be added to the Maintenance Assessment of such Lot Owner or Owners and, as part of that Assessment, shall constitute a lien on the Lot or Lots to secure the payment thereof.

Section 4.08. Hydrants. The Eddystone Water District will own and maintain any hydrants on Association Property and the water lines connecting the hydrants. Water charges will be the responsibility of the Association.

Section 4.09. Maintenance of Association Facilities. In order to preserve and enhance the property values and amenities of the Property, the Association shall at all times maintain the facilities in good repair and condition, as set forth in this Declaration.

Section 4.10. Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank, or other entity for the performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with other associations, both within and without the Property.

Section 4.11. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, and in particular the provisions of Articles IX and X herein, the Association and the Architectural Committee shall consider the environmental impact of any existing or proposed activities on the Property or any portion thereof and may, in its discretion, establish standards or guidelines aimed at reducing or eliminating any adverse environmental impact of such activities or take affirmative action to improve the quality of the environment.

Section 4.12. Common Access Easement. The Sponsor and all Owners and their guests, licensees and invitees shall have an easement for ingress and egress in common with one another over all walkways, driveways and roadways located on the Association Property and the Association shall have an easement of access to each Lot for the maintenance, repair and replacement of driveways and roadways or any property or facilities, the maintenance of which is the responsibility of the Association.

Section 4.13. Distribution of Condemnation Awards. In the event all or part of the Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors of the Association shall arrange for the repair and restoration of the Association Property not so taken and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the remaining Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds, in accordance with Article IX of this Declaration.

The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceeding to all institutional first mortgagees of Lots whose names appear on the books or records of the Association.

In the event of any dispute with respect to the allocation of the award, the matter shall be submitted to arbitration in accordance with the arbitration statutes of New York.

ARTICLE V ASSESSMENTS

Section 5.01. Imposition, Personal Obligations, Lien. Each Lot Owner, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, shall be deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges for the maintenance and operation of Association Property ("Maintenance Assessments");

(b) special assessments for capital improvements ("Special Assessments");

hereinafter collectively referred to as "Assessments".

The Assessments shall be fixed, established and collected from time to time as hereinafter provided. Each Assessment (or installment payment thereof) together with such interest thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the Lot against which the Assessment is made and shall also be the personal obligation of the Owner of such Lot at the time the assessment falls due.

Section 5.02. Purpose of Maintenance Assessment. The purpose of the Maintenance Assessment shall be to fund the maintenance, preservation, operation and improvement of the Association Property and the promotion of the recreation, safety and welfare of the Members of the Association, including but not limited to, the payment of taxes on Association Property, any utility services to the Property which are commonly metered or billed, all casualty and liability insurance covering the Association Property obtained pursuant to Article IX of this Declaration, for the maintenance, repair and replacement of all facilities commonly serving the Members, whether on or off the Lots, such as landscaped areas, and of the Townhouse exterior, including roof, gutters, and downspouts repairs and maintenance, exterior siding, including the painting of exterior surface frame and trim of windows and doors, the cost of labor, equipment, materials, management and supervision thereof, and for such other needs as may arise, but excluding the repair or maintenance of any glass surface, door, patio, wood deck, stoop or stair.

Section 5.03. Date of Commencement and Notice of Assessments. The Assessments provided for herein shall commence on the day on which the first Lot is conveyed or on such other date as determined by the Sponsor. The first Assessments shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors and such Assessments shall thereafter be on a full year basis. The Board of Directors of the Association shall fix the amount of the Assessment against each Lot at least 30 days in advance of each annual assessment period. The Assessments shall be due and payable monthly unless the Board of Directors establishes other periods for payment. Separate due dates may be established by the Board of Directors for partial annual Assessments as long as said Assessments are established at least 30 days before they are due. Written notice of the annual Assessments shall be sent to every Owner subject thereto.

Section 5.04. Assessments for Specific Lots. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Lot subject to this Declaration shall be liable for the payment of full Maintenance Assessments, and Special Assessments, if any, except that, the Maintenance Assessment on Lots owned by the Sponsor shall be no less than an amount calculated in accordance with the following provision: the Sponsor shall be obligated for the differences between the actual Association expenses and the Association charges levied on owners who have closed title to their Lots. The Sponsor's obligation shall not include (i) Association charges for any addition, alteration or improvement to Association property or (ii) Association charges for the creation of or addition to all or part of a reserve, contingency or surplus fund or (iii) Association charges to hire any employees in addition to the number of employees referred to in the Offering Plan or (iv) service or maintenance work in addition to the service and maintenance referred to in the Offering Plan.

Section 5.05. Basis for Maintenance Assessment. The annual Maintenance Assessment chargeable to each Lot for which Assessments have commenced pursuant to this Declaration shall be apportioned by multiplying the total annual Maintenance Assessment by one-fifty sixth (1/56), thereby assuring that each Lot bears an equal share of the Association expenses.

Section 5.06. Change in Basis of Assessments. The Association may change the basis of determining the Maintenance Assessment provided for above by obtaining the consent of not less than two-thirds (2/3) of the total votes of Members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all voting Members at least 30 days in advance and shall set forth the purpose of the meeting. Until three (3) years from the date of recording of this Declaration, or until the Sponsor, or its designee, no longer owns 25% or more of the Lots then subject to this Declaration, whichever shall first occur, no change in the basis of Maintenance Assessments which adversely affect the interest of the Sponsor with respect to unsold Lots shall be valid except with the specific consent of the Sponsor in writing. A written certification of any such change shall be executed by the Board of Directors and recorded in the Office of the Clerk of the County of Monroe.

Section 5.07. Special Assessments for Capital Improvements. In addition to the annual Maintenance Assessment, the Association may levy in any assessment year a Special Assessment,

payable in that year and/or the following year only, for the purpose of defraying, in whole or in part, the cost of any capital improvements, including without limitation, the construction, reconstruction or replacement of, or repair of a capital nature to, the Association Property, including the necessary fixtures and personal property related thereto, provided that for any Special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any Special Assessment amounting to more than 20% of the then current amount of annual Maintenance Assessments, the consent is obtained of two-thirds (2/3) of the total votes of Lot Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least 30 days in advance, setting forth the purpose of the meeting. The Association shall establish one (1) or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least 30 days prior to the first such due date.

Section 5.08. Non-Payment of Assessment. If an Assessment, or installment thereof, is not paid on the due date, established pursuant to Section 5.03 hereof, then such Assessment payment shall be deemed delinquent. Any delinquent assessment payment, together with such interest thereon, accelerated installments, if any, and cost of collection thereof as herein provided, shall thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner and such Owner's heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, the personal obligation of the then Owner to pay such Assessment shall remain such Owner's personal obligation and shall not pass to such Owner's successors in title unless expressly assumed by them.

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

If the Assessment or any installment thereof, is not paid within 30 days after the due date, (i) the Association may impose a late charge or charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed ten percent (10%) of the amount of such overdue Assessment or installment thereof, and, if not paid within 30 days after the due date (ii) the Assessment shall bear interest from the due date at such rate as may be fixed by the

Board of Directors from time to time, such rate not to exceed ten percent (10%) per annum, (iii) the Board of Directors may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner and (iv) the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the property, and the cost of such proceedings, including reasonable attorneys' fees, shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

Once an Assessment is deemed delinquent as described above, any payments received from the Owner shall be applied in the following order: attorneys' fees, other costs of collection, late charges, interest, and then the delinquent Assessment or installments thereof beginning with the amounts past due for the longest period.

Dissatisfaction with the quantity or quality of maintenance services furnished by the Association shall, under no circumstances, entitle any Lot Owner to withhold or fail to pay the Assessments due to the Association for the Lot or Lots owned by such Owner.

The Board of Directors, when giving notice to a Lot Owner of a default in paying Assessments, may, at its option, or shall, at the request of a mortgagee, send a copy of such notice to the mortgagee whose name and address appears on the Board's records for the particular Lot. The mortgagee shall have the right to cure the Lot Owner's default with respect to the payment of said Assessments.

Section 5.09. Right to Maintain Surplus. The Association shall not be obligated in any calendar year to spend all the sums collected in such year by way of Maintenance Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Maintenance Assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.10. Assessment Certificates. Upon written demand of an Owner or lessee with respect to a Lot which he or she owns or leases, (or any prospective purchaser, lessee, occupant, mortgagee or title insurer of such Lot), the Association shall, within a reasonable period of time, issue and furnish a certificate

in writing signed by an officer or designee of the Association setting forth with respect to such Lot, as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; (iii) whether any other amounts or charges are owing to the Association, e.g. for the cost of extinguishing a violation of this Declaration. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser or lessee of, or lender on, or title insurer of, the property in question.

Section 5.11. Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any purchase money first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

Section 5.12. Right to Borrow and Mortgage. In order to fulfill the purposes set forth herein, the Association may borrow funds from any recognized lending institution, and in conjunction therewith mortgage its properties. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with note holders shall be subject to (i) the approval of 2/3 of the Lot Owners entitled to vote at a meeting duly called, and (ii) any consent of the Sponsor as required by Section 3.12 of this Declaration shall be obtained.

Section 5.13. Repayment of Monies Borrowed. In order to secure the repayment of any and all sums borrowed from time to time, the Association is hereby granted the right and power:

- (a) to assign and pledge all revenues received and to be received by it under any provision of this Declaration including, but not limited to, the proceeds of the Maintenance Assessment hereunder;

- (b) to enter into agreements with note holders with respect to the collection and disbursements of funds, including, but not limited to, agreements wherein the Association covenants to:
- (1) assess the Maintenance Assessment on a given day in each year and, subject to the limitation on amount specified in Section 5.04 hereunder, to assess the same at a particular rate or rates;
 - (2) establish such collection, payment and lien enforcement procedures as may be required by the note holders;
 - (3) provide for the custody and safeguarding of all funds received by it;
 - (4) establish sinking funds and/or other security deposits;
 - (5) apply all funds received by it first to the payment of all principal and interest on such loans, when due, or to apply the same to such purpose after providing for costs of collection.

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ARTICLE VI
MAINTENANCE BY THE ASSOCIATION

Section 6.01. Maintenance and Repair by the Association. All maintenance and repair of and replacements to the improvements on Association Property, the maintenance, repair and replacement of all roadways and parking areas on the Association Property, snow removal from all roadways, parking areas and driveways, and the maintenance of all landscaped areas (except the maintenance of landscaped area enclosed by a Lot Owner pursuant to Section 4.05) shall be the responsibility of, and at the cost and expense of the Association. Maintenance, repair and replacement of pipes, wires, conduits and public utility lines owned by the Association and, for which a utility company or other entity is not responsible (whether such lines and facilities are on individual Lots or Association Property) shall also be the responsibility of, and an expense of the Association. Such cost shall be funded from the Maintenance Assessments.

- a. Maintenance of Association Property. With respect to Association Property, the Association shall maintain, repair and replace all improvements, including roadways, parking areas, driveways and landscaped areas on Association Property. The Association shall also be responsible for snow removal from roadways, parking areas and driveways, and refuse collection.
- b. Maintenance of Townhouses. With respect to the Townhouses, including garages, the Association shall repair and replace the exterior siding, gutters, downspouts and roofs; paint the trim, windows and doors, but shall not repair or replace windows, window panes or doors, or maintain, repair or replace porches, patios or wood decks. Exterior items which are vinyl coated and require no or low level maintenance will be maintained in accordance with manufacturers' recommendations.

With respect to the other improvements on a Townhouse Lot, the Association shall stain, repair and replace fences or railings initially installed by the Sponsor, but shall not repair or replace spalling concrete walks, stoops or porches. The water, storm sewer and sanitary sewer laterals serving a Townhouse will be maintained by the Association. Maintenance and repair shall be limited to leakage and structural failure only.

The Board of Directors of the Association may, upon the affirmative vote of not less than three-fourths (3/4) of the entire Board of Directors, provide for additional maintenance with respect to the Lots to be undertaken by the Association or to discontinue the performance of some or all of the maintenance responsibilities of the Association with respect to the Lots.

The cost of all maintenance performed by the Association shall be funded from Maintenance Assessments.

Section 6.02. Repairs and Maintenance Which Are Not the Responsibility of the Association. Except as provided in

Section 6.01 above, the Association shall not be responsible for (i) the maintenance, repair or replacement of any buildings or structures not owned by the Association, or (ii) the maintenance, repair or replacement of any sewer lines, water lines or other utility lines which are maintained, repaired and replaced by a municipality, public authority or utility company.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 6.01 above, but which is occasioned by a negligent or willful act or omission of a Lot Owner or the Sponsor shall be made at the cost and expense of such Lot Owner or the Sponsor, as the case may be. If such maintenance, repair or replacement is performed by the Association, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Lot and such cost shall be added to that Lot Owner's Maintenance Assessment and, as part of that Assessment, shall constitute a lien on the Lot to secure the payment thereof.

Section 6.03. Quality and Frequency of Maintenance and Repairs. All maintenance, repair and replacement, whether or not performed by the Association, shall be of a quality and appearance consistent with the enhancement and preservation of the appearance and value of the Property. The Association may establish reasonable schedules and regulations for maintenance, repair and replacement, which schedules and regulations shall take into account the useful life of any painting and exterior materials and the enhancement and preservation of the appearance and value of the Property.

Section 6.04. Access for Repairs. The Association (and its employees, contractors and agents) shall, upon reasonable notice to the Owner(s), have the right to enter upon any portion of the Property and into and upon any Unit at any reasonable hour to carry out its functions as provided for in this Article, except that in an emergency, the Association shall have the right, without notice, to enter upon any portion of the Property and into any Unit to make necessary repairs or to prevent damage to any Unit or any portion of the Property. The repair of any damage caused in gaining access shall be at the expense of the Association.

ARTICLE VII ARCHITECTURAL CONTROLS

Section 7.01. Control by Association. After transfer of

title by the Sponsor to any Lot or other completed portion of the Property, enforcement of those provisions of the Declaration pertaining to exterior appearance of the Property and control over any change in use or any additions, modifications or alterations to any exterior improvement on said Lot or other portion of the Property shall be the responsibility of the Association, acting through the Architectural Standards Committee (hereinafter referred to as the "Architectural Committee") as provided in Section 7.02 below.

Section 7.02. Composition and Function of Architectural Standards Committee. The Architectural Committee shall be a permanent committee of the Association and shall approve all proposed improvements, additions, modifications or alterations to any existing improvements or any proposed change in the use of a Lot or any other portion of the Property, including Association Property, after transfer of title to such Lot or other portion of the Property. The Architectural Committee may also assist and advise the Board of Directors of the Association in enforcing the Declaration and in advertising and publishing rules, regulations and guidelines, and may from time to time perform such other duties or functions as may be assigned to it by the Board of Directors. The Architectural Committee shall be composed of three (3) or more persons, as determined by the Board of Directors of the Association, for terms of two (2) years, but shall be subject to removal, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors.

Section 7.03. Submission of Plans to Architectural Committee. After transfer of title to any Lot or other portion of the Property by the Sponsor no improvement, exterior addition, modification or alteration shall be made on or to such Lot or other portion of the Property or the improvements located thereon, unless and until a plan or plans therefore, in such form and detail as the Architectural Committee requires, have been submitted to, and reviewed and approved by the Architectural Committee. The Architectural Committee may charge and collect a reasonable fee for the examination of plans submitted for approval.

Section 7.04. Basis for Disapproval of Plans by Architectural Committee. The Architectural Committee may disapprove any plans submitted pursuant to Section 7.03 above for any of the following reasons:

- a. failure of such plans to comply with any

protective covenants, conditions and restrictions contained in the Declaration and which benefit or encumber the Lot or other portion of the Property;

- b. failure to include information in such plans as requested;
- c. objection to the site plan, exterior design, appearance or materials of any proposed improvements, including without limitation, colors or color scheme, finish, proportion, style of architecture, or proposed parking;
- d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses in the vicinity;
- e. failure of proposed improvements to comply with any zoning, building, preservation, health, or other governmental laws, codes, ordinances, rules and regulations;
- f. any other matter which in the judgment and sole discretion of the Architectural Committee would render the proposed improvements, use or uses inharmonious or incompatible with the general plan of improvement of the Property or portion thereof or with improvements or uses in the vicinity.

Section 7.05. Approval of Architectural Committee. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 7.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record, together with such qualifications, or provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any Lot or portion of the Property shall be final as to such Lot or portion of the Property and such approval may not be revoked or rescinded thereafter provided (i) that the improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Lot or portion of the Property, and (ii) that such plans and any

qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, preservation, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Property shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or portion of the Property.

Section 7.06. Written Notification of Disapproval. In any case where the Architectural Committee disapproves any plans submitted hereunder, the Architectural Committee shall so notify the applicant in writing together with a statement of the grounds upon which such action was based as set forth in Section 7.04. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 7.07. Failure of Committee to Act. If any applicant has not received notice of the Architectural Committee approving or disapproving any plans within 45 days after submission thereof, the applicant may notify the Committee in writing of that fact. Such notice shall be sent by certified mail, return receipt requested. The plans shall be deemed approved by the Committee not later than the later of:

- a. Fifteen (15) days after the date of receipt of such notice, if such notice is given;
- b. Seventy (70) days after the date the plans were originally submitted.

Section 7.08. Committee's Right to Promulgate Rules and Regulations. The Architectural Committee may from time to time promulgate rules and regulations governing the form and content of plans to be submitted for approval or with respect to additions or modifications to improvements, or uses; provided, however, that no such rule or regulation shall be deemed to bind the Architectural Committee to approve or disapprove any plans submitted for approval, or to waive the exercise of the Architectural Committee's discretion as to such plans, and provided further that no such rule or regulation shall be inconsistent with the provisions of the Declaration or any applicable governmental law, code, ordinance, rule or regulation.

Section 7.09. Delegation of Functions. The Architectural Committee may authorize its staff, subcommittees, or individual members of the Architectural Committee to perform any or all of the functions of the Architectural Committee as long as the number and identity of such staff or members, and the functions and scope of authority have been established by a resolution of the entire Architectural Committee. The approval or disapproval of plans by the staff member, individual member or subcommittee will be subject, however, to the reasonable review of the Architectural Committee, in accordance with procedures to be established by the Architectural Committee.

Section 7.10. Liability of Architectural Committee. No action taken by the Architectural Committee or any member, subcommittee, employee or agent thereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulations, codes or ordinances, or with respect to the physical or other condition of any Lot or other portion of the Property. Neither the Association nor the Architectural Committee, nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval or to any Owner, Member or any other person, in connection with any submission of plans, or the approval or disapproval thereof, including without limitation, mistakes in judgment, negligence or nonfeasance. Every person or other entity submitting plans to the Architectural Committee agrees, by submission of such plans, that no action or suit will be brought against the Association or the Architectural Committee, or any member, subcommittee, employee or agent thereof, in connection with such submission.

Section 7.11. Architectural Committee Certificate. Upon written request of any Owner, lessee or any prospective Owner, lessee, mortgagee or title insurer of a Lot or other portion of the Property, title to which has been previously transferred from the Sponsor, the Architectural Committee shall, within a reasonable period of time, issue and furnish to the person or entity making the request a certificate in writing (hereinafter referred to as the "Architectural Committee Certificate") signed by a member of the Architectural Committee stating, as of the date of such Certificate, whether or not the Lot or other portion of the Property, or any improvements thereon, violates any of the provisions of the Declaration pertaining to exterior appearance, design or maintenance and describing such violations, if any. A reasonable charge, as determined by the Architectural Committee, may be imposed for issuance of such Architectural Committee Certificate. Any such Architectural Committee Certificate, when duly issued as herein

provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and the party to whom such Architectural Committee Certificate was issued.

ARTICLE VIII
PARTY WALLS AND ENCROACHMENTS

Section 8.01. Party Walls. Each wall which is built as part of the original construction of the Townhouses, whether or not such wall is on the dividing line between two (2) adjacent Lots, and which serves as the exterior limit of the two (2) Townhouses, shall be considered a party wall.

Section 8.02. Maintenance of Party Walls. Each Townhouse Owner whose Townhouse contains a party wall shall have an easement to enter upon the Townhouse with which the party wall is shared to effect necessary repairs or maintenance of said party wall. Each Townhouse Owner shall be responsible for the ordinary maintenance and repair of such Townhouse Owner's respective side of a party wall. If it shall become necessary to make substantial repairs to or rebuild a party wall, the cost of such repairing or rebuilding shall be borne equally by the two (2) Townhouse Owners which share such wall.

In any event where it is necessary for a Townhouse Owner, its authorized employees, contractors or agents, to enter upon a Townhouse owned by another for purposes of maintaining a party wall, such right shall be exercised upon reasonable notice to the adjoining Townhouse Owner, shall be limited to reasonable times, and shall be exercised so as not to impair enjoyment of said adjacent Townhouse.

Section 8.03. Exposure of Wall. A Townhouse Owner who, by negligent or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against, and the necessary repair caused by, such elements.

Section 8.04. Materials Used and Workmanship. If and when any party wall is repaired or rebuilt, it shall stand upon the same place and be of the same or similar materials as the original wall. All labor performed shall be performed in a good and workmanlike manner.

Section 8.05. Destruction of Party Wall. In the event of destruction of a party wall by fire or other casualty, to the extent that such damage is not repaired out of the proceeds of the insurance covering the hazard, the Owner of any Townhouse which used the wall may restore it. The Townhouse Owner who undertakes such restoration shall be entitled to a contribution equalling one-half (1/2) the cost of such restoration from the Owner of the other Townhouse which shares such wall. Such right to contribution shall not be construed, however, to limit in any degree, the right of a Townhouse Owner to seek a greater contribution if so entitled under the law of the State of New York regarding liability for negligent or willful acts or omissions.

Section 8.06. Party Wall Rights Run With the Land. The rights of support, quiet enjoyment, entry to repair or restore and contribution for the cost of the same which are described in this Article shall run with the land and shall bind the heirs, successors and assigns of each Townhouse Owner.

Section 8.07. Encroachments and Projections. If any Townhouse and all improvements associated with it, including but not limited to patios, porches, decks, and privacy fencing, encroaches or projects upon any other Townhouse Lot or upon any portion of the Association Property as a result of the construction of such Townhouse, or if any such encroachment or projection shall occur as a result of settling or shifting of such Townhouse or portion thereof, there shall be an easement for such encroachment or projection and for the maintenance of same so long as such encroaching or projecting Townhouse or portion thereof shall stand. In the event one (1) or more Townhouses or portions thereof are partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, or proceedings of similar import and effect, and such Townhouse(s) or portions thereof are thereafter rebuilt, inadvertent encroachments or projections by such Townhouse(s) or portions thereof upon any other Townhouse or Lot, or upon any portion of the Association Property, in excess of any encroachment or projection which existed as a result of initial construction, due to such rebuilding, shall be permitted, and valid easements for such encroachments or projection and the maintenance thereof shall exist so long as such improvements shall stand; provided, however, that any increase in such encroachment or projection shall not be greater than two (2) feet.

ARTICLE IX
INSURANCE AND RECONSTRUCTION

Section 9.01. Insurance to be Carried. The Board of Directors of the Association shall obtain and maintain, to the extent reasonably obtainable and to the extent determined by the Board of Directors to be appropriate or relevant: (i) fire and casualty insurance on the Association Property, the Townhouses, (ii) liability insurance on the Association Property, (iii) directors' and officers' liability insurance, (iv) fidelity bond or surety bond, and (v) such other insurance as the Board of Directors shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage. Coverages shall be as follows:

1. Fire and Casualty. Coverage shall be for the unit value of each Townhouse under the "single entity" concept, i.e. covering the Townhouses as initially built and including the wall to wall carpeting, lighting fixtures, bathroom fixtures, built-in appliances, wall coverings and all machinery servicing the Townhouses and common facilities, excluding the land, foundations, the personal property of Owners and occupants, and any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, and wall coverings) made by present or prior Owners or occupants.

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, vandalism and malicious mischief, (ii) inflation guard, (iii) coverage for loss of Maintenance Assessment from Owners forced to vacate because of fire or other insured against casualty, (iv) waiver of the right of subrogation with respect to individual Owners, their family members, and the officers and directors of the Association, (v) a provision that the policy shall in no event be brought into "contribution" by individual Owners or mortgagees, (vi) a provision that the policy cannot be cancelled, invalidated or suspended because of the conduct of someone over whom the Board of Directors has no control, (vii) cross-liability giving the Owners the right to sue the Board of Directors and vice versa with the insuring company agreeing to defend the defendant, (viii) a provision that the policy may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Lots reported to the insurance carrier or its agent, (ix) a provision requiring periodic review at least every two (2) years to assure the sufficiency of coverage, (x) a provision that adjustment of loss shall be made by the Board of Directors and (xi) a provision that the policy not require the insured to be a co-insurer in the event of loss or claim under the policy.

Prior to obtaining any new fire and casualty insurance policy, the Board of Directors shall obtain an appraisal from an insurance company or otherwise for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The proceeds of all policies of physical damage insurance, if \$50,000.00 or less shall be payable to the Association, and if \$50,000.00 or more, to an Insurance Trustee (bank, trust company or law firm) selected by the Board of Directors of the Association to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Owners pursuant to Section 9.02 of this Declaration.

This \$50,000.00 limitation may be raised or lowered from time to time upon approval of not less than two-thirds (2/3) of the entire Board of Directors. All fees and disbursements of the Trustee shall be paid by the Association and shall be a common expense of the Lot Owners.

The policy shall contain the standard mortgagee clause in favor of mortgagees which shall provide that any loss shall be payable to the mortgagees as its interest shall appear, subject, however to the loss payment provisions in favor of the Association and the Insurance Trustee. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.

Each Owner and such Owner's known mortgagee shall be a named insured on the policy and shall receive, at the time of purchase and at the time a new policy is obtained or an existing policy renewed, a certificate evidencing insurance coverage.

Duplicate originals of the policy and of all renewals of the policy shall be furnished to all known institutional mortgagees of Townhouses.

If the Board of Directors decides not to insure the Townhouses or decides to insure the Townhouses in an amount less than that necessary to provide for the full replacement or reconstruction of the damaged improvements taking into account co-insurance provisions, each Owner shall, at the Owner's sole cost and expense, purchase and maintain fire and extended coverage insurance in such amounts as from time to time may be required by the Board of Directors, from a company licensed to do business in the State of New York. Such insurance shall be in the standard New York State form and shall cover loss and damage to the Lot, Townhouse

(including garage), and all other improvements on the Lot. All insurance policies shall cover the interest of the Owner, the Association, and mortgagees, if any, as their interests may appear.

2. Liability. The liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Owners of Townhouses, but not the liability of Townhouse Owners arising from occurrences within such Owner's Townhouse or on such Owner's Lot. The policy shall include the following endorsements: (i) comprehensive general liability, (ii) personal injury, (iii) medical payments, (iv) cross liability and (v) contractual liability.

Until the first meeting of the Board of Directors elected by the Owners, this public liability insurance shall be in a combined single limit of \$500,000.00 covering all claims for bodily injury and property damage.

3. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a director or officer of the Association. This coverage shall provide for funds to be available to defend suits against officers and directors of the Association and to pay any claims which may result. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Directors. The policy shall not provide for "participation" by the Association or by the officers or directors of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the directors' and officers' liability coverage shall be in the amount of \$250,000.00.

4. Fidelity Bond. The fidelity bond shall cover all directors, officers and employees of the Association and of the Association's managing agent, if any, who handle Association funds. The bond shall be in an amount not less than 50% of the Association's annual budget, but in no event less than the amount of funds, including reserves, owned by or under the control of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the coverage shall be \$10,000.00 for dishonest acts and \$5,000.00 for forgery.

5. Other Insurance. The Board of Directors may also obtain such other insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

6. No Liability for Failure to Obtain Above Coverages. The Board of Directors shall not be liable for failure to obtain any of the coverages required by this Section or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

7. Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense, provided, however, that the Board of Directors of the Association may assess any deductible amount necessitated by the gross negligence or wantonly malicious act of an Owner against such Owner. The Association may pay the deductible portion for which such Owner is responsible, and the amount so paid, together with interest and costs of collection, including attorney's fees, shall be a charge and continuing lien upon the Lot involved, shall constitute a personal obligation of such Owner, and shall be collectible in the same manner as assessments under Article V of this Declaration.

Option to Have Insurance Paid
by Lot Owners Directly

The Board of Directors may, at its option, elect to have any insurance which it obtains, paid for directly by the Owners of the Lots rather than from assessments paid to the Association. However, should any Owner fail to pay such Owner's portion of such insurance premium, the Board of Directors may elect to pay such amount on behalf of such Owner in which event such amount so advanced shall be a charge and continuing lien upon the Lot of such Owner and shall also be the personal obligation of such Owner. Such amount shall bear interest and shall be collectible in the same manner as a delinquent assessment as set forth in Section 5.08 of this Declaration.

Section 9.02. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any Townhouse, insured through insurance obtained by the Board of Directors, as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property and the Board of Directors, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments; provided, however,

that if the Owners of 75% or more of all Townhouses do not duly and promptly resolve to proceed with repair or restoration, the net proceeds of insurance policies, if any, shall be divided among the Townhouse Owners in proportion to the damage to their insured property in relation to the total damage to all the insured property, provided, however, that no payment shall be made to a Townhouse Owner until there has first been paid out of such Townhouse Owner's share of such funds all liens on such Owner's Townhouse. In the event that insurance proceeds are, for any reason, insufficient to pay all of the costs of restoring or repairing the property to the same condition as formerly existed, the Board of Directors shall levy a Special Assessment to make up the deficiency against all Owners of the damaged Townhouses in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhouse and any negligence which, in the opinion of the Board, contributed to the damage and loss. In the event that insurance proceeds exceed the cost of repair and reconstruction, such expenses shall be paid over to the respective mortgagees and Townhouse Owners in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhouse and Lot, provided, however, that no part of a distribution that results from an Assessment paid by a Townhouse Owner, shall be made to all Townhouse Owners and their mortgagees as their interest may appear.

Section 9.03. Insurance Carried by Owners. Owners of Townhouses shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation, and further provided, that the liability of the carriers issuing insurance procured by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by the Owner.

ARTICLE X
GENERAL COVENANTS AND RESTRICTIONS

Section 10.01. Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development, lease or sale of Lots, no additional sign (other than a professional shingle affixed to the dwelling indicating the name of a firm or person and/or such firm's or person's profession, the materials, size, design, style and color of which shall be approved by the Architectural Committee) or other advertising device of any nature shall be placed for display to the public view on any Lot or other portion of Property, including but

not limited to temporary signs advertising property for sale or rent, except with the consent of the Architectural Committee.

Section 10.02. Animals, Birds and Insects. Except for one (1) dog and one (1) cat belonging to an Owner of a Lot, fish, or birds kept in a cage, no animals, birds or insects shall be kept or maintained on any Lot on which a Townhouse is or will be constructed or other portion of the Property except with the consent of the Board of Directors of the Association which may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of animals, birds and insects and (ii) prohibit certain types of animals, birds or insects entirely. In any event, pets may be allowed outdoors only within the area fully enclosed by privacy fencing, unless accompanied by a responsible person and leashed. A kennel or outdoor enclosure for retaining a pet out of doors may be constructed only within an area fully enclosed by privacy fencing. The Board of Directors of the Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any animal, bird or insect, if, in the opinion of the Board of Directors, acting in its sole discretion, such animal, bird or insect is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled.

Section 10.03. Protective Screening and Fences. Any screen planting, fence enclosures or walls initially developed on a Lot or other portion of the Property not maintained by the Association shall be maintained by the Lot Owner and shall not be removed or replaced with other than a similar type of planting, fence or wall except with the permission of the Architectural Committee. Except for the foregoing, no fence, wall or screen planting of any kind shall be planted, installed or erected upon said parcel or other portion of the Property unless approved by the Architectural Committee. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

Section 10.04. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours

of a scheduled pick-up, at such place on the Lot or other portion of the Property designated by the Association so as to provide access to persons making such pick-up. The Association may, in its discretion, adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

Section 10.05. No Above Surface Utilities Without Approval. No facilities, including without limitation, poles and wires for the transmission of electricity or telephone messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground on any portion of the Property without the prior written approval of the Association.

Section 10.06. Noxious or Offensive Activities. No noxious or offensive activity shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance to the area or to the residents or Owners thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electro-magnetic radiation disturbances, shall be controlled so as not to be detrimental to or endanger the public health, safety, comfort or welfare, be injurious to property, vegetation or animals, adversely affect property values or otherwise produce a public nuisance or hazard or violate any applicable zoning regulations or governmental law, ordinance or code.

Section 10.07. Oil and Mining Operations. No portion of the Property shall be used for the purpose of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth, except soil borings in connection with the improvement of said portion of the Property, and no derrick or other structure designed for use in boring for oil, natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property, except with the consent of the Association.

Section 10.08. Dwelling in Other Than Residential Unit. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Lot or other portion of the Property, except with the consent of the Association.

Section 10.09. Television Antennas. No outside television antenna shall be erected on any Lot or other portion of the Property, except with the consent of the Association.

Section 10.10. Trees and Other Natural Features. After the transfer of title by the Sponsor to any Lot or other portion of the Property, no trees shall be removed from any Lot or portion of the Property, except with the permission of the Association. The Association, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property. The Association may designate certain trees, regardless of size, as not removable without written authorization.

Section 10.11. Use and Maintenance of Slope Control Areas. Within any slope control area shown on any filed map or plat, no improvements, planting or other materials shall be placed or permitted to remain, nor shall any activity be undertaken, which may damage or interfere with established slope ratios, create erosion or sliding problems, change the direction or flow of drainage channels. The slope control areas of any Lot or other portion of the Property and all improvements thereon shall be maintained continuously by the Owner of said Lot or other portion of the Property, except in those cases where a governmental agent or other public entity or utility company is responsible for such maintenance.

Section 10.12. Snowmobiles. No snowmobile or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Association.

Section 10.13. Commercial and Professional Activity on Property. No wholesale or retail business or service occupation in conflict with applicable municipal laws and ordinances shall be conducted in or on any Lot or other portion of the Property without the consent of the Association, except by the Sponsor in conjunction with the initial construction, development, lease and sale of Lots.

Section 10.14. Outside Storage. Outside storage or parking for more than one 72 consecutive hour period per month of commercial or recreational vehicles, camper bodies, boats and trailers shall be prohibited except as may be permitted by the Association, (unless prohibited altogether by the applicable zoning requirements).

Section 10.15. Outdoor Repair Work. With respect to a Lot or other portion of the Property to which title has been transferred by the Sponsor, no work on any motor vehicles, boats or machines of any kind, other than minor servicing and maintenance, shall be permitted outdoors on such Lot or portion thereof, except with the consent of the Association.

Section 10.16. Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Lots by the Sponsor, or maintenance of the Property, the following shall not be permitted to remain overnight on the Property:

- a. any vehicle which cannot fit into a garage of the size constructed by the Sponsor with the Units;
- b. commercial vehicles of a weight of two (2) tons or more, unless garaged;
- c. unlicensed motor vehicles of any type, unless garaged.

Section 10.17. Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted on the Property unless authorized by the Association.

Section 10.18. Chain Link Fences. Unless otherwise consented to by the Association, no chain link fence shall be erected anywhere on the Property.

ARTICLE XI
ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 11.01. Declaration Runs With the Land. Each person or entity acquiring an interest in a Lot or other portion of the Property or otherwise occupying any portion of the Property, whether or not the deed, lease or any other instrument incorporates or refers to the Declaration, covenants and agrees for him, her, or itself, and for his, her or its heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration, including personal responsibility for the payment of all charges which may become liens against his property and which become due

while he is the owner thereof, and also covenants to incorporate this Declaration by reference in any deed, lease or other instrument further transferring an interest in such Lot or other portion of the Property.

Section 11.02. Enforceability. The provisions of the Declaration shall bind the Property, shall be construed as running with the land and shall inure to the benefit of the Association, which shall be deemed the agent for all of its Members, and may be enforced by any Member or Owner, their respective legal representatives, heirs, successors and assigns, by actions at law or by suits in equity. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of the Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

Section 11.03. No Waiver by Failure to Enforce. The failure of any beneficiary hereof to enforce any provision of the Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or a similar violation occurring prior to or subsequent thereto. No liability shall attach to the Sponsor, the Association, or any officer, director, employee, Member, agent, committee or committee member thereof; or to any other person or organization for failure to enforce the provisions of the Declaration.

Section 11.04. Obligation and Lien for Cost of Enforcement by Association. If the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, (ii) any family member, tenant, guest or invitee of the Owner, (iii) a family member or guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Owner's family or (2) any family member of the tenant of such Owner, such costs shall also be a lien upon the Lot or other portion of the Property owned by such Owner, if any.

Section 11.05. Inspection and Entry Rights. Any agent of the Association or the Architectural Committee may at any reasonable

time or times, upon not less than 24 hours notice to the Owner, enter upon a Lot or other portion of the Property to inspect the improvements thereon for the purpose of ascertaining whether the maintenance, construction or alteration of structures or other improvements thereon comply with the Declaration, or with rules and regulations issued pursuant hereto. Neither the Association nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

In addition to the above, if the Architectural Committee determines that it is necessary to trim, cut or prune any tree, hedge or other planting because its location or the height to which, or the manner in which it has been permitted to grow is unsightly, detrimental or potentially detrimental to persons or property, obscures the view of street traffic, or is otherwise in violation of this Declaration, the Association shall notify the Owner of the Lot or other portion of the Property who shall be obliged to remedy the violation. If the Owner fails to remedy the violation within 30 days after such notice is given, then the Association may take such remedial action at the expense of the Owner.

Section 11.06. Default Notices to be Sent to Mortgagees. Each Owner shall notify the Association of the name of the mortgagee of any mortgage on such Owner's Lot. Upon receipt of such notice, the Association shall thereafter provide such mortgagee with a duplicate copy of any notice of default sent to such Owner with regard to the violation by such Owner of any provision of this Declaration.

Section 11.07. Amending or Rescinding. Unless otherwise specifically provided for herein, this Declaration may be amended or rescinded upon the consent in writing of the Owners of not less than two-thirds (2/3) of all Lots which are subject to this Declaration. In addition, until three (3) years from the date of recording of this Declaration, or so long as the Sponsor owns 25% or more of the Property then subject to this Declaration, the written consent of the Sponsor will be required for any amendment which adversely affects the interest of the Sponsor.

In voting for such amendment or rescission, the Members voting rights shall be as set forth in Article III hereof.

The Owners of every Lot shall receive written notice of every proposed amendment or rescission at least 30 days prior to the date set for voting on said proposed amendment or rescission.

In addition to the approval of the Lot Owners and Sponsor, as provided for herein, no amendment or rescission which substantially affects the interest of any lending institutions shall become effective if lending institutions, which together are mortgagees on one-third (1/3) or more of the Lots, advise the Association in writing, prior to the date set for voting on the proposed amendment, that they are opposed to such amendment, which opposition must not be unreasonable. Written notice of any proposed amendment or rescission which substantially affects the interest of any lending institution first mortgagee shall be sent to all such lending institution first mortgagees whose names appear on the records of the Association at least 30 days prior to the date set for voting on the proposed amendment or rescission.

Section 11.08. When Amendment or Rescission Become Effective. Any amendment or rescission to this Declaration shall not become effective until the instrument evidencing such change has been duly recorded in the office of the Monroe County Clerk. Such instrument need not contain the written consent of the required number of Owners, but shall contain a certification by the Board of Directors of the Association that the consents required for such amendment have been received and filed with the Board.

Section 11.09. Duration. The provisions of this Declaration shall, unless amended or rescinded as hereinbefore provided, continue with full force and effect against both the Property and the Owners thereof until December 31, 2005, and shall, as then in force, be automatically, and without further notice, extended for successive periods of ten (10) years, except as otherwise set forth herein.

Section 11.10. Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the provisions.

Any conflict in construction or interpretation between the Association and any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association. The Association may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and

regulations, and making and finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interest of the Owners and other residents of the Property to the end that the Property shall be preserved and maintained as a high quality community.

In granting any permit, authorization or approval, as herein provided, the Association may impose any conditions or limitations thereon as they shall deem advisable under the circumstances in each case in light of the consideration set forth in the immediately preceding paragraph hereof.

Section 11.11. Conflict with Municipal Laws. The protective covenants, conditions and restrictions set forth herein shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease.

Section 11.12. Change of Conditions. No change of conditions or circumstances shall operate to amend any of the provisions of this Declaration, and the same may be amended only in the manner provided herein.

Section 11.13. Invalidity of Agreement or Declaration. The determination by any court of competent jurisdiction that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE XII GENERAL

Section 12.01. Headings and Captions. The headings and captions contained in this Declaration are for convenience only and shall not affect the meaning or interpretations of the content thereof.

Section 12.02. Right Reserved to Impose Additional Protective Covenants. The Sponsor reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 12.03. Notice. Any notice required to be sent to the Sponsor, Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Sponsor, Owner or mortgagee on the records of the Association at the time of such mailing.

Section 12.04. Right of Association to Transfer Interest. Notwithstanding any other provision herein to the contrary, the Association and its successors, shall at all times have the absolute right to fully transfer, convey and assign its right, title and interest under this Declaration to any successor not-for-profit corporation or trust, and upon such assignment the successor corporation or trust shall have all the rights and be subject to all the duties of said Association as set forth in this Declaration and shall be deemed to have agreed to be bound by all provisions hereof, to the same extent as if the successor corporation or trust had been an original party and all references herein to the Board of Directors or Trustees of such successor corporation or trust. Any such assignment shall be accepted by the successor corporation or trust under a written agreement pursuant to which the successor corporation or trust expressly assumes all the duties and obligations of the Association. If the Association, for any reason, shall cease to exist without having first assigned its rights hereunder to a successor corporation or trust, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue and any Owner may petition a court of competent jurisdiction to appoint a trustee for the purpose of organizing a not-for-profit corporation or trust to take over the duties and responsibilities of the entity to exist, subject to the conditions provided for herein with respect to an assignment and delegation to a successor corporation or trust.

Section 12.05. Right of Association To Transfer Functions. Unless otherwise specifically prohibited herein or within the Certificate of Incorporation or By-Laws of the Association, any and all functions of the Association shall be fully transferable in whole or in part to any other homeowners or residents association or similar entity.

MARK IV CONSTRUCTION CO., INC.

By: _____
Anthony M. DiMarzo, President

(SEAL)

EXHIBIT "B"

CERTIFICATE OF INCORPORATION
OF
PINE RIDGE HOMEOWNERS ASSOCIATION, INC.

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

The undersigned, being of the age of 18 years or older,
under Section 402 of the Not-for-Profit Corporation Law of the
State of New York, hereby certifies:

1. The name of the Corporation is PINE RIDGE HOMEOWNERS
ASSOCIATION, INC.

2. The Corporation has not been formed for pecuniary
profit or financial gain and no part of the assets, income or
profit of the Corporation is distributable to or inures to the
benefit of its members, directors or officers. The Corporation
shall be a Type A corporation under Section 201 of the Not-for-
Profit Corporation Law.

3. The purposes for which the Corporation is formed are
to acquire, construct upon, manage, maintain, care for, preserve,
protect and enhance the value of that certain tract of property
known as Pine Ridge Townhomes in the Town of Greece, County of
Monroe, State of New York, and such additions thereto as may
hereafter be brought within the jurisdiction of this Corporation
and structures, fixtures and improvements thereon, and community
facilities and rights, privileges and easements benefiting such

property (the "Property") and being initially the premises described in that certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens of Pine Ridge Homeowners Association, Inc. recorded in the Monroe County Clerk's Office and any supplements or additions thereto (the "Declaration") and to promote the health, safety and welfare of the owners of interests in the Property.

4. In furtherance of and not in limitation of the purposes of the Corporation, the Corporation shall have all the powers now or hereafter granted to corporations of its type under the Not-for-Profit Corporation Law of the State of New York and any successor statute, including, without limiting the generality of the foregoing, the power to acquire, invest in, hold, sell, exchange and dispose of real and personal property of all kinds and varieties and interests, including security interests and mortgages therein.

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

6. The office of the Corporation will be located in the Town of Greece, County of Monroe, State of New York.

7. The Secretary of State is designated as the agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is as follows:
28 Willow Pond Way, Penfield, New York 14526.

8. The territory in which the Corporation's activities are principally to be conducted is the County of Monroe, State of New York, but the activities of the Corporation shall not be limited thereto.

9. Every person or entity who is a record owner of a fee interest in any lot in the Property which is subject by covenants of record to assessments by the Corporation, including contract vendors and, in addition, the Sponsor (used herein as defined in the Declaration), so long as it shall be the record owner of a fee interest in any lot in the Property, whether or not subject to assessments by the Corporation, shall be a member of the Corporation. The Corporation shall have two (2) classes of membership. Class A members shall be all members except the Sponsor and the sole Class B member shall be the Sponsor or assignee. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the

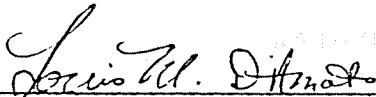
transaction of any corporate business or any other matter until two (2) years after the sale and transfer by the Sponsor of the first Lot (used herein as defined in the Declaration), or until twenty-eight (28) Lots are sold and transferred by the Sponsor. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights. No person shall be a member of the Corporation solely on account of ownership of an interest in a Lot in the Property solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot in the Property subject to assessment by the Corporation.

10. Upon dissolution of the Corporation other than incident to a merger or consolidation, no part of the assets of the Corporation nor any of the proceeds thereof shall be distributed to the members, officers or directors of the Corporation as such, but all such property and proceeds shall, subject to the discharge of the Corporation's liabilities, be distributed as directed by the members of the Corporation to a public agency to be used for not-for-profit purposes similar to those for which the Corporation was created or for the general welfare of the residence of the municipality in which the Property is located or to a corporation, association, trust or other organization not organized for profit and operated exclusively for the promotion of social welfare, subject to the approval of a Justice of the Supreme Court of the State of New York.

11. Neither this Certificate of Incorporation nor the Corporation's By-Laws shall be amended in any manner which conflicts with the Declaration.

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

IN WITNESS WHEREOF, the undersigned has subscribed and affirmed this Certificate as true under the penalties of perjury this 15 day of December, 1982.



Louis M. D'Amato
44 Exchange Street
Rochester, New York 14614

EXHIBIT "C"

BY-LAWS

Establishing Pine Ridge Homeowners Association, Inc.

NAME: PINE RIDGE HOMEOWNERS ASSOCIATION, INC.

SPONSOR: MARK IV CONSTRUCTION CO., INC.
28 Willow Pond Way
Penfield, New York 14526

DATE OF BY-LAWS: _____, 1983

WOODS, OVIATT, GILMAN, STURMAN & CLARKE

Attorneys for the Sponsor

44 Exchange Street
Rochester, New York 14614

BY-LAWS
OF
PINE RIDGE HOMEOWNERS ASSOCIATION, INC.

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BY-LAWS
OF
PINE RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

SECTION 1.01 Name and Location. The name of the corporation is the PINE RIDGE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located in the Town of Greece, County of Monroe and State of New York.

ARTICLE II

DEFINITIONS

As used in these By-Laws, the following terms shall have the definitions ascribed to them below:

SECTION 2.01 Association. Pine Ridge Homeowners Association, Inc., a New York not-for-profit corporation.

SECTION 2.02 Declaration. The document entitled "Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens" imposed by the Sponsor of the Property, as defined below, as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

SECTION 2.03 Lot. Any portion of the Property identified as a separate parcel on the tax records of the Town of Greece or shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as defined in the Declaration.

SECTION 2.04 Member. Every person or entity who is a record owner of a fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract vendors and, in addition, the Sponsor, as that term is defined in the Declaration, so long as it shall be the record owner of a fee interest in any Lot subject to the Declaration, whether or not subject to assessments by this Association. No person, however, shall be a member of the Association solely on account of ownership of an interest in a Lot solely as security for the performance of an obligation. Membership shall be

appurtenant to and may not be separated from record fee ownership of any Lot subject to assessment by the Association.

SECTION 2.05 Property. All property within Pine Ridge Townhomes.

SECTION 2.06 Sponsor. Mark IV Construction Co., Inc., its successors and assigns.

SECTION 2.07 Townhouse. A single or two (2) family dwelling on the property that is attached to at least one (1) or more Townhouses by means of a party wall or otherwise.

ARTICLE III

MEMBERS

SECTION 3.01 Membership in the Association. The Members of the Association shall be the Owners of Lots within the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. The Association shall have two (2) classes of Membership. Class A members shall be all Owners of Lots except the Sponsor and the sole Class B member shall be the Sponsor or assignee. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until two (2) years after the sale and transfer by the Sponsor of the first Lot, or until twenty-eight (28) Lots are sold and transferred by the Sponsor. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights.

SECTION 3.02 Right of Sponsor to Assign; Otherwise No Assignment. Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Memberships in the Association shall not otherwise be transferable or assignable.

ARTICLE IV

MEETINGS OF MEMBERS; VOTING

SECTION 4.01 Annual Meeting. There shall be an Annual Meeting of the Members on the first Tuesday of March at 8:00 p.m.

or at such other date and time and at such other place convenient to the Members as shall be designated by the Board of Directors, which meeting shall be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the date fixed for the annual Meeting shall be a legal holiday, the meeting shall be held on the first day following, which is not a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

SECTION 4.02 Special Meetings. Special Meetings of the Members may be called at any time by the President or the Board of Directors, and shall be called by the Secretary of the Association at the request in writing of Members of the Association holding not less than the lesser of ten percent (10%) or 35 of the votes entitled to be cast at the meeting.

SECTION 4.03 Notice of Meetings. Not less than ten (10) days or more than 30 days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member written or printed notice stating the time and place of the meeting and, in the case of a Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail or by presenting it to the Member personally, or by leaving it at such Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the Member at his or her post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person without objection to lack or deficiency of notice prior to the conclusion of the meeting, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, Annual or Special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

SECTION 4.04 Voting Rights. The Class E membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until two (2) years after the sale and transfer by the Sponsor of the first Lot, or until twenty-eight (28) Lots are sold and transferred by the Sponsor. Immediately thereafter, the Sponsor's Class E membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights.

SECTION 4.05 Quorum and Vote. The presence in person or by proxy of Members having not less than the lesser of one-half (1/2) or 100 of the total votes of the Membership entitled to vote shall constitute a quorum at any meeting. However, if a meeting cannot be held because a quorum is not present, the majority of the Members present, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours later, until a quorum shall be present in person or by proxy, with the quorum required for each reconvened meeting being one-half (1/2) of the quorum required for the previous meeting, but never less than the lesser of one-tenth (1/10) or 100 of the total votes of the Membership entitled to vote. Directors shall be elected by the affirmative vote of Members entitled to vote and casting a plurality of the vote cast at a meeting of Members. With respect to all acts other than the election of Directors, the act of Members casting a majority of the votes cast at a meeting shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws.

SECTION 4.06 Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

SECTION 4.07 Corporate Members. Any votes of a corporate member may be cast by an appropriate officer of such corporation.

SECTION 4.08 Joint or Common Ownership. Any one (1) joint or common fee owner of a Lot shall be entitled to cast the vote with respect to the Lot so owned, but all such joint or common owners shall together cast only one (1) vote for each Lot conferring voting rights. If the owners are unable to determine how the vote shall be cast, no vote shall be cast.

SECTION 4.09 Absentee Ballots. On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Member intends to vote and that the Member votes for or against the

same. Members unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot if so provided by the Board of Directors, or may vote by a proxy which shall be in writing and shall be filed with the Secretary of the Association.

SECTION 4.10 Waiver and Consent. Wherever the vote of the membership is required by law or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

ARTICLE V

BOARD OF DIRECTORS

SECTION 5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5), except that an initial Board of three (3) Directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of transferring title to the first Lot in Pineridge Subdivision. The initial Board of Directors shall serve until the first annual meeting after the Sponsor has sold and transferred title to 28 Lots or until two (2) years after the date of selling and transferring the first Lot, whichever first occurs. Directors need not be Members.

SECTION 5.02 Nominations. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. Nominations may also be made from the floor at the Annual Meeting of the Association. The members of the Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each Annual Meeting of the Members and shall serve only to make the nominations for Directors to be elected at that meeting.

The Nominating Committee shall make as many nominations for election of the Board of Directors as it shall determine, in its sole discretion, but not less than the number of vacancies that are to be filled and such nomination may be made from Members of the Association.

SECTION 5.03 Election. At the first Annual Meeting after 28 Lots have been sold and transferred or two (2) years after the date of selling and transferring the first Lot, whichever first occurs, the Members shall elect three (3) Directors for a term of two (2) years and two (2) Directors for a term of one (1) year. At each Annual Meeting thereafter, the Members shall replace those Directors whose terms have expired and elect such successor Directors for a term of two (2) years. Voting shall be by secret written ballot which shall:

- a. Set forth the number of vacancies to be filled;
- b. Set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- c. Contain space for a write-in for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

SECTION 5.04 Vacancies. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors (although less than a quorum) or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose vacancy such person was elected to fill. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the entire Board of Directors and any Director so elected shall hold office until the next meeting of Members or until a successor is elected and qualifies.

SECTION 5.05 Removal. At any meeting of Members, duly called at which a quorum is present, the Members may, by the affirmative vote of not less than two-thirds (2/3) of the Members entitled to vote, remove any Director or Directors from office with or without cause and may by plurality vote elect the successor or successors to fill any resulting vacancies for the unexpired term or terms of the removed Director or Directors. In addition the other Directors may, by the affirmative vote of not less than two-thirds (2/3) of the other Directors, declare the position of the Director vacant in the event the person filling such position shall be absent from three (3) consecutive meetings.

SECTION 5.06 Compensation. Directors shall not receive any compensation or salary for their services. Any Director may be reimbursed for his actual expenses incurred in

the performance of his duties. A Director who serves the Association in any capacity other than as a Director or officer, however, may receive compensation therefor.

SECTION 5.07 Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice at such places and at such times convenient to the Directors as may be designated from time to time by resolution of the Board of Directors. Should such meeting date fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 5.08 Special Meetings. Special Meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors after not less than two (2) days notice to each Director. The person or persons authorized to call such Special Meeting of the Board may fix any place convenient to the Directors as a place for holding such Special Meeting. Any Director may, in writing signed by such Director before or after the time of the Special Meeting stated therein, waive notice of any Special Meeting. The attendance of a Director at any Special Meeting without objection to lack or deficiency of notice prior to the conclusion of such meeting shall constitute a waiver of notice of such Special Meeting. Neither the business to be transacted at, nor the purpose of any Special Meeting need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Certificate of Incorporation of the Association or by these By-Laws.

SECTION 5.09 Quorum and Voting. At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, except as otherwise required by law, by the Certificate of Incorporation of the Association or by these By-Laws. Except in cases in which it is provided otherwise by law, by the Certificate of Incorporation or by these By-Laws, a vote of a majority of Directors present at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by majority vote and without further notice, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted as originally called.

SECTION 5.10 Informal Action by Directors. Any action required or permitted to be taken by a meeting of the Board of Directors or of any committee thereof may be taken without a meeting, provided a written consent to such action is signed by all members of the Board of Directors or of such committee, as the case may be. Such written consent shall be filed with the minutes of proceedings of the Board or committee.

SECTION 5.11 Powers of the Board. The Board of Directors may exercise all the powers of the Association, except such as are conferred upon or reserved to the Members by statute or by the Certificate of Incorporation or these By-Laws. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to, the following:

- a. To determine, levy and collect the assessments and common charges as provided for in the Declaration.
- b. To collect, use and expand the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association and the exteriors of the Townhouses (and other improvements, to the extent now or hereafter required or permitted under the Declaration) as permitted by the Declaration.
- c. To procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate hazard insurance on such of the Association's real and personal properties and the Townhouses as it deems appropriate.
- d. To repair, restore or alter the properties of the Association and the exteriors of the Townhouses (or such other improvements for which the Association may now or hereafter have such responsibility under the Declaration, as amended) after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
- e. To promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation and use of facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members and to establish and enforce penalties for infractions thereof.
- f. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the provisions of the Declaration or of any rules or regulations of the Association.
- g. To pay all expenses incurred by the Association and all taxes owing by the Association.
- h. To declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors.

i. To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and such other records as it deems appropriate.

j. To issue, or cause to be issued, upon demand by any person, an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Lot.

k. To grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration.

l. To dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall, however, require the consent of two-thirds (2/3) of the total votes of all Members at any meeting duly called and held or who shall vote upon written ballot which shall be sent to every Member not less than 30 days nor more than 60 days in advance of the canvass thereof. In addition, no such conveyance shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance.

m. To enter into agreements, reciprocal or otherwise, with other homeowners and residents associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than 10 days nor more than 60 days in advance of the vote on the proposed agreement.

n. To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration.

SECTION 5.12 Duties of the Board. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and to regularly present a

written report thereon in compliance with New York statutes to the Members at the annual Meeting of the Members, or at any Special Meeting to present a written report only when same is requested in writing by at least one-fourth (1/4) of the Members who are entitled to vote.

b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

c. As more fully provided in the Declaration now or as hereafter amended or supplemented, to:

(1) Fix the amount of Special Assessments and Maintenance Assessments and other assessments to be assessed and levied against each Lot at the time or times and in the manner provided in the Declaration.

(2) Send written notice of each assessment to every owner of a Lot subject thereto at the time and in the manner provided in the Declaration.

(3) Foreclose the lien against any Lot for which assessments are not paid within 30 days after their due date, and to bring an action at law against the Member thereof personally obligated to pay the same.

d. Issue, or cause an appropriate officer to issue, upon demand by any person, a Certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these Certificates. If a Certificate states an assessment has been paid, such Certificate shall be conclusive evidence of such payment.

e. Procure and maintain adequate liability and hazard insurance for the Townhouses and Association Property.

f. Cause the Association Property and the exteriors of the Townhouses to be maintained.

g. Cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate.

h. Prepare annual finance statements of the Association which are to be mailed to each Member by March 15th of each year.

SECTION 5.13 Performance of Duties: Conflict of Interests. The Directors and Officers of the Association may freely make contracts, enter transactions or otherwise act for and in behalf of the Association relating to or incidental to its operations, notwithstanding the fact that they may also be acting as individuals or as Directors of the Association and as agents for other persons or business concerns or may be interested therein as stockholders of said corporations or business concerns or otherwise, provided, however, that in all such dealings shall at all times be at arm's length for and in the best interests of the Association and otherwise lawful.

ARTICLE VI

OFFICERS

SECTION 6.01 Officers. The officers of the Association shall be the President (who shall be a member of the Board of Directors), one (1) or more Vice Presidents (the number to be determined by the Board of Directors), the Secretary and the Treasurer and shall be appointed by the Board of Directors. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority to perform the duties prescribed from time to time by the Board of Directors. Two (2) or more offices may not be held by the same person.

SECTION 6.02 Election. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

SECTION 6.03 Term and Vacancies. The officers of the Association shall be elected annually by the Board of Directors and each shall hold offices until his or her successor shall have been duly elected, unless he or she shall sooner resign, or shall be removed or otherwise be disqualified to serve. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 6.04 Resignation and Removal. Any officer may be removed by the Board of Directors, with or without cause, whenever, in the judgment of the Board, the best interests of the Association will be served thereby. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6.05 President. The President shall be the chief executive officer, shall supervise the work of the other officers, shall preside at all meetings of Members, shall preside at all meetings of Directors and shall perform such other duties and functions as may be assigned him or her. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board or these By-Laws.

SECTION 6.06 Vice President. Any Vice President shall be capable of performing all of the duties of the President. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board and shall perform such other duties and functions as may be assigned to him or her by the President or the Board.

SECTION 6.07 Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall record the votes and keep the minutes of all meetings, shall have charge of the seal and corporate records of the Association, and shall perform such other duties as are assigned to him or her by the President or the Board. Any Assistant Secretary shall be capable of performing all of the duties of the Secretary.

SECTION 6.08 Treasurer. The Treasurer shall have the custody of all moneys and securities of the Association and shall keep or cause to be kept regular books and records. He or she shall account to the President and the Board, whenever they may require it, with respect to all of his or her transactions as Treasurer and of the financial condition of the Association, and shall perform all other duties that are assigned to him or her by the President, the Board or these By-Laws.

SECTION 6.09 Other Officers. Such other officers as the Board may appoint shall perform such duties and have such authority as the Board may determine.

SECTION 6.10 Compensation. No executive officers of the Association shall receive any stated salary for their services, provided that nothing herein contained shall preclude any executive officer from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE VII

COMMITTEES

SECTION 7.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors

in office, may designate one (1) or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association provided, however, that no such committee shall have the authority of the Board of Directors to approve an amendment to the Certificate of Incorporation of the Association or to these By-Laws or a plan of merger or consolidation.

SECTION 7.02 Committees of the Association. The committees of the Association shall be the Architectural Standards Committee, the Nominating Committee and such other committees as the Board of Directors shall deem desirable. Each committee shall consist of a chairman and two (2) or more members and shall include a member of the Board of Directors. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration.

SECTION 7.03 Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VIII

FINANCE

SECTION 8.01 Checks. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President or Treasurer and countersigned by one (1) Director of the Association, provided that the President or Treasurer and Director so signing are not the same person.

SECTION 8.02 Fiscal Year. The fiscal year of the Association shall be the twelve (12) calendar months, ending December of each year, unless otherwise provided by the Board of Directors.

SECTION 8.03 Annual Reports. There shall be a full and correct statement of the financial affairs of the Association including a balance sheet and a financial statement of operation for the preceding fiscal year. Such report shall be submitted at the Annual Meeting of the Members and filed within 20 days thereafter at the principal office of the Association.

ARTICLE IX

BOOKS AND RECORDS

SECTION 9.01 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, Certificate of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE X

CORPORATE SEAL

SECTION 10.01 Corporate Seal. The Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

ARTICLE XI

AMENDMENTS

SECTION 11.01 Alteration, Repeal or Amendment. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of a majority of Members entitled to vote present in person or by proxy or (except as to any matter affecting membership qualifications or voting rights) at any regular or special meeting of the Board of Directors or by the affirmative vote of a majority of the whole Board of Directors.

SECTION 11.02 Conflict with Certificate of Incorporation or with Declaration. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

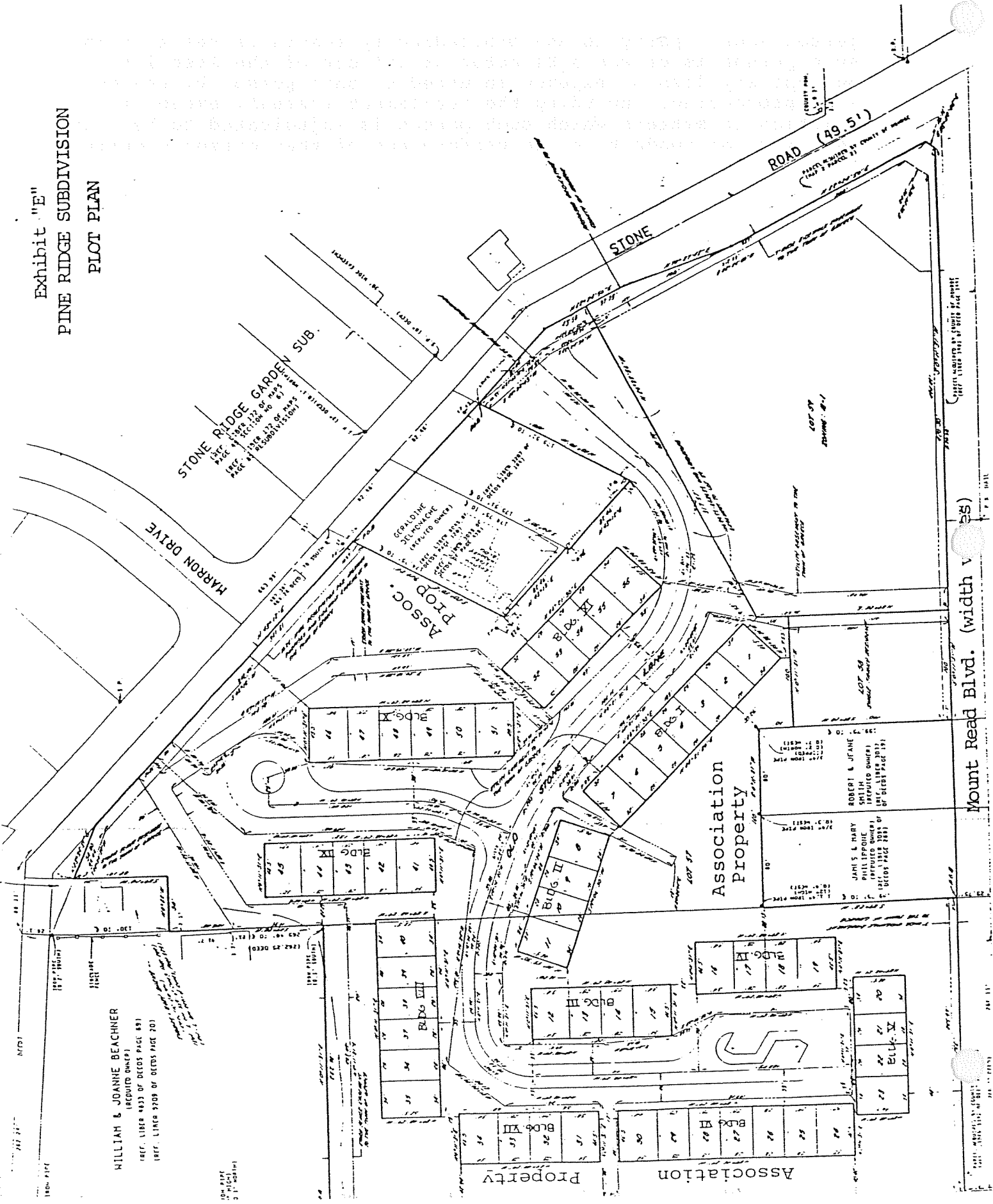
ARTICLE XII

INDEMNIFICATION

SECTION 12.01 Indemnification. To the extent permitted by law, the Association shall indemnify and hold harmless any

person made a party to any proceeding by reason of the fact that such person is or was a Director or officer of the Association against any loss or expense incurred by said person by reason of such proceeding, including the settlement thereof, except in relation to matters which such person is adjudicated to be liable for gross misconduct in the performance of that person's duties.

Exhibit "E"
 PINE RIDGE SUBDIVISION
 PLOT PLAN



HILLIAR & JOANNE BEACHNER
 (REC'D OWNER)
 (REF. LINES 433 OF DEEDS PAGE 8)
 (REF. LINES 509 OF DEEDS PAGE 20)

100' PIPE
 2" DIA.
 2' DIA.

ASSOC. PROP.
 GERALDINE
 DEPOSALONE
 (REC'D OWNER)
 (REF. LINES 375 OF DEEDS PAGE 10)
 (REF. LINES 375 OF DEEDS PAGE 10)
 (REF. LINES 375 OF DEEDS PAGE 10)

Association
 Property

JAMES & MARY
 PHILIPPO
 (REC'D OWNER)
 (REF. LINES 208 OF DEEDS PAGE 288)

ROBERT & JANE
 (REC'D OWNER)
 (REF. LINES 207 OF DEEDS PAGE 187)

Mount Read Blvd. (width v 65)

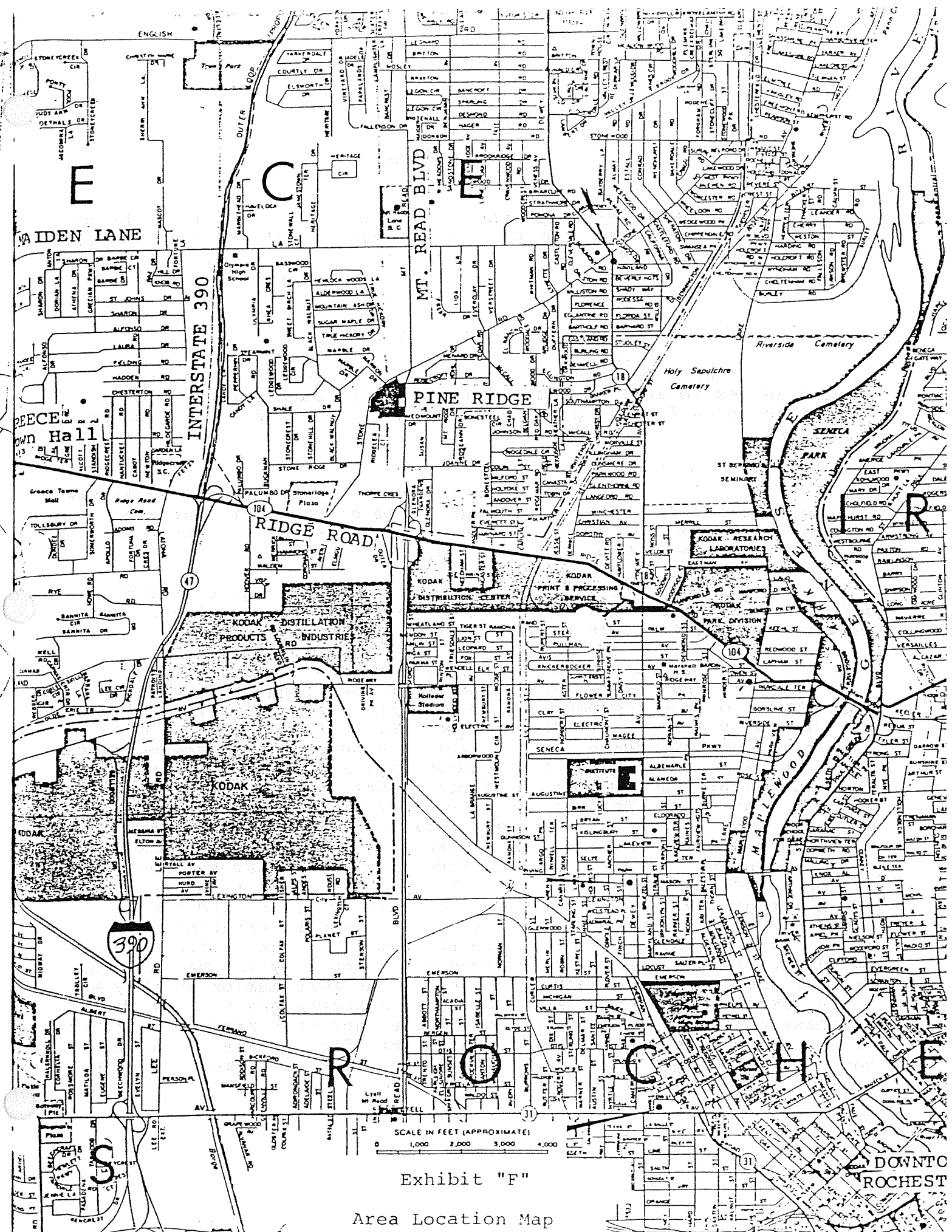


Exhibit "F"

Area Location Map

DOWNTOWN
ROCHESTER

EXHIBIT "G"

PURCHASE AGREEMENT

THIS AGREEMENT made the _____ day of _____, 19____ by and between MARK IV CONSTRUCTION CO., INC. having an office at 28 Willow Pond Way, Penfield, New York ("Seller") and _____, residing at _____, ("Purchaser").

W I T N E S S E T H :

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

1. PREMISES: Those certain premises located in the Town of Greece, County of Monroe and State of New York, known and designated as Lot No. ____ of the Pine Ridge Subdivision, on a map filed in the Monroe County Clerk's Office.

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

The premises are sold subject to restrictive covenants of record provided they have not been violated, unless enforcement of the covenants has been barred by Section 2001 of the Real Property Actions and Proceedings Law; utility easements of record, easements common to the tract or subdivision, easements and rights of way shown on the subdivision map, and easements and party wall agreements recorded in the Monroe County Clerk's Office, and also subject to the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, and the By-Laws for the Pine Ridge Homeowners Association, Inc. both of which are included in the Offering Plan for the Pine Ridge Homeowners Association, Inc. Purchaser acknowledges receipt of the Offering Plan at least three (3) business days prior to the date of this Agreement and the Offering Plan is incorporated in this Agreement by reference and made a part of this Agreement with the same force and effect as if set forth in full. Purchaser agrees to be bound by the Declaration, By-Laws and any Rules and Regulations of the Association as they may be amended from time to time. Purchaser acknowledges that he is purchasing an interest in the Association, and that except as stated in this Agreement (and as set forth in the Offering Plan), Purchaser has not relied upon any representations or other statements of any kind or nature made by Seller or otherwise.

2. PRICE: Purchaser shall pay to Seller for the premises the sum of \$_____ payable as follows:

Upon signing this Agreement: \$

Upon Purchaser's receipt of a mortgage commitment: \$

Upon _____: \$

Upon delivery of the deed: \$

TOTAL _____ \$

3. DWELLING: Seller agrees to sell and Purchaser agrees to purchase the _____, now on the premises or to be constructed on the premises in accordance with plans and specifications on file in the office of Mark IV Construction Co., Inc. including the Extras requested by Purchaser, in accordance with Exhibit "A" attached. Seller reserves the right to make such changes and/or substitutions in the construction of the dwelling as may be required, authorized, and/or appointed by the lending institution granting Purchaser's mortgage loan or by any governmental agency having jurisdiction, provided any such changes are of comparable value. Seller shall also have the right to determine the grading, elevation and design (including reversal of the building layout) of the lot and dwelling to fit into the general pattern of the development. Purchaser understands that he may make changes and alterations in the plans provided only that such changes are made prior to the start of construction and are listed on a change authorization form signed by Purchaser and Seller. The cost of the changes and alterations shall be paid for at the time the Purchaser executes and submits to the Seller the change authorization form.

4. DEPOSITS: Purchaser is advised that to assure the return of his payments ("deposits") before delivery of the deed in the event this Agreement is terminated for reasons other than Purchaser's default:

Seller has obtained an irrevocable letter of credit with funds to be available on the signed certification of Woods, Oviatt, Gilman, Sturman & Clarke attorneys to the Seller; or

Deposits will be held in escrow by the Seller at

Central Trust Company, 44 Exchange Street, Rochester, New York until closing and released upon the signature of Woods, Oviatt, Gilman, Sturman & Clarke.

In the event this agreement is terminated for reasons other than Purchaser's default, deposits, with interest if any, will be returned to Purchaser within 15 days of such termination. The funds will be handled in accordance with Section 352-h and 352-e(2)(b) of the New York General Business Law.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

5. BUILDING PERMIT: This Agreement is subject to Seller being able to obtain a building permit.

6. RISK OF LOSS: Risk of loss or damage to the premises until transfer of title shall be assumed by the Seller. If any damage to the premises occurs prior to transfer of title and Seller determines that it cannot repair or restore such loss or damage, this Agreement shall terminate without any further liability of one party to the other, and Purchaser shall have his deposits returned in accordance with paragraph 4 of this Agreement.

7. SURVEY: Seller shall furnish at Purchaser's expense an instrument survey made by a land surveyor duly licensed by the State of New York, showing the premises above described and the location of all buildings, improvements and other structures affecting the premises.

8. DEED: At closing, Seller shall deliver to Purchaser a warranty deed with lien covenant conveying good and marketable title in fee simple, free and clear of all liens and encumbrances except as provided in this Agreement.

9. SEARCHES: Seller agrees to provide guaranteed tax and title searches and a United States District Court Search to the time of transfer, showing good and marketable title. The searches will be provided to Purchaser's attorney at least five (5) days prior to transfer.

10. CERTIFICATE OF OCCUPANCY: Seller agrees to deliver to Purchaser, at the time of closing a Certificate of Occupancy.

11. INSPECTION: Prior to closing, Purchaser shall have the right to inspect the premises upon reasonable notice to the Seller.

12. POSSESSION: Purchaser shall have possession and occupancy of the premises from and after the date of delivery of the deed.

13. MORTGAGE LOAN FOR PURCHASER: This Agreement is contingent upon Purchaser obtaining within 30 banking days from date of this Agreement a commitment for a _____ first mortgage loan in the amount of \$ _____ from a lending institution. If Purchaser cannot obtain such commitment within that period through Purchaser's own efforts, then the Seller will cooperate with the Purchaser in making the mortgage application. Purchaser agrees to pay total origination fees of _____ percent (___ %) of the mortgage amount to the lending institution making the loan in cooperation with the Seller. If Purchaser in cooperation with Seller is unable to obtain a commitment within 60 banking days thereafter, then Purchaser may cancel this Agreement by giving written notice to the Seller. In that event, this Agreement shall be null and void and both parties released from any and all liabilities. Purchaser has the option, however, of continuing with this Agreement and making application for a mortgage loan for an additional 60 banking days by giving written notice to the Seller, prior to the expiration of the 90 day mortgage contingency period, of the Purchaser's election with the understanding that the Purchaser will pay an additional three percent (3%) of the purchase price to the Seller at time of transfer. If Purchaser is unable to remove any and all contingencies within 150 days from date of this Agreement, Seller has the right of cancelling the Agreement and returning the deposit, with interest if any. Deposits, with interest if any, shall be returned to the Purchaser less the full cost of all Extras described in Exhibit A attached which were commenced, at the written request of Purchaser, prior to receipt by Seller of advice of the disapproval of the mortgage. In the event the cost of the Extras commenced by Seller exceeds the amount of the deposits, Purchaser shall promptly remit to Seller the difference.

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

15. COSTS: Purchaser shall pay for any fees incurred in recording of the deed and mortgage and for the New York State Mortgage Tax. Seller shall pay the cost of the required Real Estate Transfer Tax Stamps to be affixed to the deed. Purchaser shall pay for the mortgagee title insurance policy, if a policy is required by the Purchaser's lender. Purchaser shall also, at closing, reimburse to the Seller the \$100.00 initial capital contribution to the Pine Ridge Homeowners Association, Inc. which Seller advanced. Purchaser agrees to reimburse Seller the sum of \$_____ for Purchaser's water meter.

16. CLOSING: This Agreement shall be closed at the Monroe County Clerk's Office 120 days after the removal of the contingencies set forth in paragraphs _____, or within fifteen (15) days following completion of the dwelling whichever date shall occur sooner, except that if the dwelling is not ready for occupancy on such date, the closing may be postponed by Seller to a date to be set by Seller upon written notice mailed to Purchaser at his address set forth above. In the event the postponed date is more than 120 days after the above closing date, Purchaser may cancel this Agreement by sending written notice to Seller at the address set forth above within ten (10) days of the date on which the notice of postponement of the closing was mailed. In that event this Agreement shall become null and void and both parties shall be released from any liability, except that Seller shall refund to Purchaser his deposits, with interest if any. Seller shall not be responsible for any delay in completing the dwelling if such delay is caused by the unavailability of materials, labor or transportation or by other causes beyond the control of Seller. The refund to Purchaser of the deposits or portion thereof in accordance with this Agreement, shall discharge and release Seller from any liability arising out of or resulting from such delay. The closing shall not be delayed due to any unfinished exterior work which cannot be completed on account of weather conditions.

If the dwelling is substantially completed and ready for transfer and Purchaser declines to complete transfer of title

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

17. FAILURE TO DELIVER OR REJECTION OF TITLE:

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

18. PURCHASER'S FAILURE TO TAKE TITLE:

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

19. THIS AGREEMENT SUBJECT TO BUILDING LOAN

MORTGAGE: Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage on the premises made before or after this Agreement and any advances, payments or expenses already made or incurred or which may be made or incurred, after this Agreement under a building loan mortgage without the execution of any further legal documents by the Purchaser. This subordination applies

whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or are accelerated payments by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a release of the premises from the lien of such mortgages at or prior to closing.

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

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

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

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

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

25. ADDENDA TO THIS CONTRACT: Attached to and made a part of this Agreement are the following:

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

Exhibit B - Builder's Standards.

Exhibit C -

26. COMMISSIONS: Purchaser represents that no broker has been contacted or engaged in connection with the procurement of this Agreement. Should this representation be contrary to fact, Purchaser shall pay any commission due and hold the Seller harmless from any claim or liability therefor arising out of the acts or inactions of the Purchaser. This representation shall survive the closing and delivery of the deed to Purchaser.

In the event a broker has been contacted or engaged in connection with the procurement of this Agreement, Seller shall not be obligated for the broker's commission if this transaction shall fail to close for any reason whatsoever. In order to confirm his agreement with the terms of this paragraph, the broker executes this Agreement.

27. LIFE OF OFFER: This offer is good until the _____ day of _____, 19____, at _____ at which time it shall be null and void.

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

Purchaser

Witness

Purchaser

ACCEPTANCE

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

Dated: _____

MARK IV CONSTRUCTION CO., INC.

Witness _____

By: _____

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

Dated: _____

Broker _____

Witness _____

EXHIBIT "H"

SPONSOR'S CERTIFICATION

STATE OF NEW YORK)

COUNTY OF MONROE) SS:

The undersigned, being duly sworn, depose and say as follows:

1. We are the Sponsor and the principals of the Sponsor of the Pine Ridge Homeowners Association, Inc. Offering Plan.
2. We understand that we have primary responsibility for compliance with provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 22, and such other laws and regulations as may be applicable.
3. We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan for the Pine Ridge Homeowners Association, Inc. does, and that documents submitted hereafter by us which amend or supplement the Offering Plan for the Pine Ridge Homeowners Association, Inc. 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) know 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 statements made.

4. We certify that the sewers and water lines, when constructed, will be in accordance with local government specifications.

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.

Dated: January 31, 1983.

MARK IV CONSTRUCTION CO., INC.

By: /s/ Anthony M. DiMarzo
Anthony M. DiMarzo,
President

/s/ Anthony M. DiMarzo
Anthony M. DiMarzo

/s/ Patsy Di Marzo, Jr.
Patsy DiMarzo, Jr.

/s/ Loretto Basso, Jr.
Loretto Basso, Jr.

Sworn to before me this
31 day of January, 1983.

/s/ Louis M. D'Amato
Notary Public

LOUIS M. D'AMATO
Notary Public, State of N.Y., Monroe County
Commission Expires March 30, 1987.

EXHIBIT "I"

ENGINEER'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

The undersigned, being duly sworn, depose and say as follows:

1. Mark IV Construction Co., Inc., the Sponsor of Pine Ridge Homeowners Association, Inc., has retained our firm to prepare a report describing the common areas when constructed, hereinafter referred to as the "Report". We prepared the building plans and specifications for the improvements within the common areas, and are fully familiar with their contents. We prepared the Report dated January 31, 1983, a copy of which is attached hereto and is incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

2. We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 22 insofar as they are applicable by the Report.

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

(i) set forth in detail the condition of the entire common property as it will exist upon

completion of construction, provided that construction is in accordance with the plans and specifications that we 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 we 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 we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations of statement made.

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

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

Dated: February 1, 1983.

LaDIEU-ESHBAUGH

By: Randall E. LaDieu
Randall E. LaDieu
P.E. , No. 048587

Sworn to before me this
1st day of February, 1983.

Janice P. Scudder

JANICE P. SCUDDER

Notary Public, State of N.Y., Monroe Co.

My Commission Expires March 30, 1983

La Dieu - Eshbaugh

SURVEYING-ENGINEERING-LAND PLANNING
498 LONG POND ROAD ROCHESTER, N. Y. 14612

ARTHUR S. LADIEU, L. S.
W. PAUL ESHBAUGH, P. E.-L. S.

ROBERT A. LADIEU, L. S.
RANDALL E. LADIEU, P. E.
BRUCE J. KIRCHHOFF, L. S.

ENGINEERS REPORT ON PINE RIDGE TOWNHOMES COMMON AREAS

January 31, 1983

Pine Ridge Townhomes is located at Stone Road and Mt. Read Blvd, Town of Greece, Monroe County, State of New York.

The proposed Common Area is denoted as Lot 57 on the subdivision map drawn by our firm titled Pine Ridge Subdivision dated August 5, 1982. Construction of utilities (sanitary sewer, storm sewer, water mains and pavements) are shown and detailed on drawings by our firm titled Pine Ridge Townhomes, sheets 1 of 7 to 7 of 7 dated August 31, 1982.

These drawings have been approved by the Town of Greece, Monroe County Pure Waters, and Monroe County Health Dept.


The Common area comprises of 5.73 acres and upon completion will consist of the following:

- A. A sanitary sewer system consisting of 8" sewer with manholes and laterals to each home. The entire system within the Utility Easement will be dedicated to the Greece Sanitary Sewer District No. 1.
- B. The Storm Sewer system will be constructed to the Town of Greece Standards and dedicated to them. This drainage system generally consists of catch basins and storm manholes constructed of concrete with cast iron frames and covers or prefabricated galvanized grates; and pipes of corrugated metal pipe or concrete pipe of varying sizes. Storm drainage will be piped to detention area which consists of a grass area with a three foot wide concrete gutter. The site will be graded so that all storm runoff will run on the grassy surface until entering the roadside concrete gutter or area drains, connected to the storm water drainage system.
- C. The water distribution system consists of 6" and 8" water mains, three fire hydrants, valves, blowoff, and copper services to each home. The system will be constructed to and dedicated to the Greece Consolidated Water District.

- D. The private roadway, "Old Stone Lane" will be improved as detailed on the Construction Plans, which generally are as follows:
 - 1. 9" compacted crushed stone base.
 - 2. 2" asphaltic concrete binder.
 - 3. 1" asphalt topping to be installed one year after binder course.
 - 4. 24" wide concrete gutters.
- E. Twenty seven (27) off-street parking spaces, to be located behind the gutter, and to be improved with:
 - 1. 6" gravel base
 - 2. 2" asphaltic concrete binder course
 - 3. 1" asphalt topping to be installed one year after binder course.
- F. Fifty six (56) individual driveways leading to the garages which are included in each of the 56 townhouses, each 9' wide and to be improved the same as the off-street spaces referred to above, except it will be 6" gravel base and 2" topping only.
- G. Ten (10) Post Top street lights located as shown on the Construction Plan along the private roadway.
- H. Various improvements around the individual Townhouse Dwellings will encroach upon the Common Area immediately surrounding each individual Fee Simple House Lot. These include:
 - 1. Concrete patio at the rear or side of each townhouse.
 - 2. Privacy Fencing around the patios.
 - 3. Concrete entry walk connecting the driveway to the front stoop.The maximum extent of any such encroachment upon the Common Area is 12'.
- I. Remaining Common Area (Areas not paved etc.) will be grassed and landscaped with various trees and shrubs.

The above is a description of the improvements at Pine Ridge Townhomes, if built in accordance with the Plans this office has prepared.

Prepared by



Randall E. LaDieu

LaDieu - Eshbaugh

498 Long Pond Road

Roch. N.Y. 14612

CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

1. Mark IV Construction Co., Inc., the Sponsor of Pine Ridge Homeowners Association, Inc., has retained our firm to review the Projected Schedules of Receipts and Expenses for the Townhomes of Pine Ridge for the first year of operation. Our experience in this field is as set forth on Schedule A attached hereto.

2. We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 22 insofar as they are applicable to the projections of income and expenses.

3. We have reviewed the projections and investigated the facts set forth therein and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential property.

4. We certify that the projections appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated

operating expenses for the projected first year of operation as a homeowners association.

5. We certify that the projection:

(i) sets forth in detail the terms of the transaction as it relates to the projections and is complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a homeowners association;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

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

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

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

the truth, or (d) did not have knowledge concerning the representations or statements made.

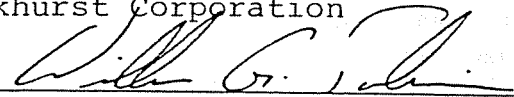
6. We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan.

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

Dated: 19 JANUARY, 1983.

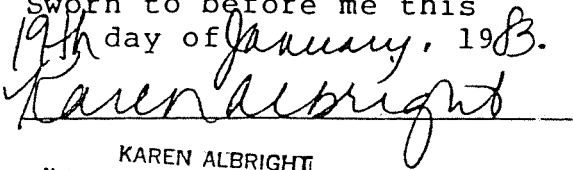
Rockhurst Corporation

by:



William G. Tomlinson, President

Sworn to before me this 19th day of January, 1983.



KAREN ALBRIGHT

Notary Public in the State of New York

Appointed in Ontario County

My Commission Expires March 30, 1983

See following page for a list of current clients of the Rockhurst Corp.

ROCKHURST CORPORATION

R-48 South Estate Drive □ Webster, New York 14580 □ 716-872-5185

CURRENT CLIENTS 08 December 1982

	Number of Units
BARKER ESTATES HOMEOWNERS ASSOCIATION, INC. Pittsford, New York President: Arthur Cohen (235-7650)	34
BEACON HILLS HOMEOWNERS ASSOCIATION, INC. Penfield, New York President: James D. Wilson (671-3938)	149
CHURCHVILLE GREENE HOMEOWNERS ASSOCIATION, INC. Churchville, New York President: Thomas C. Biondolillo (494-2221)	212
DOHR APARTMENTS Greece, New York Managing Partner: Cortland L. Brovitz, C.P.A. (454-6996)	112
EASTPOINTE APARTMENTS Oswego, New York Managing Partner: John W. Crowe, Esq. (325-2500)	118
LINDEN EAST CONDOMINIUM REGIME East Rochester, New York President: David L. Marshall (423-2371)	200
MICHELANGELO TOWER APARTMENTS Yonkers, New York Marine Midland representative: Mitchell S. Schneiderman in Buffalo: (1-843-2189)	90
NOTTINGHAM VILLAGE HOMEOWNERS ASSOCIATION, INC. Orchard Park, New York President: John R. Reid (1-828-1300)	82
PANORAMA TOWNHOMES HOMEOWNERS ASSOCIATION, INC. Rochester, New York President: David H. Feather (evenings: 385-1034)	13
STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC. Rochester, New York President: Thomas L. Solberg, Esq. (232-6500)	13
SUMNOL HOMEOWNERS ASSOCIATION, INC. Webster, New York Vice President: David J. Cartenuto, Esq. (872-0724) (President is William G. Tomlinson)	30
WINDSOR VILLAGE 2 CONDOMINIUM Ogden, New York President: Kathryn L. Parker (726-2199)	28