EXHIBIT I

BY-LAWS OF ASSOCIATION

EXHIBIT I

BY-LAWS

OF

OAKMONTE HOMEOWNERS' ASSOCIATION, INC.

NAME: **Oakmonte Townhomes**

SPONSOR: Oakmonte Single Family Homes, LLC

DATED: _____

_____

Albert M. Mercury, Esq.
PHILLIPS LYTLE LLP
1400 First Federal Plaza
Rochester, New York 14614

BY-LAWS OF
OAKMONTE HOMEOWNERS' ASSOCIATION, INC.

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BY-LAWS
OF
OAKMONTE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1.01. Name and Location. The name of the corporation is the Oakmonte Homeowners' Association, Inc. hereinafter referred to as the "Association". The principal office of the corporation shall be located in the Town of Penfield, County of Monroe and State of New York.

ARTICLE II

DEFINITIONS

As used in these By-Laws, the following terms shall be defined as:

Section 2.01. Declaration. The document entitled A Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens – Oakmonte Homeowners' Association, Inc. imposed by the Sponsor on 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 2.02. Lot. Any portion of the Property under the scope of the Declaration (with the exception of Association Property as defined in the Declaration) and (i) identified as a separate parcel on the tax records of the Town of Penfield or (ii) shown as a separate lot on any recorded or filed subdivision map.

Section 2.03. Member. The Owner of a Lot or Unit subject to the Declaration whether the holder of record title of the fee interest in the Lot or Unit or the record holder of any leasehold estate, whether or not such holder actually resides on the part of the Property.

Section 2.04. Lot Owner. The holder of record title, whether one 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.

Section 2.05. Property. All lands which are subject to the Declaration.

Section 2.06. Sponsor. Oakmonte Single Family Homes, LLC, its successors and assigns.

Section 2.07. Unit. Any residential dwelling situated on the Property or any dwelling unit (as evidenced by issuance of a Certificate of Occupancy issued by the Town of Penfield) which has been occupied as a residence.

ARTICLE III

MEMBERS

Section 3.01. Membership in the Association. The members of the Association shall be only Lot Owners and the Sponsor for as long as the Sponsor holds title to a Lot.

Section 3.02. Right of Sponsor to Assign. The Sponsor may, subject to (i) a duly filed amendment to the offering plan which has been filed with the New York State Department of Law for the offering of interests in the Association together with the Lots and (ii) the written consent of the percentage of Lot Owners as set forth in the Declaration, 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. Memberships in the Association shall not otherwise be transferable or assignable.

Section 3.03. Voting Rights. Each Lot Owner shall have one (1) vote, except to the extent such right to vote conflicts with the provisions of Sections 4.01 or 5.01 of these By-Laws. Any Lot Owner who is in violation of the Declaration, as determined by the Board of Directors of the Association, shall not be entitled to vote during any period in which such violation continues, provided that in no event may a Lot Owner's voting rights be suspended for nonpayment of Assessments to the Association.

Section 3.04. 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 Lot Owners, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Lot Owners 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 3.05. Corporate Members. Any votes of a corporate Lot Owner may be cast by an appropriate officer of such corporation.

Section 3.06. Joint or Common Ownership. If a Lot is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Lot shall reach agreement as to the matter voted upon and cast their vote for their Lot.

Section 3.07. Absentee Ballots and Proxy Voting. On any matter submitted to the Lot Owners for vote, other than the election of Directors of the Association, any Lot Owner entitled to vote may cast a vote without attending the meeting in question by filing a written statement with

Section 4.04. Quorum. Except as may otherwise be provided in these By-Laws, the presence in person or by proxy of Lot Owners having one- half (1/2) of total authorized votes of all Lot Owners shall constitute a quorum at any meeting of Lot Owners. If any meeting of Lot Owners cannot be held because a quorum is not present, a majority of the Lot Owners who are present at such meeting, 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 from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present in person or by proxy. The quorum required in each reconvened meeting shall be one-half of the quorum required for the previous meeting. The act of a majority of the Lot Owners present at a meeting at which a quorum was present shall be the act of the Lot Owners 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 4.05. 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 Lot Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 4.06. Actions Without a Meeting. All actions, except removal of a Director, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, and in a writing or writings signed by Lot Owners having the percentage of voting power required to take such action if it had been taken at a meeting. Such writings shall set forth the action so taken and shall be filed with the Secretary of the Association. A copy of such action when so approved shall be mailed promptly to all Lot Owners.

Section 4.07. Appointment of Inspectors of Election. The Board of Directors may, in advance of any meeting of the Lot Owners, appoint one or more inspectors to act at the meeting or at any adjourned meeting thereof. If inspectors are not so appointed in advance of the meeting, the person presiding at such meeting may, and on the request of any Lot Owner entitled to vote thereat shall, appoint one or more inspectors. In case any inspector appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath to faithfully execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. No person who is a candidate for the office of Director of the Association shall act as an inspector at any meeting of the Lot Owners at which Directors are elected. An inspector of elections need not be a member of the Association.

Section 4.08. Duties of Inspectors of Election. Whenever one or more inspectors of election may be appointed as provided in these By-Laws, such inspector or inspectors shall determine the number of Lot Owners entitled to vote, the Lot Owners represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count

the Board of Directors prior to the meeting in question, specifying the issue on which the Lot Owner intends to vote and that the Lot Owner votes for or against the same. Lot Owners 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.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.01. First Meeting and Annual Meeting. The first meeting of the Association shall be held not later than six (6) months from the date of the transfer of the first Lot. The first annual meeting of the Association shall be held within 30 days after (i) the Sponsor has transferred title to 14 Lots or (ii) within 12 months after the first meeting of the Association, whichever first occurs. Thereafter, there shall be an annual meeting of the Lot Owners on the first Tuesday of the month in which the first annual meeting was held or on such other date and time and at such place convenient to a majority of the Lot Owners 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. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts. The first meeting of the Association or the first annual meeting of the Association may be called by the Board of Directors and held at any time earlier than the times provided for herein.

Section 4.02. Special Meetings. Special Meetings of the Lot Owners may be called at any time by the President or by the Board of Directors, or at the request in writing of Lot Owners of the Association holding not less than one-third (1/3) of the votes entitled to be cast at the meeting.

Section 4.03. Notice of Meetings. Not less than seven (7) days or more than 60 days before the date of any Annual or Special Meeting of Lot Owners, the Association shall give to each Lot Owner entitled to vote at such meeting, 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 Lot Owner personally, or by leaving it at such Lot Owner'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 paid, addressed to the Lot Owner 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, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Lot Owners, 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.

and tabulate all votes, ballots, or consents, determine the result, and to do such acts as are proper to conduct the election or vote with fairness to all Lot Owners.

Section 4.09. Order of Business at Meeting. The order of business at all regular meetings of members of the Association shall, unless otherwise determined by the Board of Directors from time to time, be as follows:

(1) Calling of meeting to order;
(2) Proof of notice of meeting or waiver of notice;
(3) Reading of minutes of preceding meeting;
(4) Reports of officers;
(5) Reports of committees;
(6) Appointment of inspectors of election;
(7) Election of Directors, if any;
(8) Unfinished and/or old business;
(9) New business;
(10) Adjournment.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number and Qualification of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors shall initially consist of four (4) persons designated by the Sponsor. The Board of Directors shall meet within 90 days after the conveyance of title to the first Lot by the Sponsor to a purchaser. Within 30 days after title has been transferred to fourteen (14) Lots, one of such Directors shall resign and shall be replaced by a person who must be a Lot Owner independent of the Sponsor and who shall be elected to the Board by those Lot Owners independent of the Sponsor. Such elected member shall serve until the first annual meeting of the Association (See Section 4.01 above). Subject to the rights of the Sponsor to appoint or elect a portion of the Directors as provided in Section 5.03 below, a full Board shall be elected by the Lot Owners at the first annual meeting of the Association held pursuant to Section 4.01 of these By-Laws. Commencing with the election at the annual meeting next following the transfer of title to fourteen (14) Lots, the Board of Directors shall be increased to five (5) persons. (If there has not been a transfer of title to fourteen (14) Lots at the time of an annual meeting, the Board of Directors shall continue to consist of four (4) persons.) All elected Directors shall be (i) Lot Owners, (ii) spouses of Lot Owners, (iii) members or employees of a partnership Lot Owner, (iv) officers, directors, shareholders, employees or agents of a corporate Lot Owner or (v) designees of the Sponsor.

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 may or may not be a Director, and two (2) or more other Lot Owners 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 30 days prior to each Annual Meeting of the Lot Owners 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 to the Board of Directors as it shall in its sole discretion, determine, but not less than the number of vacancies that are to be filled.

Section 5.03. Election and Term. Except for members of the Board of Directors initially appointed by the Sponsor, who shall serve until the first annual meeting of the Association as provided in Section 4.01 of these By-Laws or until replaced by the Sponsor, whichever first occurs, the term of office of members of the Board of Directors shall be fixed at three (3) years, except that the term of office of the minority of persons elected as members of the Board of Directors receiving the lowest number of votes at the first annual meeting of the Association or at any subsequent annual meeting at which the number of Board members is increased shall be fixed at one (1) year. Successors shall be elected to serve for terms of three (3) years. Members of the Board of Directors shall hold office until their successors have been elected. Tie votes shall be decided by a runoff election unless all parties tying agree to a drawing of lots. 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.

Notwithstanding any contrary provision of these By-Laws, the Declaration and/or the Offering Plan:

(1) the Sponsor may cast its votes to appoint or designate a majority of the Board of Directors at any election if the Sponsor owns 50% or more of the Lots at the time of such election, provided five (5) years have not passed since the date of recording of the Declaration;

(2) whenever the Sponsor at the time of an election of the Board of Directors shall own 30% or more of the Lots, the Sponsor shall have the right to appoint up to 40% of the members of the Board of Directors, (until five (5) years after the date of recording of the Declaration, if the Sponsor owns more than 50% of the Lots, the

Sponsor may cast its votes to elect a majority of the Board of Directors);

(3) whenever the Sponsor, at the time of an election shall own at least 10%, but less than 30% of the Lots, the Sponsor shall have the right to appoint up to 20% of the members of the Board of Directors; and

(4) whenever the Sponsor at the time of an election of the Board of Directors owns less than 10% of the Lots, the Sponsor shall have no right to appoint any member of the Board of Directors.

(5) when the Sponsor appoints a majority of the members of the Board of Directors, such controlling Directors shall not prevent expenditures required to comply with applicable laws or regulations or, without the consent of a majority of those Directors elected by Lot Owners independent of the Sponsor, (i) reduce the level of services described in the Offering Plan filed by the Sponsor with the New York State Department of Law for the offering of interests in the Association, (ii) prevent capital repairs to Association Property, or (iii) prevent expenditures required to comply with applicable laws or regulations.

In applying the above percentages to determine the number of directors which the Sponsor may appoint, all decimals will be rounded up to the next highest whole number.

Section 5.04. Vacancies. Except for (i) Directors appointed or elected by the Sponsor who shall be replaced by the Sponsor and (ii) Directors elected by the Lot Owners other than the Sponsor, who shall be replaced by the majority vote of the remaining Directors similarly elected, or, if none, by a special election by Lot Owners other than the Sponsor, any vacancy occurring in the 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 or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Lot Owners 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 Lot Owners or until a successor is elected and qualifies.

Section 5.05. Removal of Members of Board of Directors. Subject to the limitations as provided in this Section 5.05, at any regular or special meeting of Lot Owners, any one or more of the members of the Board of Directors elected by the Lot Owners may be removed with cause by the affirmative vote of not less than a majority of the Lot Owners other than the Sponsor or without cause by the affirmative vote not less than two-thirds (2/3) of the Lot Owners other than the Sponsor and a successor may then and there or thereafter be elected by the Lot Owners other than the Sponsor to fill the vacancy thus created. Any member of the Board of Directors whose removal has

been proposed by the Lot Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Directors elected or appointed by the Sponsor may be removed without cause only by the Sponsor, and thereafter replaced by the Sponsor. Members of the Board of Directors elected or appointed by the Sponsor may be removed with cause by the Lot Owners, but their successor shall be appointed by the Sponsor. 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 (i) shall be absent from three (3) consecutive meetings or (ii) shall be absent from 50% or more of the regularly scheduled meetings of the Board of Directors in any calendar year, (iii) is physically incapacitated or has been judicially determined to be of unsound mind.

Section 5.06. Compensation. Directors shall not receive any compensation or salary for their services. Any Director may be reimbursed for actual expenses incurred in the performance of duties as Director. A Director who serves the Association in any other capacity, however, may receive compensation therefor.

Section 5.07. Organizational Meeting. Immediately after each annual meeting of Lot Owners, the newly elected Directors and those Directors whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting of Directors need not be given.

Section 5.08. Regular Meetings. Regular meetings of the Board of Directors shall be held not less than three (3) times a year without formal 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.

Section 5.09. 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 a 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 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 5.10. Quorum and Voting. Unless otherwise provided in the Declaration, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. Except in cases in which it is provided otherwise by statute, by the Certificate of Incorporation, or by these By-Laws, a vote of a majority of such quorum 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 of those Directors present, 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 at the meeting which might have been transacted as originally called.

Section 5.11. Action Without a Meeting. Any action required or permitted to be taken at 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, and provided further that such written consent is filed with the minutes of proceedings of the Board or committee.

Section 5.12. Regulations. The Board of Directors may establish such regulations consistent with these By-Laws and the Declaration as they deem appropriate for the government of its actions.

Section 5.13. Powers and Duties. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) Maintain, repair and replace, as necessary, all properties and facilities owned by the Association or for which the Association has maintenance responsibilities under the Declaration;

(b) Determine and levy the maintenance assessments, special assessments and other charges as provided for in the Declaration;

(c) Collect, use and expend the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association, and the maintenance, care and preservation of the exteriors of the Units and other improvements to the Property;

(d) To the extent it deems the same necessary and reasonable, procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and procure and maintain adequate hazard insurance on such of the Association's real and personal properties and the Units as it deems appropriate;

(e) Subject to the provisions of the Declaration, repair, restore or alter the properties of the Association after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

(f) Adopt and publish rules and regulations governing the use of the Property, and the personal conduct of the Lot Owners and other guests thereon, and establish penalties for infractions thereof;

(g) Collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin, or seek damages from or impose penalties on Lot Owners for violations of the provisions of the Declaration or of any rules or regulations of the Association;

(h) Pay all taxes owing by the Association, and file tax returns;

(i) Declare the office of a member of the Board of Directors to be vacant in the event such member (i) shall be absent from three (3) consecutive meetings of the Board of Directors, or (ii) shall be absent from 50% or more of the regularly scheduled meetings of the Board of Directors in any calendar year, or (iii) is physically incapacitated or has been judicially determined to be of unsound mind;

(j) Keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and present a statement thereof to the Lot Owners at the annual meeting of Lot Owners, or at any special meeting of Lot Owners when such a statement is requested in writing by not less than one-fourth (1/4) of the Lot Owners entitled to vote;

(k) 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 assessments for any Lot, and impose a reasonable charge for issuance of such Assessment Certificate;

(l) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Lot Owners by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration;

(m) Enter into contracts;

(n) Borrow money as permitted by the Declaration;

(o) Employ a managing agent and such other persons or firms to perform such duties and services as the Board of Directors may authorize.

Section 5.14. Managing Agent and Manager. The Board of Directors may employ for the Association a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such services and duties as the Board of Directors shall authorize, including but not limited to those duties listed in subdivisions (c), (d), (e), (h), (j) and (k) of Section 5.13 of these By-Laws.

ARTICLE VI

OFFICERS

Section 6.01. Officers. The officers of the Association shall be the President, one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. The President, but no other officer, must be a member of the Board of Directors.

Section 6.02. Election and Appointment of Officers. The elective officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Appointive officers shall be appointed at such time and shall hold their office for such terms as the Board of Directors shall determine from time to time.

Section 6.03. Term and Vacancies. Each elective officer shall hold office 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. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor to such office may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 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 Lot Owners, shall, if there is no Chairman of the Board of Directors, preside at all meetings of Directors, and shall perform such other duties and functions as may be assigned to him or her by the Board of Directors. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board of Directors 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 of Directors, and shall perform such other duties and functions as may be assigned to him or her by the President or by the Board of Directors.

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, if any, and corporate records of the Association, shall keep records of the Lot Owners of the Association and the mortgagees of dwelling units on the Property, and shall

perform such other duties as are assigned to him or her by the President or by the Board of Directors. 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 monies 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 to the Board of Directors, 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 or by the Board of Directors.

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

Section 6.10. Delegation of Authority and Duties; Control of Officers. In the absence of any officer of the Association, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate the power or duties, or any of them, of such officers, to any other officer or to any Director or the managing agent. In addition, the Board of Directors is authorized generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

Section 6.11. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association and shall be a common expense.

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 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 the By-Laws or a plan of merger or consolidation.

All actions by any such committee shall be reported to the Board of Directors at its meeting next succeeding such actions. Such actions shall be subject to control, revision and alteration by the Board of Directors provided that no rights of any third parties shall be prejudiced by any such control, revision or alteration.

Section 7.02. Committees of Lot Owners. The Association shall have such committees as the Board of Directors shall deem desirable with such duties and functions as the

Board shall determine to be appropriate for them from time to time. Each committee shall consist of a chairman and two (2) or more Lot Owners and shall include a member of the Board of Directors.

Section 7.03. Rules and Records. 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. Each committee shall keep regular minutes of its proceedings and shall report such proceeding to the Board of Directors as required by the Board.

ARTICLE VIII

FINANCE AND RECORDS

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 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 12 calendar months ending December 31 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 prepared by a public or certified public accountant and including a certificate signed by a public or certified public accountant to the effect that the financial statement presents fairly the financial position of the Association and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period except as specified therein. The statement of the financial affairs of the Association shall be prepared in accordance with the then current guidelines for "common interest realty associations" promulgated by the American Institute of Certified Public Accountants or any successor organization. Such report shall be distributed to all Lot Owners and to all mortgagees of Lots who have requested the same, 90 days after the end of each fiscal year. Taking into consideration the cost of an audit vs. a review, the complexity and volume of the Association's financial affairs and such other factors the Board of Directors deems relevant, the Board of Directors of the Association shall determine each year whether such statement shall be in the form of an audit or review, except that (i) an audit, at the expense of the Association shall be required if authorized in writing by at least 67% of all Lot Owners independent of the Sponsor and (ii) any Lot Owner or mortgage holder shall be entitled to obtain an audited statement at such Lot Owner's or mortgagee's own expense.

Section 8.04. Record Keeping. The Board of Directors or the managing agent retained by the Board of Directors shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of Lot Owners, and financial records and books of account of the Association, including chronological listing of receipts and expenditures, as well as a separate account for each Lot which, among other things, shall contain the amount of each maintenance assessment, special assessment and other charges, if any, against such Lot, the dates when installments of assessments are due, the amounts paid thereon, and the balance remaining unpaid.

Section 8.05. Separate Account for Capital Reserve Funds. Any funds of the Association collected or designated as reserves for the replacement of capital items shall be segregated from all other funds of the Association in one or more separate accounts. This shall not

preclude the Association from segregating other portions of its funds in separate accounts for a specific purpose (e.g., reserves for noncapital items) or otherwise. So long as the Sponsor is in control of the Board of Directors of the Association, no reserve funds shall be used to reduce projected assessments or charges or the Sponsor's obligation to fund a deficit of the Association.

Section 8.06. Books, Records and Legal Documents. The Board of Directors shall make available for inspection upon reasonable notice and during normal business hours, to existing and prospective Lot Owners, tenants, title insurers, mortgagees, mortgage insurers and mortgage guarantors, current copies of the Declaration, By-Laws, Certificate of Incorporation, rules and regulations, budget, schedule of assessments, balance sheet and any other books, records and financial statements of the Association. The Board of Directors may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

ARTICLE IX

GENERAL POWERS OF THE ASSOCIATION

Section 9.01. Common Expenses. The Association, for the benefit of all the Lot Owners, shall pay for out of Association funds as common expenses, the following:

a. Utilities and Related Facilities. The cost of electricity, telephone, heat, power or any other necessary utility service, if any, for the Association Property, and the cost of maintaining and/or repairing and/or replacing common gas, water, hot and cold water lines, waste removal and any utilities which costs are not otherwise directly charged or separately metered to individual Lot Owners. In the event any utility service for a Lot is paid by the Association of a kind or nature not furnished to all Lot Owners, the Association shall charge monthly to the owner of such Lot an estimated cost for such usage. However, the Association may discontinue payments of such utility service at any time, in which case each Lot Owner shall be responsible for direct payment of his share of such expense as shall be determined by the Board of Directors of the Association. The Association shall have the right to levy additional assessments against any Lot Owner to reimburse it for excessive use of any utility service by such Lot Owner in such amounts as shall be determined by the Board of Directors.

b. Insurance. Premiums for all insurance obtained as required or permitted by the Declaration including fire and casualty insurance on the property of the Association and the dwelling units constructed on

the Lots and liability insurance covering the Association and its Directors and officers.

c. Wages and Fees for Services. The fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Association, and legal, accounting or other services or expenses necessary or proper in the conduct of the affairs of the Association or the enforcement or interpretation of the Declaration and these By-Laws and for the organization, operation and enforcement of the rights of the Association.

d. Care of Association Property. The cost of landscaping, gardening, security, snow removal, painting, cleaning, decorating, refurbishing, maintenance, repair, replacement and rehabilitation of the property of the Association and the exteriors of the dwelling units on the Lots as required by the Declaration or determined to be appropriate by the Board of Directors from time to time.

e. Certain Maintenance of Lots. The cost of the reasonable maintenance and repair of any improvement on a Lot if such maintenance or repair is necessary, in the discretion of the Board of Directors, for public safety or to protect the property of the Association, and the Owner of such Lot has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity thereof delivered by the Association to such Lot Owner; provided that the Association shall levy a Special Assessment against such Lot Owner for the cost of such maintenance or repair.

f. Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Association or its property. Where one or more Lot Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging such lien, and any costs incurred by the Association by reason of such lien shall be specially assessed against such Lot Owner or Lot Owners.

g. Additional Expenses. The cost of any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, or other expenses which the Association is required or permitted to secure or pay for pursuant to the terms of the Declaration, these By-Laws, or by law or which in the opinion of the Board of Directors shall be necessary or proper for the maintenance

and operation of the Association Property to preserve the Property as a first class community.

Section 9.02. No Active Business to be Conducted for Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Lot Owners or any of them.

Section 9.03. Miscellaneous Income. Except as may otherwise be provided in the By-Laws or in the Declaration, all monies received for the rental of or for the use of any Association Property, shall also be added to the Association's general fund and used to defray the items of common expense.

Section 9.04. Special Services. The Association may arrange for the providing of any special services and facilities for the benefit of such Lot Owners and/or occupants of Lots as may desire to pay for the same, such as the interior cleaning of Units, or the furnishing of firewood for consumption in fireplaces in the Units. Fees for such special services and facilities shall be determined by the Board of Directors and may be charged directly to the Lot Owners receiving such services, or paid from the Association's general funds and levied as a Special Assessment against the Lot Owners receiving such services.

Section 9.05. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through the Board of Directors or officers of the Association, from delegating to persons, firms or corporations of its choice, including any manager or managing agent, such duties and responsibilities of the Association as the Board of Directors shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

Section 9.06. Acquisition, Lease, Sale or Exchange of Real Property. Whenever the Board of Directors determines to acquire, lease, sell or exchange real property or any interest therein, the Board shall, unless otherwise provided in Article IV of the Declaration, submit such acquisition, sale, lease or exchange to the vote of the Lot Owners, and, upon the affirmative vote of the Lot Owners of 67% or more of the Lots present in person or by proxy at an annual meeting or a special meeting duly held for such purpose, the Board of Directors may proceed with such acquisition, lease, sale or exchange, in the name of the Association and on behalf of the Lot Owners, and the costs and expenses incident thereto shall constitute part of the common expenses of the Association.

ARTICLE X

CORPORATE SEAL OPTIONAL

Section 10.01. Corporate Seal Optional. If decided by the Board of Directors, 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 modified, altered, repealed, amended or added to at any regular or special meeting of the Lot Owners provided that:

a. a notice of the meeting containing a full statement of the proposed modification, alteration, repeal, amendment or addition has been sent to all Lot Owners and Lot mortgagees as listed on the records of the Association, not less than 10 nor more than 40 days prior to the date or initial date set for the canvass of the vote thereon; and

b. 67% or more of the Lot Owners present at the meeting in person or by proxy approve the change; and

c. prior to date or initial date for the canvass of the vote thereon, the Association has not received written notification of opposition to the change from either (i) Owners of more than 33% of all Lots or (ii) mortgagees of 51% or more of Lots on which there are mortgages as shown on the records of the Association.

Notwithstanding the above (i) so long as the Sponsor holds title to any portion of the Property, Sections 3.01, 3.02, 3.03, 5.01, 5.03, 5.04, 5.05 and 11.01 of these By-Laws shall not be amended without the consent of the Sponsor, and (ii) the Sponsor, during the time it shall own any portion of the Property, may make amendments to these By-Laws to correct omissions or errors provided such amendments shall not adversely modify substantial rights of any Lot Owner without such Lot Owner's written consent.

Section 11.02. Form of Amendment Proposals. No By-Laws shall be modified, altered, amended or added to by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be modified, altered, amended or added to, new words shall be inserted in the text underlined, or italicized, and words to be deleted shall be lined through. If the proposed change is so extensive that the above procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and

interlining as indicators of words added or deleted, but a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See Section ___ of By-Laws for present text."

Section 11.03. Nonmaterial Errors or Omissions. Nonmaterial errors or omissions in the By-Law amendment process shall not invalidate an otherwise properly promulgated amendment.

Section 11.04. Effective Date of Amendment. An amendment to these By-Laws shall be effective in accordance with the terms of its adoption.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Notices. All notices hereunder shall be in writing and delivered personally or sent by first class mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, (i) if to go to the Board of Directors, or to the Association, to any member of the Board of Directors or to the secretary of the Association (if the secretary is not a member of the Board), (ii) if to go to a Lot Owner to such permanent address of such Lot Owner as appears on the books of the Association, (iii) if to go to a mortgagee, to the address of such mortgagee as appears on the books of the Association, and (iv) to a devisee or personal representative of a deceased Lot Owner to the address of such devisee or personal representative as appears on the records of the Court wherein the estate of such deceased Lot Owner is being administered.

All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 12.02. 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.

Section 12.03. No Waiver for Failure to Enforce. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 12.04. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the masculine, feminine or neuter and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 12.05. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 12.06. Severability. Should any part of these By-Laws be deemed void or become unenforceable at law or in equity, the validity, enforceability or effect of the balance of these By-Laws shall not be impaired or affected in any manner.

EXHIBIT J

ESCROW AGREEMENT

ESCROW AGREEMENT

OAKMONTE HOMEOWNERS' ASSOCIATION, INC.

THIS AGREEMENT ("ESCROW AGREEMENT") made this 2nd day of April, 2005, between OAKMONTE SINGLE FAMILY HOMES, LLC ("SPONSOR") and PHILLIPS LYTLE LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering ("OFFERING") for interests in the homeowners' association known or to be known as OAKMONTE HOMEOWNERS' ASSOCIATION, INC. ("ASSOCIATION") for real property located in the Town of Penfield, County of Monroe, New York (interests in the Association and the real property are collectively known as the "PROJECT"); and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e.2-b and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers of lots or homes in the PROJECT, pursuant to the terms of this ESCROW AGREEMENT.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, SPONSOR and ESCROW AGENT hereby agree as follows:

I. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.01 SPONSOR and ESCROW AGENT hereby establish an escrow account ("ESCROW ACCOUNT") with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers of interests in the PROJECT. The ESCROW ACCOUNT has been opened with First Niagara Bank ("Bank") at its Greece Branch located at Elmridge Center, Greece, New York 14626. The number of the ESCROW ACCOUNT is 7900051199.

1.02 The name of the ESCROW ACCOUNT is "PHILLIPS LYTLE LLP- OAKMONTE TOWNHOMES ESCROW ACCOUNT".

1.03 The following partners of ESCROW AGENT are the sole signatories on the ESCROW ACCOUNT: Albert M. Mercury, Robert C. Johnson and Richard M. Beers, Jr.

1.04 Any one of such partners may sign for the release of funds from the ESCROW ACCOUNT.

1.05 The ESCROW ACCOUNT is an interest bearing account. Interest earned on the account will be credited to the Buyer unless the Deposit is forfeited due to default of the Buyer.

II. DEPOSITS INTO THE ESCROW ACCOUNT.

2.01 All funds received from prospective purchasers prior to the closing of the interest which such purchaser contracted to purchase, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the ESCROW ACCOUNT. All instruments to be deposited into the ESCROW ACCOUNT shall be made payable to, or endorsed by the purchaser to the order of PHILLIPS LYTLE LLP- OAKMONTE TOWNHOMES ESCROW ACCOUNT. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be promptly returned to the prospective purchaser, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this ESCROW AGREEMENT.

2.02 Within 10 business days after tender of any deposit by a Purchaser, the ESCROW AGENT shall notify the purchaser of the deposit of such funds in the Bank and provide the account number of the ESCROW ACCOUNT. If the purchaser does not receive notification of such deposit within 15 business days after tender of the deposit, the purchaser may cancel the purchase and rescind within 90 days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the purchaser.

III. RELEASE OF FUNDS.

3.01 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser to SPONSOR until such time as SPONSOR has transferred title to a lot in the PROJECT and has transferred the "common areas" in the PROJECT to the ASSOCIATION. Consummation of the OFFERING shall not relieve SPONSOR of its fiduciary obligations pursuant to General Business Law Section 352-h.

3.02 ESCROW AGENT shall continue to hold the funds in escrow until (i) otherwise directed in a writing signed by both SPONSOR and purchaser or (ii) 10 business days after purchaser receives notice of the proposed release of such funds and has not objected to such release in the manner provided in Section 3.04 below or (iii) a determination of the Attorney General or (iv) a judgment or order of a court of competent jurisdiction or (v) released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.03 SPONSOR shall not object to the release of the escrowed funds to (i) a purchaser who timely rescinds in accordance with an offer of rescission or (ii) all purchasers if the OFFERING is abandoned and notice of such abandonment is given to the New York State Department of Law ("DEPARTMENT OF LAW"). (The DEPARTMENT OF LAW is headed by the Attorney General. References to "DEPARTMENT OF LAW" and "Attorney General" are sometimes synonymous in this Agreement.)

3.04 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT had given the purchaser written notice of not fewer than 10 business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the DEPARTMENT OF LAW pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

IV. RECORDKEEPING.

4.01 ESCROW AGENT shall maintain all records concerning the ESCROW ACCOUNT for seven (7) years after release of the funds.

4.02 Upon the dissolution of the ESCROW AGENT law firm within the 7 year period set forth in Section 4.01 above, the former partners or members of the firm shall make appropriate arrangements for the maintenance of the ESCROW ACCOUNT records by one of the partners or members of the firm or by the successor firm and shall notify the DEPARTMENT OF LAW of such transfer.

4.03 ESCROW AGENT shall make available to the Attorney General, upon the Attorney General's request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

V. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.01 ESCROW AGENT shall maintain the accounts called for in this ESCROW AGREEMENT under the direct supervision and control of ESCROW AGENT.

5.02 A fiduciary relationship shall exist between ESCROW AGENT and purchasers of lots or homes in the PROJECT and ESCROW AGENT acknowledges its fiduciary obligations.

VI. RESPONSIBILITIES OF SPONSOR.

6.01 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT, so that the ESCROW AGENT may deposit the same in the ESCROW ACCOUNT in the timely manner required in the Attorney General's regulations (e.g. within five (5) business days after all parties have

executed the purchase agreement or within ten (10) business days after tender of deposit by purchaser, whichever is earlier).

6.02 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

VII. TERMINATION OF ESCROW AGREEMENT.

7.01 This ESCROW AGREEMENT shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of notice with the DEPARTMENT OF LAW providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of notice of such resignation with the DEPARTMENT OF LAW providing for a successor ESCROW AGENT; or

(c) All lots and homes in the PROJECT offered pursuant to the OFFERING having been sold and all sales transactions having been consummated.

7.02 Upon termination of the duties of ESCROW AGENT as described in this Section 7.01 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

VIII. SUCCESSORS AND ASSIGNS.

8.01 This ESCROW AGREEMENT shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

IX. GOVERNING LAW.

9.01 This ESCROW AGREEMENT shall be construed in accordance with and governed by the laws of the State of New York.

X. ESCROW AGENT'S COMPENSATION AND INDEMNITY.

10.01 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

10.02 The ESCROW AGENT shall be reimbursed by the SPONSOR for all disbursements made in the course of carrying out its duties under this ESCROW AGREEMENT, and for legal fees and costs incurred in order to carry out its duties as set forth in this ESCROW AGREEMENT.

10.03. The SPONSOR shall indemnify, save and hold harmless the ESCROW AGENT from any loss or damage whatsoever arising out of or by reason of the failure of the SPONSOR to perform its obligations under this ESCROW AGREEMENT or the Attorney General's regulations.

XI. SEVERABILITY.

11.01 If any provision of this ESCROW AGREEMENT or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this ESCROW AGREEMENT or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

XII. ENTIRE AGREEMENT.

12.01 This ESCROW AGREEMENT, read together with General Business Law Section 352-e.2-b and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this ESCROW AGREEMENT as of the day and year first written above.

ESCROW AGENT
PHILLIPS LYTLE LLP
By_____
Name: Albert M. Mercury
Title: Partner

SPONSOR

OAKMONTE SINGLE FAMILY HOMES, LLC
By: _____
Name: Michael M. Spoleta
Title: Manager

EXHIBIT K

FORM FOR REQUESTING DISPUTE RESOLUTION BY ATTORNEY GENERAL CONCERNING DOWN PAYMENT

ETF-1

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

_____

4. This is an application for
   - [ ] return of downpayment.
   - [ ] forfeiture of downpayment.
   - [ ] other: _____

5. The project is
   - [ ] a conversion of occupied premises.
   - [ ] newly constructed or rehabilitated.
   - [ ] vacant (as is).

6. The project is structured as
   - [ ] a cooperative.
   - [ ] a condominium.
   - [ ] a homeowners association.
   - [ ] a timeshare.
   - [ ] other: _____

7. **Name and Address of Sponsor:** _____

_____

8. **Name and Address of Escrow Agent:** _____

_____

9. **If downpayments are maintained in an escrow account:**

   (a) **Name of account** _____

   (b) **Name and address of bank** _____

   (c) **Account number (if known)** _____

   (d) **Initial interest rate (if known)** _____

10. **If downpayments have been secured by bonds:**

   (a) **Name and address of bond issuer or surety:** _____

   _____

   (b) **Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:**

   _____

   _____

11. **If downpayments have been secured by a letter of credit:**

   (a) **Name and address of bank which issued the letter of credit:** _____

   _____

   (b) **Date of expiration of the letter of credit, if known:**

   _____

12. **Plan information:**

   (a) **Date of filing of plan:** _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ **Date:** _____

Name (Printed): _____

Telephone: (Home) _____ **(Business)** _____

Mailing Address: _____

_____

2/6/92

EXHIBIT L

CERTIFICATION OF SPONSOR AND PRINCIPALS OF SPONSOR

Certification By Sponsor

The undersigned Sponsor certifies as follows with respect to Oakmonte Homeowners' Association, Inc., Town of Penfield, Monroe County, New York:

We are the Sponsor and the principals of the Sponsor of the homeowners' association offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Office of the Attorney General in Part 22, and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

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

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

In addition, we certify that the roads and/or sewers, and/or water lines, when constructed, will be in accordance with local government specifications. After completion of such amenities and before conveyance of the common property to the HOA, the plan will be amended to include a certification by an engineer or architect (who must be registered as an architect or be licensed to practice as a professional engineer in the jurisdiction where the HOA is located) stating that the roads and/or sewers, and/or water lines have, in fact, been constructed in accordance with local government specifications and indicating the date of completion. In the alternative, and/or if the construction of the roads and/or sewers and/or water lines has not been completed prior to conveyance to the HOA, a bond will be posted, funds will be escrowed, or other adequate security will be provided in an amount to be determined by an engineer licensed to practice as a professional engineer in the jurisdiction where the HOA is located which amount shall not be less than the amount required to complete such construction to the required specifications.

Oakmonte Single Family Homes, LLC
a New York limited liability company
Sponsor

By: _____
Name: Michael M. Spoleta
Its: Manager

Sworn to before me this 28th
day of February, 2005
Lynnmarie Priestley
Notary Public

LYNNMARIE PRIESTLEY
Notary Public, State of New York
No. 01PR6088946
Qualified in Monroe County
Commission Expires March 17, 20 07

By: _____
Name: Gary W. Passero
Its: Manager

Sworn to before me this 28th
day of February, 2005
Lynnmarie Priestley
Notary Public

LYNNMARIE PRIESTLEY
Notary Public, State of New York
No. 01PR6088946
Qualified in Monroe County
Commission Expires March 17, 20 07

The Passero Group, LLC
a New York limited liability company
Principal of Sponsor
By: _____
Name: Gary W. Passero
Its: Manager

Sworn to before me this 28th
day of February, 2005
Lynnmarie Priestley
Notary Public

LYNNMARIE PRIESTLEY
Notary Public, State of New York
No. 01PR6088946
Qualified in Monroe County
Commission Expires March 17, 20 07

Spoleta Group LLC
a New York limited liability company
Principal of Sponsor
By: _____
Name: Michael M. Spoleta
Its: Manager

Sworn to before me this 28th
day of February, 2005
Lynnmarie Priestley
Notary Public

LYNNMARIE PRIESTLEY
Notary Public, State of New York
No. 01PR6088946
Qualified in Monroe County
Commission Expires March 17, 20 07

EXHIBIT M

CERTIFICATION OF SPONSOR'S ENGINEER

CERTIFICATION OF SPONSOR'S ENGINEER

RE: OAKMONTE HOMEOWNERS' ASSOCIATION, INC.
TOWN OF PENFIELD, COUNTY OF MONROE, NEW YORK

The Sponsor of the offering plan ("Offering Plan") to offer the captioned property in favor of home owner's association ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). We visually inspected the property on 3-9, 2005, and examined the building plans and specifications that were prepared by Passero Associates, P.C. dated SEP & DEC 04, and prepared the Report dated 3-9-05, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are licensed engineers in the State where the property is located.

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

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

i. sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that the renovation and/or construction is in accordance with the plans and specifications which we examined;

ii. in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications which we examined;

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 representation or statement made.

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 this Report is not contingent on the offer and sale of the property to a homeowner's association or 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.

GEORGE A SCARDETTA

By: George A. Scardetta

Name: GEORGE A. SCARDETTA

Its: SOLE PROPIETER

Subscribed and sworn to before me this
9 day of March, 2005

Elizabeth A. Greene
Notary Public

ELIZABETH A. GREENE
Notary Public, State of New York
No. 01GR6033079
Qualified in Monroe County
Commission Expires Nov.8, 20 05

EXHIBIT N

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

March 17, 2005

Real Estate Financing Bureau
New York State Department of Law
120 Broadway
New York, NY 10271

Re: Certification on Adequacy of Budget
Oakmonte Homeowners Association, Inc.

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

Gentlemen:

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

The sponsor of the above captioned homeowners association retained our firm to review the Budget for the First Year of Operation (based upon occupancy of all 28 units), Schedule A of the offering plan for Oakmonte Homeowners Association, Inc.

My experience in this field includes:

Over thirty (30) years experience in the management of homeowners associations and condominiums. I am a member of both the Community Associations Institute (CAI) and the Institute of Real Estate Management (IREM). I have been a CERTIFIED PROPERTY MANAGER (CPM) since 1977.

Realty Performance Group currently is the managing agent for twelve homeowners associations and condominiums, totaling over 1,300 living units.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 22 insofar as they are applicable to the Budget for the First Year of Operation. I have reviewed the Schedule A and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential property.

I certify that the projections in the Budget for the First Year of Operation appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the first year of operation as a homeowners association.

I certify that the Schedule:

(i) sets forth in detail the terms of the projected income and expense for the first year of homeowners association operations on the Schedule and is complete, current and accurate;

(ii) affords 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 I: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of operation as a homeowners association.

There are no lawsuits, or other proceedings now pending, or judgments outstanding against Realty Performance Group, Inc. which would affect the capacity of Realty Performance Group, Inc. to act as managing agent for Oakmonte Homeowners Association, Inc.

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

REALTY PERFORMANCE GROUP, INC.

Richard A. Albright, CPM
President

Sworn to before me this
17 day of March, 2005

Walker, Carolyn M
Notary Public
County of Monroe
State of New York
01WA6111382 6/7/2008