VICTORIA WOODS PHASE III

OFFERING PLAN

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THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

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STATE OF NEW YORK
DEPARTMENT OF LAW
TWO WORLD TRADE CENTER
NEW YORK, NY 10047

(212) 488-3365

ROBERT ABRAMS
Attorney General

JAMES M. MORRISSEY
Assistant Attorney General in Charge
Real Estate Financing Bureau

Victoria Woods Village
c/o Elliott, Stern, et al.
Attn: Richard A. Calabrese
One East Main Street
Rochester, NY 14614

RE: Victoria Woods Phase III
File Number: H850032
Filing Fee: $149.16
Acceptance Date: 06/28/85

Amount offering: $ 298,327.00
Receipt Number: 41317285

Dear Sponsor:

The offering literature submitted for the subject premises is hereby accepted and filed. Unless extended by duly filed amendment, the effectiveness of the filing shall expire twelve months from this date. All advertising and solicitation material must be consistent with the contents of the filed offering literature. Any material change of facts or circumstances affecting the property or the offering requires an immediate amendment.

Any misstatement or concealment of material fact in the amended literature filed renders this filing void ab initio. In filing the amended literature, this office has relied on the truth of the certification of sponsor, the sponsor's principals and sponsor's experts and the transmittal letter of sponsor's attorney.

The issuance of this letter is conditioned upon the faithful performance of all of the obligations of the sponsor, its agents and instrumentalities, required by law and as set forth in the offering literature. If at any time there is a failure or neglect to perform such obligations when required, the effectiveness of this letter shall be suspended, and all offering and sales shall cease, pending further action by this office pursuant to law. Issuance of this letter is further conditioned on the collection of all fees imposed by law. This letter is your receipt for the above fee.

The filing of the offering literature shall not in any way be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable provisions of law.

Very truly yours,

Mary Sabatini /ET
MARY SABATINI
ASSISTANT ATTORNEY GENERAL

STATE OF NEW YORK
DEPARTMENT OF LAW

ROBERT ABRAMS
Attorney General

TWO WORLD TRADE CENTER
NEW YORK, NY 10047

(212) 488-6216

Victoria Woods Village
c/o Elliott, Stern, et al.
Attn: Richard A. Calabrese
One East Main Street
Rochester, NY 14614

RE: Victoria Woods Phase III
File Number: H850032
Date Amendment Filed: 11/01/85
Receipt Number: 309521315

Amendment No: 1
Filing Fee: $1,164.54

Dear Sponsor:

Amendment 1 to the offering plan for the subject premises is hereby accepted and filed. This filing is effective for the greater of six months from the date of this Amendment or twelve months from the acceptance date of the original offering literature. Any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the amended literature filed renders this filing void ab initio. In filing the amended literature, this office has relied on the truth of the certification of sponsor, the sponsor's principals and sponsor's experts and the transmittal letter of sponsor's attorney.

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

Very truly yours,

Derrick Gibbs/JL

DERRICK GIBBS
ASSISTANT ATTORNEY GENERAL

RS-2
CD-2
C-2

TO: THE ATTORNEY GENERAL OF THE STATE OF NEW YORK

FROM: NAME: The Homeowners' Association of Victoria Woods, Phase II In

ADDRESS: 6400 Victor-Manchester Road

Victor, New York 14564

Below is contained a short summary of the amendments to the offering circular, prospectus, etc., already filed with the Department of Law of the State of New York.

1. The Offering Plan was filed June 28, 1985 and as of the date hereof there are contracts to sell (40) forty units. There have been no sale of units in Phase III as of the date hereof.

2. To incorporate Sections II, III and IV of Phase III into the Associati bringing the enitre (212) two hundred TWELVE units under the Declaration.

3. To set forth revised Estimate of Operating Expenses and Reserves to encompass the (214) two hundred fourteen units setting the monthly assessments at $54.72 to commence on or about November 1, 1985.

4. To amend Article IX, Section 9.02 of the Declaration "Pets".

5. To delete Article IX, Section 9.05 b. of the Declaration "Pass-Key".

6. To correct a typing error in Article X, Section 10.11. Member Responsible for Tenants.

There are no other material changes in the Offering Plan, except as contained in this Amendment.

I hereby affirm the truth of the above. I understand that any false statement herein is punishable under Penal Law Sec.210.45.

DATED: October 1, 1985.

B & G INVESTMENTS, INC.
BY: _____
GINO BELACCA, President

WOODBROOKE DEVELOPMENT, INC.
BY: _____
ROCKWELL LIGOZIO, President

CANSTATES REALTY, INC.
BY: _____
PETER T. DAVIES, Vice-President

THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

6400 Victor-Manchester Road (Route 96)
County of Ontario, Victor, New York 14564

AMENDMENT NO. 1 TO OFFERING PLAN

Approximate Amount of this Offering, Phase III, Sections II, III and IV is $1,089,539 (Cost of Common areas and facilities, included in the price of the Lots in Phase III, Sections II, III and IV)

This Amendment is made for the purpose of modifying the Offering Plan of The Homeowners' Association of Victoria Woods, Phase III, Inc. ("Association") as follows:

1. Incorporate Sections II, III and IV of Phase III into the Association bringing the entire two hundred fourteen (214) units under the Declaration.

2. Set forth revised Estimate of Operating Expenses and Reserves for The Homeowners' Association of Victoria Woods, Phase III, Inc. reflecting the addition of Sections II, III an IV.

3. Revision of Article IX, Section 9.02 "Pets".

4. Correct a misquoted Section in Article X, Section 10.

INCORPORATION OF SECTIONS II, III and IV OF PHASE III OF VICTORIA WOODS VILLAGE INTO THE ASSOCIATION

Victoria Woods Village, 6400 Victor-Manchester Road, Victor, New York 14564 ("Sponsor") is presently developing Phase III of Victoria Woods Village on approximately 29 acres of land in four (4) Sections. Section I will consist of forty six (46) units in eight (8) buildings on approximately 5.702 acres; Section II will consist of forty two (42) units in seven (7) buildings; Section III will consist of sixty six (66) units in eleven (11) buildings; and Section IV will consist of sixty (60) units in ten (10) buildings. This is a total of two hundre fourteen (214) units. All of the units and one and two level townhouse units ("The Units") in thirty six (36) buildings.

The common areas and Association property in Phase III, Sections I, II, III and IV are all the same and will consist of

all areas outside the perimeter of the lots, including green areas and private roadways, except property dedicated to the Town of Victor.

Sections II, III and IV of Phase III of the Homeowners' Association of Victoria Woods, Phase III, Inc. is subject to all of the terms and conditions of the original Offering Plan as Amended and including this Amendment. A revised Estimate of Operating Expenses and Reserves for the Association for the first year of operation for Phase III, Sections I, II, III and IV is set forth in this Amendment beginning on page 4. The Site Plan for Phase III, Sections, I, II, III and IV is part of the original Offering Plan on page 145 a and a redated Site Plan showing each unit is set forth in this Amendment on page 11.

AMENDMENT TO ARTICLE IX, SECTION 9.02 OF THE DECLARATION

The Developer hereby Amends Article IX, Section 9.02 of the Declaration as follows:

Occupants of units shall have the right to have pets within the units, which must be kept leashed or otherwise restrained. However, the Board of Directors shall have the right to require any occupant, or any family member, or guest of any occupant, to remove any pet from the unit, or the property, if, in the opinion of the Board of Directors, acting in its sole discretion, such pet is creating a nuisance or such pet possesses a threat to the safety or health of other occupants of the units, or that such pet is not kept under leash or restraint.

DELETION OF ARTICLE IX, SECTION 9.05 b OF THE DECLARATION

The Developer hereby Amends the Declaration to delete therefrom the entire Section entitled Article IX, Section 9.05 b entitled "Pass-Key".

TO CORRECT A TYPING ERROR IN ARTICLE X, SECTION 10.11

Article X, Section 10.11 of the Declaration is hereby Amended to read as follows:

Section 10.11. Member Responsible for Tenants. Any lease of a Unit shall provide that the tenant shall

comply in all respects with the terms of the Declaration, the By-Laws and Rules and Regulations, if any, of the Association. If a tenant is in violation of this Declaration, the By-Laws or Rules and Regulations, the Board of Directors shall so notify the Member owning such Unit which such tenant occupies, in writing by certified mail, return receipt requested. If the violation is not cured or eviction proceedings commenced by the Member against the tenant within fourteen (14) days after the Member has received notice of such violation, the Board of Directors may pursue any remedies which it may have pursuant to this Declaration.

ALL OF THE DOCUMENTS REFERRED TO IN THIS AMENDMENT AND THE OFFERING PLAN ARE IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT WITH YOUR OWN ATTORNEY BEFORE SIGNING ANY CONTRACT AND ALSO PROVIDE YOUR ATTORNEY WITH A COPY OF THIS AMENDMENT AND THE OFFERING PLAN.

NO FURTHER CHANGES

As of the date of this Amendment, there are no further changes to the documentation provided in the Offering Plan, as amended, known to the Sponsor.

DATED: October 8, 1985

WOODBROOKE DEVELOPMENT, INC.

BY _____
ROCKWELL LIGOZIO, President

B & G INVESTMENTS, INC.

BY _____
GINO BELACCA, President

CANSTATES REALTY, INC.

BY _____
PETER T. DAVIES, Vice-President

Ruth V. DeRoo, CPM®

Certified Property Manager
Condominium Specialist

~~Box 1320, Ellicott Station~~
~~Buffalo, New York 142~~
~~(716) 633-0320~~

P. O. Box 2159
Clifton Park,
New York 12065

(518) 371-7292

October 4, 1985

New York State Department of Law
Real Estate Financing Bureau
Two World Trade Center - 48th Floor
New York, New York 10047

Re: The Homeowners' Association of
Victoria Woods, Phase III, Inc.
6400 Victor-Manchester Road
Victor, New York 14564

The Sponsor of the Homeowners' Association Offering Plan for the captioned property retained me to review Schedule A containing projections of income and expenses for the first year of operation as a Homeowners' Association. My experience in this field includes:

> Involvement in the development, conversion, marketing and management of condominium and homeowners' associations since 1973 and prior to that with the development and management of multifamily residential rental properties since 1970; being a Certified Property Manager (CPM) and President of the Western New York Chapter of the Institute of Real Estate Management (IREM); President for three years of the Community Associations Institute Western New York Chapter (CAI) and instructor throughout Western New York of their association organizational and operational training programs.

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 13 NYCRR Part 22 insofar as they are applicable to Schedule A.

I have reviewed the Schedule 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 Schedule A appear reasonable and adequate under existing circumstances and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year of operation as a Homeowners' Association.

I certify that the Schedule:

(i) sets forth in detail the terms of the transaction as it relates to 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 representation or statement made.

I further certify that I am 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 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.

Dated: October 4, 1985

Ruth V. DeRoo, CPM

Ruth V. DeRoo, CPM
Certified Property Manager
Key Number 6277

Sworn to before me this 4th day of October 1985

Notary Public

RICHARD A. CALABRESE
NOTARY PUBLIC STATE OF NEW YORK
MONROE COUNTY
02CA5570735
COMMISSION EXPIRES MAR. 30, 1986

SCHEDULE A

THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

Projected Schedule of Receipts and Expenses
for
First Year of Operation Commencing
On or About November 1, 1985

PROJECTED INCOME: (1)		
Maintenance Charges: ($656.67 per Unit per Year payable monthly base on 214 Units)	$140,527	
Estimated Receipts from Other Sources (2)	-0-	
TOTAL PROJECTED INCOME		$140,527
PROJECTED EXPENSES:		
Labor, Payroll & Benefits (3)	$ -0-	
Electric (4)	1,202	
Management (5)	15,408	
Road Maintenance (6)	-0-	
Repairs & Maintenance (7)	32,956	
Snow Plowing (8)	10,442	
Supplies & Office Equipment (9)	343	
Refuse Removal (10)	10,304	
Insurance (11)	36,274	
Accounting (12)	2,000	
Legal (13)	500	
Real Estate Taxes (14)	-0-	
Franchies Taxes (15)	250	
Income Taxes (16)	-0-	
Miscellaneous (17)	1,000	
Reserves (18)	29,848	
TOTAL PROJECTED EXPENSES		$140,527
Assessments: Per Unit Per Year		$ 656.67
Per Unit Per Month		$ 54.72

SCHEDULE A

FOOTNOTES

(1) Based on two-hundred-fourteen (214) Units in Phase III.

(2) Income from other sources, such as interest on Reserve Fund, is not anticipated during the first year.

(3) The Association will have no employees. All services will be performed by independent contractors or by the Managing Agent who will be responsible for the funding of payroll taxes and any benefits for their respective employees.

(4) Site lighting on the Private access roads, based on an estimate from Rochester Gas and Electric Company (1985/86 rate is .12/kwh, including all taxes. There will be approximately twenty-two (22) 100-watt high pressure sodium vapor lamps, operating an estimated average of ten (10) hours per day, and approximately five (5) meters. The meter charge is $3.96 per month per meter.

$\frac{22 \times 100w}{1,000}$ = 2.2 kw x 10 hrs. x 365 days = 8030 kw x .12=$ 964.0

5 meters x $3.96 x 12 = 238.0

TOTAL ESTIMATED ELECTRIC FOR SITE LITES $1,202.0

(5) Based on $6 per Unit per month, the contract for Phase III will include, but not necessarily be limited to, collection of assessments; disbursement of funds; attendance of regular Board meetings; recording of minutes of meetings and providing each Board member with a copy of same; provide monthly expense statements, budget vs. actual, to each Board member; maintain all Association records; send notices of meetings and generally administer the affairs of the Association and supervise all maintenance and repairs of the Association property and the exterior of the Units. The rate for management is based on prevailing rate by profession management companies in the area. Phase III will be managed for one (1) year by Victoria Woods Village (the Sponsor).

(6) Access roads and driveways will have a one-year warranty covering all repairs during the first year.

(7) Repairs and Maintenance: written bid from Jim's Landscape Service, Victor, New York, includes:

Lawn fertilization and grub control (three (3) applications during 1985/86 season) including tax:	$ 7,532.80
Mowing and trim and monthly weeding of front shrub-bed areas from April 15 thru October 15, including tax:	25,423.20
TOTAL	$32,956.00

The exterior of the Units will have a one-year warranty covering repairs during the first year.

FOOTNOTES

(8) Based on a written bid from Villager Construction, Fairport, New York, snow plowing of access roads and driveways at three-inch (3") accumulation, and an estimated sixteen (16) plowing days for 1985/86 season, at a rate of $2.85 per Unit per plow day.

$2.85 x 214 x 16	=	$ 9,758.40
7% tax	=	683.09
	TOTAL	$10,441.49

(9) Based on an assumption that two (2) lamps and lens covers might be broken (not covered by insurance), plus cost of labor for installation. The lamps cost approximately $50 each and lens covers approximately $100 each; estimated labor cost $10.

$160 x 2	=	$320.00
7% tax	=	22.40
	TOTAL	$342.40

All stationary and office supplies and equipment will be provided by the managing agent.

(10) Based on a written bid from Mendon Disposal Co., Honeoye Falls, New York, providing weekly curbside pickup for $3.75 per Unit per month, plus tax.

$3.75 x 214 x 12	=	$ 9,630.00
7% tax	=	674.10
	TOTAL	$10,304.10

(11) Based on a written estimate from L.G. Loomis Co., Inc., Pittsford, New York, an independent insurance agency, in accordance with Article IX of the By-Laws, as follows:

Multi-peril ($500 deductible)	$13,910,000	
and Liability	1,000,000	$31,668
Directors & Officers	1,000,000	606
Workers' Compensation	Minimum	250
Umbrella Catastrophe	1,000,000	3,500
Fidelity Bonding	50,000/ 50,000	250
TOTAL PREMIUMS		$36,274

(12) Cost of preparation of annual financial review statement and preparation and filing of Federal and New York State income tax return and providing each Board member with a copy of an annual statement based on the financial review. Based on written quotation by Goldstein & Viele, independent certified public accountants.

FOOTNOTES

(13) Based upon a quotation of legal Counsel, Elliott, Stern and Calabrese, for a maximum of 10 hours of legal services, who may interpret legal documents or undertake collection of past due Assessments for the Association or enforcement of covenants or rules and regulations. If Assessment collection proceedings or covenant or rule and regulation enforcement proceedings are successful, the Owner of the Unit occupied by the offender shall be responsible for the legal fees and other such collection or enforcement proceedings. Extraordinary expenses, such as other types of legal actions or legal document amendments could cause this estimate to increase.

(14) Based upon a letter from the Assessor of the Town of Victor, real estate taxes on the Association Property will be prorated equally over the two-hundred-fourteen (214) Units by the Town of Victor, and it is not anticipated that the Association will have any real estate tax liability.

(15) Minimum New York State Franchise Taxes required to be paid by all New York State corporations.

(16) It is not anticipated the Association will generate any income taxable at either the Federal of State level during the first year of operations.

(17) For unanticipated expenditures.

(18) Based on 1985 construction costs, reserves include the following

Item	Est. Life (Years)	Est. Cost to Replace	Est. Annual Reserve
ROOFS: Ave. 53 sq./building x $65.36 per sq. x 36 buildings (labor and materials)	20	$124,704	$ 6,235
SIDING: Ave. 38 sq. per building x $165.79 per sq. x 36 buildings	30	$226,800	$ 7,560
HARDBOARD SIDING: Ave. 7 sq. per building x $120 per sq. x 15 buildings	15	$ 12,600	$ 840
GUTTERS & DOWNSPOUTS: Ave. 450 l.f. per building x $1.58 per l.f. x 36 buildings	20	$ 25,560	$ 1,278
RAILINGS: Approx. $195 per Unit x 214 Units	30	$ 41,730	$ 1,391
FENCING: Approx. $260 per fence x 214 fences	10	$ 55,640	$ 5,564

FOOTNOTES

(18) Reserves (cont'd)

Item	Est. Life (Years)	Est. Cost to Replace	Est. Annua Rese
STREET LAMPS: Approx. 22 lamps x $50 per lamp	5	$ 1,100	$
PRIVATE ACCESS ROADS & DRIVEWAYS: Approx. 169,000 sq. ft. x $.40/sq.ft. (for 1" binder)	10	$ 67,600	$ 6,
TOTAL ESTIMATED ANNUAL RESERVES:			$29,

SCHEDULE B

LUXURY

Appliances:	Refrigerator, self cleaning range, dishwasher, garbage disposal, washer and dryer
Kitchen Cabinets:	Oak
Air Conditioning:	
Fireplace:	Gas burning
Intercom:	Security and Sound System
Garage Door Opener:	
Vacuum:	Central Vacuum System
Trim:	Stained wood trim with varnish
Doors:	Six paneled painted doors
Carpeting:	Armstrong stainmaster wall to wall
Hot Water Tank:	40 gallon hot water tank
Windows:	Crestline casement windows with screen - patio doors
Hardware:	Lever handles
Electrical Features:	Kitchen, hallway, bathrooms, dining room and foyer, exterior fixtures - builders selections
Exterior Features:	Interlocking padio stone walkway
Ceramic Tile:	Kitchen, bathrooms and powder room foyer, kitchen, laundry area
Front Entry Doors:	Single warp-free insulated steel clad with integral magnetic seals and sweep

Garage Door:	Wood panel painted overhead door with windows
Siding:	Cedar, horizontal or vertical with 7" exposure, assorted color stains
Trim:	Cedar to match siding
Brick:	As per elevation; assorted colors
Painting:	Stains; various colors
Gutters and Downspouts:	Prefinished aluminum "K" type with spikes and ferrules
Roofing:	235# asphalt 3-in-1 roof shingles with assorted colors to coordinate with siding
Shutters:	Selected Units will have non-functional plastic shutters
Railings:	Interior railings, clear wood stained
Fencing:	Six-foot high; board-on-board pressure treated lumber
Patio:	Grassed
Driveway:	Blacktop from private access road to garage with drain grate
Front Steps:	Cast in place
Sidewalks:	Brick pavers

Note: Some Units will have basements and others will be on slab.

SCHEDULE B

VICTORIA WOODS TOWNHOUSE UNITS
GENERAL SPECIFICATIONS

Luxury Ranch - UNIT "R"

One story ranch type Unit with two car garage. Street level with first floor living area and full basement and attached garage area will be 20' X 20' approximately (approximately 400 s.f.) and the first floor living area approximately 1,343 s.f., comprised of two bedrooms, two baths, kitchen, laundry room, living, dining area and exit to a grassed patio area, or treated wood deck or interlocking brick walkway enclosed on two sides by a privacy fence.

Luxury Two-Story UNIT "S"

Two-story Unit with two car garage. Street level entry services the first floor and garage area. The garage area will be approximately 18'0" X 20'0" (approximately 360 s.f.). The first floor living area will be approximately 852 s.f. and the second floor level will be approximately 884 s.f. The first floor area will be kitchen, powder room, dining, mud room/laundry room, living room and exit to a grassed patio area enclosed on two sides by a privacy fence. The second level will be comprised of two or three bedrooms, loft and two baths. Total Square Feet: approximately, two bedroom 1,580 s.f. and three bedroom 1,736 s.f.

ALL UNITS:

Garage:	Two car
Heating:	Forced gas hot air; thermostat
Air Conditioning:	Integral with heating system
Carpeting:	Living room, dining area, bedrooms, stairs and upper hall

THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

SPECIAL RISKS

Purchasers of dwelling units in The Homeowners' Association of Victoria Woods, Phase III, Inc. should be aware of the following factors which are more fully described in this Offering Plan, at pages so indicated:

The development of Victoria Woods Village, Phase III, is projected in four (4) Sections, each comprised of one or more four (4) or six (6) unit buildings, to a maximum of two hundred fourteen (214) units in thirty-six (36) buildings. The Sponsor may develop several buildings simultaneously (see Page 3 of this Plan).

THE DEVELOPER IS NOT OBLIGATED TO CONTINUE DEVELOPMENT BEYOND THE FORTY-SIX (46) UNITS IN EIGHT (8) BUILDINGS COMPRISING THE FIRST SECTION (SECTION I) CONSISTING OF APPROXIMATELY 5.702 ACRES. The construction of additional Sections will depend upon the market acceptance of the units, the availability of financing for construction financing and purchasers' mortgage loans, environmental regulations, governmental controls and the general conditions of the economy (see Page 25 of this Plan).

The Sponsor owns the adjoining property consisting of approximately 36.5 acres of which is approved by the Town of Victor for commercial development. Accordingly, a residential home site may be near, and/or have a view of, a commercial development (see Page 6 of this Plan).

No bond or other security has been posted by the Sponsor to secure the performance of its construction, warranty and Assessment obligations set forth in this Offering Plan. Accordingly, the Sponsor's ability to meet such obligations may depend upon its financial condition at the time it is called upon to perform. No representations can be, or have been, made that the Sponsor will be financially able to perform any or all of such obligations. The Sponsor has posted a

Letter of Credit, issued by Central Trust Company, Rochester, New York, to the Town of Victor, in the amount of $251,267, in U.S. currency, to cover the satisfactory completion of all utilities, roadways and common areas. (See Page 28 of this Plan.)

The Sponsor will control the Association until the last Unit is sold or five (5) years from date of the first closing of title, whichever first occurs (see Page 20 of this Plan).

The Sponsor may dissolve or liquidate at any time and accordingly, the Sponsor may not be able to meet its obligations under this Plan (see Page 29 of this Plan).

There has been no money allocated for repairs and maintenance to the homes or to the private roadways during the first year. This will be funded in subsequent years and therefore the maintenance will increase. (See Page 11 of this Plan.)

During Sponsor's control there will be no certified financial statements unless fifty percent (50%) of the Homeowners, other than the Sponsor, vote to have certified statements and then it will be charged to the Assocition. (See Page 37 of this Plan.)

INTRODUCTION
THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

Victoria Woods Village ("Sponsor"), a joint venture organized under the laws of New York State, with its office at 6400 Victor-Manchester Road, Victor, New York 14564, acquired, on June 10, 1982, approximately 84.5 acres in the Town of Victor, County of Ontario, New York ("Victoria Woods Village").

Victoria Woods Village is located on the north side of Victor-Manchester Road (Route 96), and the east side of McMahon Road as indicated on the site location map at Page 146 of this Plan. The Sponsor has completed Phase I consisting of eighty-nine (89) Units in fifteen (15) Buildings on approximately 12.9 acres of land and Phase II consisting of forty-eight (48) Units in eight (8) Buildings on approximately six (6) acres of the land, neither of which are a part of this Plan or The Homeowners' Association of Victoria Woods, Phase III, Inc. (the "Association"). The portion of the land as labeled Recreation Area is presently owned by the developer and will be deeded to the Town of Victor upon completion of the entire 84.5 acre development. The developer does not intend to build or develop any recreational facilities on this site and it is anticipated that the recreational area will be left in its natural state. (See Page 145 site plan.) The two (2) main roads, Victoria Lane and Heath Row, together with the street lighting along these roads, as required by the Town of Victor, the sanitary and storm sewers and water main extending into Phase III will be dedicated to and maintained by the Town of Victor. The segments of these two (2) roads in Phase I and Phase II have been dedicated and accepted by the Town of Victor. The access roads in Phase III, leading from the main roads (Cunningham Drive and Ridge Crest Drive) will be private roadways owned and maintained by the Phase III Association.

The common areas and Association Property in Sections I, II, III and IV of Phase III are all the same and will consist of all areas outside the perimeter of the lots, including green areas and private roadways, except property dedicated to the Town of Victor.

The Sponsor plans to construct two hundred fourteen (214) one and two-level townhouse units (the "Units") in thirty-six (36) buildings (the "Buildings") as Phase III of the mixed-use (since the adjoining parcel can be used for commercial purposes) development of Victoria Woods Village on approximately twenty-nine (29) acres, in four sections. Section I will consist of forty-six (46) Units in eight (8) Buildings on approximately 5.702

acres; Section II, forty-two (42) Units in seven (7) Buildings; Section III, sixty-six (66) Units in eleven (11) Buildings; and Section IV, sixty (60) Units in ten (10) Buildings.

The Sponsor will amend this plan prior to the sale of Units in Sections II, III or IV of Phase III.

The initial area of Phase III, Section I, will consist of forty-six (46) one and two-level Units in eight (8) Buildings each containing either four (4) or six (6) Units on approximately 5.702 acres.

All areas outside the perimeter of the Lots will be common areas and Association Property (the "Property") unless dedicated to the Town of Victor.

The Association will own, maintain and repair The Property, the exterior of the Units, administer and enforce the Covenants and Restrictions imposed on The Property, obtain and maintain common fire and casualty insurance on the Units and common facilities, liability insurance, fidelity bond, Directors and Officers insurance, and workers' compensation insurance, and collect and disburse the assessments and charges (the "Assessments") necessary to perform its functions.

The Association Property (the "Property") within Phase III will be conveyed to the Association by deed, free and clear of all liens and encumbrances, except for those easements to municipal authorities, utility and cable television companies and those created by or pursuant to the Declaration of Protective Conditions, Covenants, Restrictions, Easements, Charges and Liens (the "Declaration") at the time of transfer of title to the first Unit. The Property will include the land improved with private roadways, cluster mailboxes and landscaping as may be set forth on Site Plans on file, or to be filed, with the Ontario County Clerk. A legal description of Section I is set forth as Schedule A to the Declaration. A set of sealed Site Plans has been filed with the Ontario County Clerk. For each subsequent Section, Site Plans, Maps or plats will be filed with the Ontario County Clerk prior to the transfer of title to the first Unit in such Section.

The Sponsor will use one (1) or more Units as model Unit(s) in conjunction with its marketing program.

All capitalized words, phrases or terms used in this Offering Plan, unless the context otherwise prohibits, shall have the definitions set forth in Article I of the Declaration.

All Owners of Units ("Owner"), as defined in Article I of the Declaration, automatically become members of the Association, a New York not-for-profit corporation, which has been formed for the purpose of, among other things, insuring the efficient preservation of the values and amenities of the Property (see Page 100 of this Plan for a copy of Certificate of Incorporation). The Declaration, beginning at Page 39 of this Plan, governs the use and ownership of the land and improvements within Phase III. All Owners should be aware that if they sell their Units, those who purchase such Units will automatically become Members of the Association, assuming all rights and obligations of such membership (see Section 3.02 of the Declaration).

The prices of the Units include the cost of membership in the Association. The prices have been set by the Sponsor alone and are not subject to review or approval by the New York State Department of Law or any other government agency.

The Sponsor will provide, and pay for, title insurance to cover the Property it conveys to the Association. Title insurance shall be in the amount of $298,327 for Association Property in Section I; $272,385 in Section II; $428,033 in Section III and $389,121 in Section IV. The title insurance policy will be through the Rochester Abstract Company, a title company authorized to do business in the State of New York.

Each Owner will acquire fee ownership in the Unit purchased, including the land under the foundation, as shown on the Site Plan as set forth at Page 145 of this Plan. The interior Units will be delineated by the mid-point of the Party Walls.

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Owner of a Unit owns title to his Unit and is entitled to the exclusive possession of it. An Owner may mortgage his Unit or not, as he sees fit, and in such amount as he chooses. Each Unit is separate and not subject to mortgages on other Units. Each Owner will be solely responsible for the maintenance of the interior of his Unit. Each Unit will be taxed as a separate tax lot for real estate tax purposes, just as a private home and the Owner will incur no tax liability if the Owners of other Units fail to pay their taxes.

The Unit, whether occupied or leased by the Owner, shall be for residential purposes only. There is no restiction upon the sale or ownership of a Unit other than an Owner must be over eighteen (18) years of age.

The Town of Victor will provide such services as fire protection, water and sanitation, snow plowing, road maintenance and lighting maintenance of Victoria Lane and Heath Row (the two (2) dedicated roads within Victoria Woods Village). Police protection is provided by the New York State Police.

Within Victoria Woods Village, to the south and southeast of Phase III are 36.5 acres (as a part of the approximately 84.5 acres) zoned commercial (see Site Plan at Page 145 of this Plan). This land is undeveloped and the Sponsor reserves the right to improve this land to the extent permitted by the Town of Victor.

The purpose of this Offering Plan is to set forth all terms of the offer to sell membership in The Homeowners' Association of Victoria Woods, Phase III, Inc. This Offering Plan may be altered from time to time by amendments filed with the New York State Department of Law and thereafter recorded in the Ontario County Clerk's Office, if required. All such amendments shall be served on all Purchasers and Owners.

This Offering Plan contains all of the detailed terms of the transaction as it relates to The Homeowners' Association of Victoria Woods, Phase III, Inc. Parts A, B and C of the Exhibits delivered to the New York State Department of Law contain all the documents referred to in the Plan. Copies of this Plan and Parts A, B and C of the Exhibits will be available for inspection, without charge, to prospective purchasers and their attorneys, at the office of the Sponsor, 6400 Victor-Manchester Road, Victor, New York 14564 and at the office of Elliott, Stern and Calabrese, Counsel to the Sponsor, One East Main Street, Rochester, New York 14614.

THE PURCHASE OF A UNIT 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 STRONGLY URGES YOU READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A CONTRACT OF SALE.

Sponsor may declare this Plan effective upon the sale of the first Unit.

Schedule A, at Page 8 of this Plan, sets forth the estimated charges for the first year of operation of The Homeowners' Association of Victoria Woods, Phase III, Inc. for Section I (forty-six [46] Units). A Letter of Adequacy with respect to such Schedule is set forth at Page 187 of this Plan. It is projected that the Budget will commence on or about September 1, 1985. If the projected commencement date of the budget year in the Offering Plan differs by six (6) months or more from the anticipated date of closing of the first Unit, the Plan shall be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, the Sponsor shall allow Purchasers the right, for a ten (10) day period, to rescind their offer to purchase and to have their deposits returned, with interest if any.

SCHEDULE A

THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

Projected Schedule of Receipts and Expenses
for
First Year of Operation Commencing
On or About November 1, 1985

PROJECTED INCOME: (1)		
Maintenance Charges: ($656.67 per Unit per Year payable monthly base on 214 Units)	$140,527	
Estimated Receipts from Other Sources (2)	-0-	
TOTAL PROJECTED INCOME		$140,527
PROJECTED EXPENSES:		
Labor, Payroll & Benefits (3)	$ -0-	
Electric (4)	1,202	
Management (5)	15,408	
Road Maintenance (6)	-0-	
Repairs & Maintenance (7)	32,956	
Snow Plowing (8)	10,442	
Supplies & Office Equipment (9)	343	
Refuse Removal (10)	10,304	
Insurance (11)	36,274	
Accounting (12)	2,000	
Legal (13)	500	
Real Estate Taxes (14)	-0-	
Franchies Taxes (15)	250	
Income Taxes (16)	-0-	
Miscellaneous (17)	1,000	
Reserves (18)	29,848	
TOTAL PROJECTED EXPENSES		$140,527
Assessments: Per Unit Per Year		$ 656.67
Per Unit Per Month		$ 54.72

SCHEDULE A

FOOTNOTES

(1) Based on two-hundred-fourteen (214) Units in Phase III.

(2) Income from other sources, such as interest on Reserve Fund, is not anticipated during the first year.

(3) The Association will have no employees. All services will be performed by independent contractors or by the Managing Agent who will be responsible for the funding of payroll taxes and any benefits for their respective employees.

(4) Site lighting on the Private access roads, based on an estimate from Rochester Gas and Electric Company (1985/86 rate is .12/kwh, including all taxes. There will be approximately twenty-two (22) 100-watt high pressure sodium vapor lamps, operating an estimated average of ten (10) hours per day, and approximately five (5) meters. The meter charge is $3.96 per month per meter.

$\frac{22 \times 100w}{1,000}$ = 2.2 kw x 10 hrs. x 365 days = 8030 kw x .12=$ 964

5 meters x $3.96 x 12 = 238

TOTAL ESTIMATED ELECTRIC FOR SITE LITES $1,202

(5) Based on $6 per Unit per month, the contract for Phase III will include, but not necessarily be limited to, collection of assessments; disbursement of funds; attendance of regular Board meetings; recording of minutes of meetings and providing each Board member with a copy of same; provide monthly expense statements, budget vs. actual, to each Board member; maintain all Association records; send notices of meetings and generally administer the affairs of the Association and supervise all maintenance and repairs of the Association property and the exterior of the Units. The rate for management is based on prevailing rate by profession management companies in the area. Phase III will be managed for one (1) year by Victoria Woods Village (the Sponsor).

(6) Access roads and driveways will have a one-year warranty covering all repairs during the first year.

(7) Repairs and Maintenance: written bid from Jim's Landscape Service, Victor, New York, includes:

Lawn fertilization and grub control (three (3) applications during 1985/86 season) including tax:	$ 7,532.80
Mowing and trim and monthly weeding of front shrub-bed areas from April 15 thru October 15, including tax:	25,423.20
TOTAL	$32,956.00

The exterior of the Units will have a one-year warranty cover: repairs during the first year.

FOOTNOTES

(8) Based on a written bid from Villager Construction, Fairport, New York, snow plowing of access roads and driveways at three-inch (3") accumulation, and an estimated sixteen (16) plowing days for 1985/86 season, at a rate of $2.85 per Unit per plow day.

$2.85 x 214 x 16	=	$ 9,758.40
7% tax	=	683.09
	TOTAL	$10,441.49

(9) Based on an assumption that two (2) lamps and lens covers might be broken (not covered by insurance), plus cost of labor for installation. The lamps cost approximately $50 each and lens covers approximately $100 each; estimated labor cost $10.

$160 x 2	=	$320.00
7% tax	=	22.40
	TOTAL	$342.40

All stationary and office supplies and equipment will be provided by the managing agent.

(10) Based on a written bid from Mendon Disposal Co., Honeoye Falls, New York, providing weekly curbside pickup for $3.75 per Unit per month, plus tax.

$3.75 x 214 x 12	=	$ 9,630.00
7% tax	=	674.10
	TOTAL	$10,304.10

(11) Based on a written estimate from L.G. Loomis Co., Inc., Pittsford, New York, an independent insurance agency, in accordance with Article IX of the By-Laws, as follows:

Multi-peril ($500 deductible)	$13,910,000	
and Liability	1,000,000	$31,668
Directors & Officers	1,000,000	606
Workers' Compensation	Minimum	250
Umbrella Catastrophe	1,000,000	3,500
Fidelity Bonding	50,000/ 50,000	250
TOTAL PREMIUMS		$36,274

(12) Cost of preparation of annual financial review statement and preparation and filing of Federal and New York State income tax return and providing each Board member with a copy of an annual statement based on the financial review. Based on written quotation by Goldstein & Viele, independent certified public accountants.

FOOTNOTES

(13) Based upon a quotation of legal Counsel, Elliott, Stern and Calabrese, for a maximum of 10 hours of legal services, who may interpret legal documents or undertake collection of past due Assessments for the Association or enforcement of covenants or rules and regulations. If Assessment collection proceedings or covenant or rule and regulation enforcement proceedings are successful, the Owner of the Unit occupied by the offender shall be responsible for the legal fees and other such collection or enforcement proceedings. Extraordinary expenses, such as other types of legal actions or legal document amendments could cause this estimate to increase.

(14) Based upon a letter from the Assessor of the Town of Victor, real estate taxes on the Association Property will be prorated equally over the two-hundred-fourteen (214) Units by the Town of Victor, and it is not anticipated that the Association will have any real estate tax liability.

(15) Minimum New York State Franchise Taxes required to be paid by all New York State corporations.

(16) It is not anticipated the Association will generate any income taxable at either the Federal of State level during the first year of operations.

(17) For unanticipated expenditures.

(18) Based on 1985 construction costs, reserves include the followi

Item	Est. Life (Years)	Est. Cost to Replace	Est. Annual Reserve
ROOFS: Ave. 53 sq./building x $65.36 per sq. x 36 buildings (labor and materials)	20	$124,704	$ 6,235
SIDING: Ave. 38 sq. per building x $165.79 per sq. x 36 buildings	30	$226,800	$ 7,560
HARDBOARD SIDING: Ave. 7 sq. per building x $120 per sq. x 15 buildings	15	$ 12,600	$ 840
GUTTERS & DOWNSPOUTS: Ave. 450 l.f. per building x $1.58 per l.f. x 36 buildings	20	$ 25,560	$ 1,278
RAILINGS: Approx. $195 per Unit x 214 Units	30	$ 41,730	$ 1,391
FENCING: Approx. $260 per fence x 214 fences	10	$ 55,640	$ 5,564

FOOTNOTES

(18) Reserves (cont'd)

Item	Est. Life (Years)	Est. Cost to Replace	Es An Re
STREET LAMPS: Approx. 22 lamps x $50 per lamp	5	$ 1,100	$
PRIVATE ACCESS ROADS & DRIVEWAYS: Approx. 169,000 sq. ft. x $.40/sq.ft. (for 1" binder)	10	$ 67,600	$ 6,
TOTAL ESTIMATED ANNUAL RESERVES:			$2

INTENTIONALLY LEFT BLANK

has retained the right to grant such other easements as may be reasonably necessary. (See Article IV of the Declaration for a detailed description of all easements.)

The Property covered by the Declaration will be comprised of at least forty-six (46) Units in eight (8) Buildings, but not more than two-hundred-fourteen (214) Units in thirty-six (36) Buildings.

The Declaration provides that its provisions shall run with the land and shall be enforceable by the Sponsor, the Association and any Member. With respect to legal enforceability of the provisions of the Declaration, see Opinion of Counsel at Page 14 of this Offering Plan.

As defined in the Declaration, the Sponsor and all Purchasers, upon becoming Owners of Units, shall automatically be Members of the Association (see Section 3.02 of the Declaration). Accordingly, the Association shall consist of at least forty-six (46) Units, but not more than two-hundred-fourteen (214) Units.

By accepting a deed, lease or other instrument conveying any interest in a Unit, 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 owns the Unit.

The Property shall be used for residential purposes only. No commercial activity will be permitted on the Property, except that the Sponsor shall be permitted to maintain model Units and sales office on the Property until the last Unit is sold. Garage areas of the individual Units shall be used for vehicular parking only and may not be converted for any other use. No trucks, snowmobiles, motor bikes, boats, trailers, recreational vehicles or unlicensed vehicles shall be parked or operated on the Property, except for such vehicles which may be used in the maintenance of the Property.

Each Owner may mortgage his Unit, in such amount as may be obtainable and desirable, or sell his Unit to anyone over the age of eighteen (18) years, without restriction or limitation. An Owner may lease his Unit for an initial term of not less than one (1) year and such leasing, by its terms, shall be subject to the Declaration, By-Laws and Rules and Regulations of the Association, and upon written notification of the Board of Directors.

Any land or construction loan mortgage on any part of the Property which has been deeded to the Association and made subject to the Declaration will be subordinated to the Declaration, or will include a covenant which insures the Association and/or Members' undisturbed use of the premises for the purposes described in this Offering Plan, even in the event of foreclosure.

The Association will obtain and keep in force insurance on all Units brought under the Declaration and all Association Property, but not on the personal contents of the occupant of each Unit (see Article IX of the By-Laws).

Each Owner or occupant may obtain coverage for all interior improvements, appliances, carpeting, equipment and furnishings not originally furnished by the Sponsor and liability coverage for occurrences within the Unit or on the Lot of the Owner.

The customary form of policy for the above coverages is HO-6 or equivalent. Members 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 upon request).

Owners are advised that the HO-6 policy usually has a $1,000 limit of liability for "additions, alterations, fixtures, improvements or installations". This limitation may be increased by payment of an additional premium.

Purchasers may also wish to obtain coverage for living expenses in the event their Unit cannot be occupied because of a 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 a result of their gross negligence or wantonly malicious act.

ALL POLICIES OBTAINED BY 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 OWNER.

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that the Sponsor, and its Agent will not discriminate against any person on any basis prohibited by the civil rights laws in the sale of Units or in the offering of membership in the Association.

VICTORIA WOODS VILLAGE

Dated:_____ By: _____

DECLARATION

of

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

of

THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

SPONSOR: VICTORIA WOODS VILLAGE
6400 Victor-Manchester Road
Victor, New York 14564

DATE OF DECLARATION:

Richard A. Calabrese
ELLIOTT, STERN & CALABRESE
Counsel to the Sponsor
One East Main Street
Rochester, New York 14614
Telephone (716) 232-4724

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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

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DECLARATION
of
PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
of
THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

THIS DECLARATION, made this day of _____, 1985, by Victoria Woods Village, 6400 Victor-Manchester Road, Victor, New York, 14564, being referred to hereinafter as the "Sponsor".

WITNESSETH

WHEREAS, the Sponsor is the owner of the property located in the Town of Victor, County of Ontario, New York and Phase III, Section I is described in Schedule A attached hereto and made a part hereof, which real property the Sponsor intends to continue to develop into a mixed-use development known as Victoria Woods Village (hereinafter sometimes referred to as the "Development"), with open spaces and other common facilities for the benefit of said community; and

WHEREAS, Section I of Phase III as described in Article II of this Declaration consists of approximately 5.702 acres of land upon which will be developed forty-six (46) Units in eight (8) Buildings; and

WHEREAS, Phase III will also consist of private access roads, lighting on the private access roads and landscaped areas, which areas hereinafter collectively are referred to as the "The Property"; and

WHEREAS, the Sponsor desires that the amenities of the lands described be available for use by the residents of the Development; and

WHEREAS, the Sponsor desires to provide for the preservation of the values and amenities in said Association and, to this end desires to subject the Property described in Schedule A hereto to the Covenants, Conditions, Restrictions, Easements, Charges and Liens ("Covenants and Restrictions") hereinafter set forth, each and all of which is and are for the benefit of said Property and each Owner or occupant of Units thereof, and to provide for the future subjection of such other areas as may not be initially developed, to such Covenants and Restrictions; and

WHEREAS, the Sponsor has deemed it desirable, for the efficient preservation of the values and amenities in said Association, to create an agency to which should be delegated and assigned the powers of (i) maintaining and administering The Property and facilities; (ii) administering and enforcing the Covenants and Restrictions; and (iii) collecting and disbursing the Assessments and charges hereinafter created; and

WHEREAS, the Sponsor has incorporated The Homeowners' Association of Victoria Woods, Phase III, Inc. under the Not-for-Profit Corporation Law 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 that the real property described in Article II hereof is and shall be held, transferred, sold, conveyed and occupied, subject to the Covenants, and Restrictions hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following words, when capitalized and used in this Declaration, the By-Laws, the Rules and Regulations, the Offering Plan or in any instrument supplemental to this Declaration, the By-Laws, the Rules and Regulations, or the Offering Plan, shall, unless the context otherwise prohibits, have the following meanings:

a. **Architectural Committee:** The Architectural Standards Committee, a permanent committee of the Association, established pursuant to Article VII of the Declaration.

b. **Assessments:** Charges for the maintenance and operation of Association Property as described in Article V of the Declaration and includes Special Assessments for capital improvements, Maintenance Assessments and any other charges deemed to be Assessments pursuant to the Declaration and By-Laws.

c. **Association:** The HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

d. **Association Property:** All land, improvements and other properties, personal or mixed, heretofore and hereafter owned by THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

e. **Board or Board of Directors:** The Board of Directors elected by the Members (subject to initial control by Sponsor) to administer the affairs of the Association.

f. **By-Laws:** The By-Laws of the Association set forth as Schedule D of the Declaration, as may be amended from time to time.

g. **Covenants and Restrictions:** The protective covenants, conditions, restrictions, easements, charges and liens set forth in the Declaration, as may be amended from time to time.

h. **Declaration:** This document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens of THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC. as it may, from time to time, be supplemented, extended or amended in the manner provided for herein.

i. **First Mortgage:** The first mortgage granted on a Unit by a bank, federal savings and loan association, life insurance company, pension fund, trust company or other institutional lender or an individual or the Sponsor to an Owner.

j. **First Mortgagee:** The original first mortgagee, its representatives, assigns or other holder of a First Mortgage on a Unit.

k. **Lot:** Any portion of the Property (with the exception of the Association Property) under the scope of this Declaration and (i) identified as a separate parcel on the tax records of the Town of Victor; or (ii) shown as a separate Lot upon any recorded or filed subdivision map in the Ontario County Clerk's Office. Unless the context clearly indicates otherwise, the term "Lot" is included in the term "Unit".

l. **Member:** Each holder of a membership interest in the Association, as such interests are set forth in Article II of this Declaration.

m. **Mortgagee:** Any mortgagee, its representatives, assigns or other holder of a mortgage on a Unit and to an Owner.

n. **Offering Plan:** The Offering Plan filed with the New York State Department of Law relating to The Homeowners' Association of Victoria Woods, Phase III, Inc.

o. **Owner:** The holder of record title, whether one (1) or more persons or entities, of (i) fee simple title to any Lot or Unit, whether or not such a holder actually resides in such Unit; or (ii) the fee interest in any Lot or Unit subject to this Declaration; and shall include the Sponsor with respect to any unsold Unit in Phase III.

p. **Rules and Regulations:** The Rules and Regulations of the Association governing the use and care of the Property set forth in Part II of the Offering Plan.

q. **Property:** All properties as are subject to this Declaration as supplemented, extended or amended.

r. **Site Plan:** The Site Plan as filed in the Office of the Ontario County Clerk.

s. **Sponsor:** Victoria Woods Village, its successors and assigns.

t. **Transfer of Control Date:** The date on which (i) the Sponsor has transferred title to all Units in Phase III; or (ii) five (5) years after the Sponsor has transferred title to the first Unit to an Owner, whichever first occurs.

u. **Unit:** Each completed dwelling Unit situated upon The Property (as evidenced by issuance of a Certificate of Occupancy issued by the Town of Victor) including garage. Unless the context clearly indicates otherwise, the term "Unit" shall be deemed to include the term "Lot".

v. **Voting Member:** When a Unit is owned by more that one (1) person, or other than an individual natural person, the person entitled to vote on behalf of the Unit as designated in a certificate signed by all Owners of the Unit and filed with the Secretary of the Association.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. 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 Victor, County of Ontario and State of New York, is more particularly described in Schedule A hereto.

Section 2.02. Additional Property. Other lands, ("Additional Property") in addition to the lands described in Schedule A, may become subject to this Declaration in the following manner:

a. Upon approval in writing of the Association pursuant to a vote of its members as provided in its By-Laws, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may do so. Any such supplemental Declaration filed or recorded shall indicate the number of Units contemplated for construction or in existence on the property added to the scheme of this Declaration by the supplemental Declaration.

b. Such supplemental Declaration shall extend the scope of the Covenants and Restrictions of this Declaration to such additional lands and the Owners of such lands to assessments for their share of the expenses of the Association. The Supplemental Declaration may contain such complimentary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of the added property as are not inconsistent with the scheme of this Declaration. In no event, however, shall any supplemental Declaration revoke, modify or add to the Covenants and Restrictions establishing this Declaration within The Property.

c. The Sponsor may extend this Declaration to all or any portion of the land approved for development of Phase III up to a maximum of two hundred fourteen (214) Units without obtaining the approval of the Members of the Association by filing an amendment to this Declaration with the New York State Department of Law, recording it in the Ontario County Clerk's Office.

d. The provisions of this Section 2.02 may not be amended without the prior written consent of the Sponsor until the Transfer of Control Date.

Section 2.03. Merger. Upon a merger or consolidation of the Association with another association as provided in the Association's Certificate of Incorporation, the By-Laws, or New York State Law, 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 and Restrictions established upon any other properties. No such merger or consolidation, however, shall effect any revocation, change or addition to the Covenants and Restrictions 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 the State of New York, the Sponsor has formed the THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC., to own, operate and maintain the Association Property, enforce the Covenants 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, the Certificate of Incorporation and the By-Laws of the Association, as the same 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 New York State Not-for-Profit Corporation Law as the same may be amended from time to time.

Section 3.02. Membership. The Association shall have as Members only Owners of Units of the THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC. All Owners shall, upon becoming such, 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 definition of the word "Owner" as found in Article I of this Declaration. Ownership of such Unit shall be the sole qualification for membership.

Section 3.03. Holder of Security Interest Not a Member. Any person or entity which holds an interest in a Unit merely as security for the performance of an obligation shall not be a Member and shall have no voting rights.

Section 3.04. Sponsor's Written Consent Necessary for Certain Actions Taken by Board of Directors.

a. Notwithstanding anything to the contrary contained in this Declaration, until the Transfer of Control Date, the Board of Directors may not, without the Sponsor's prior written consent, which consent will not unreasonably be withheld: (i) except for necessary alterations, additions or improvements required by law or by any government agency or Board of Fire Underwriters, make any addition, alteration or improvement to Association Property; (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 the proportion of the then existing budget which the amount of reserved in the initial budget of estimated expenses for the Association bears to the total amount of such 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, except for the maintenance of an improvement not in existence or owned by the Association at the time of the recording of this Declaration; (v) borrow money on behalf of the Association; or (vi) reduce the quantity or quality of the services or maintenance of The Property.

b. This Section shall not be amended without the prior written consent of the Sponsor until the Transfer of Control Date.

ARTICLE IV

PROPERTY RIGHTS AND EASEMENTS

Section 4.01. Dedication of Association Property.

a. The Sponsor will convey to the Association, subsequent to the recordation of this Declaration, and at or prior to the conveyance of the first Unit, The Property of Phase III, Section I for the use and enjoyment of the Members, their guests, lessees, licencees and invitees.

b. The Association must accept any such conveyance made by the Sponsor provided such conveyance is made without consideration. The conveyance of such lands to the Association shall state that such land has been designated as Association Property for the purpose of this Section 4.01. No portion of The Property shall be subject to the rights and easements of enjoyment and privileges hereinafter granted unless and until the same shall have been so designated and the above described conveyance recorded in accordance with the procedure provided herein.

c. As future Sections are developed, Sponsor will convey to the Association subsequent to the recording of the supplemental Declaration, and at or prior to the conveyance of the first Unit in each Section, The Property of such Section for the use and enjoyment of all Members, their guests, lessees, licencees and invitees.

Section 4.02. Right and Easement of Enjoyment in Association Property.

a. Every Member and such Member's guests, licencees, lessees and invitees shall have a right and easement of enjoyment in and to all Association Property. Such easements shall be appurtenant to and shall pass with the interests of a Member. Such rights, easements and privileges shall be subject, however, to the rights of the Association as set forth in Section 4.03 herein and the rights of the Sponsor as set forth in Sections 4.07 and 4.08 herein.

b. Every Member shall also have an easement for ingress and egress by vehicle or otherwise over and to all Association Property and further shall have common utility and conduit easements as described in Section 4.05 herein. These easements will be subject to the rights of the Association as set forth in Section 4.03 herein; provided, however, that a conveyance or encumbrance referred to in Section 4.03 (c) hereof shall be subject to said easement of each Member for ingress and egress.

c. Each Lot and the Association Property shall be subject to an easement for encroachments created by construction, settling and overhangs of the Units, or other improvements, as designed or constructed. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist.

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

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

b. Except as set forth in Section 4.03 (a) above, to dedicate or transfer all or any part of the land which it owns for such purposes and subject to any conditions as may be agreed to by the Association and the transferee, subject to the following:

(1) such a conveyance shall require the consent of two-thirds (2/3rds) of all Members other than the Sponsor;

(2) any conveyance by the Association prior to the transfer of title to all Units by the Sponsor, shall also require the prior written approval of the Sponsor unless the Sponsor waives such right in a written agreement recorded in the Ontario County Clerk's Office.

(3) no such conveyance shall be made if the First Mortgagees of one-third (1/3) or more of the Units advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they are opposed to such conveyance, which opposition must not be unreasonable. Written notice of any proposed conveyance shall be sent to all First Mortgagees whose names appear on the records of the Association not less than thirty (30) days nor more than ninety (90) days prior to the date set for voting on the proposed conveyance.

c. To enter into agreements, reciprocal or otherwise, with other homeowners' associations, condominiums and cooperatives for the use of, or sharing of, Association Property. Such agreements shall require the consent of two-thirds (2/3rds) of the Members of the Association.

d. To borrow funds from any recognized lending institution, and in conjunction therewith, mortgage its properties. No such mortgage, however, shall encumber or otherwise interfere with the easement of ingress and egress of the Members as described in this Declaration. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with note holders shall be determined by the Board of Directors, acting in its absolute discretion, subject only to the ability of the Association to repay such borrowed funds from Assessments.

e. Except as may be prohibited by law, the Certificate of Incorporation, this Declaration or the By-Laws, to contract with any person for the performance of its management and other duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with trusts, condominiums, cooperatives or other homeowners' associations, both within and without the Property. Such agreements shall require the consent of two-thirds (2/3rds) of the total votes of the Members of the Association.

Until the Transfer of Control Date, the Board of Directors may not exercise such rights as those set forth in Subparagraphs a., b., c., d. and e. of this Section 4.03 without the prior written consent of the Sponsor.

Section 4.04. Maintenance of Association Facilities. In order to preserve and enhance values and amenities of The Property, the Association shall at all times maintain The Property and facilities in good repair and condition and shall operate such Property and facilities in accordance with high standards.

Section 4.05. Common Utility and Conduit Easement.

a. All pipes, wires, conduits and public utility lines and cable television lines located on each Lot or within any Unit shall be owned by the Owner of such Lot or Unit. Every Owner shall have an easement in common with the Owners of other Lots or Units to maintain and use all pipes, wires, conduits, drainage areas, public utility lines and cable television lines located on other Lots or within other Units or on The Property and servicing such Owner's Unit or Lot. Each Lot and Unit shall be subject to an easement in favor of the Owners owning other Lots and Units to maintain and use the pipes, wires, conduits, drainage areas and public utility lines and cable television lines servicing, but not located on, such other Unit or Lot.

b. The Association shall have the right of access to each Unit and Lot for maintenance, repair or replacement of any pipes, wires, conduits, drainage areas, public utility lines or cable television lines located on any Lot or within any Unit and servicing any other Unit or Lot. Such right shall be exercised at a reasonable time upon reasonable notice to the Owner, provided, however, that in an emergency such right may be exercised at any time and without notice. The cost of such repair, maintenance or replacement shall be funded from the Assessments, except that, if such repair, maintenance or replacement is occasioned by a negligent or willful act or omission of an Owner(s), it shall rather be considered a special expense allocable to the Owner(s) responsible and such cost shall be added to the Assessment of such Owner(s) and, as part of that Assessment, shall constitute a lien on the Lot and Unit of such Owner(s) to secure the payment thereof.

c. The Association shall have an easement over the Lots for the placement, maintenance, repair and replacement of utility banks and telephone pedestals and over the exterior walls of Units for the maintenance and repair of the exterior of the Units.

Section 4.06. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, the Association and the Architectural Committee (as defined in Article VII hereof) 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 activities which could have adverse environmental impact or take affirmative action to improve the quality of the environment, and shall comply with all applicable laws, rules and regulations.

Section 4.07. Rights of Sponsor With Respect to Association Property.

a. With respect to The Property, the Sponsor shall have the right, until the completion of construction, marketing and sale of all Units, provided the rights of the Members are not substantially and materially restricted (except for temporary inconvenience):

(1) 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 necessarily limited to water, electric, telephone, sewer, drainage and cable television, to serve any property set forth in Schedule A hereof, even if such property would not be added to the scope of this Declaration;

(2) to connect with and make use of utility lines, wires, pipes, conduits, and related facilities located on The Property for the benefit of any property set forth in Schedule A hereof;

(3) to use The Property for ingress and egress and for the storage of building materials;

(4) to operate a sales center and to have prospective purchasers and others visit such sales center and use certain portions of The Property.

(5) to maintain a construction office on The Property;

(6) to determine the grading, elevation, and design (including reversal of the building layout and number of floors) of the Lot and Unit to fit into the general pattern of the development, together with the right to modify interior layout to suit individual purchasers, provided such modifications do not materially affect The Property, to change the configuration to include type and number of Units within a Building, providing the Building shall remain compatible with existing Buildings and to alter location on the site if the grade and/or contour of the land so requires; and

(7) to grant to itself or to others such easements and rights-of-way as may be reasonably needed for the orderly development of the other property, even if such property should not be added to the scope of this Declaration.

The easements, rights-of-way and other rights reserved herein shall be permanent, shall run with the land and shall be binding upon, and for the benefit of, the Association, the Sponsor and their successors and assigns.

b. With respect to its exercise of the above rights, the Sponsor agrees (i) to repair any damages resulting from construction within a reasonable time after the completion of development or when such rights are no longer needed by the Sponsor, whichever first occurs; and (ii) until development has been completed, to hold the Association harmless from all liabilities which are directly caused by the Sponsor's exercise of its rights hereunder. This Section shall not be amended without written consent of the Sponsor until the Transfer of Control Date.

c. Notwithstanding anything to the contrary, until completion of construction and marketing of all Units, this Section 4.07 may not be amended without prior written consent of Sponsor.

Section 4.08. Easement Reserved to Sponsor for Benefit of Additional Property.

a. Easements are reserved to Sponsor over The Property covered by this Declaration for the benefit of any and all lands owned by the Sponsor, and its assigns, for the following purposes:

(1) ingress and egress over roadways; and

(2) use of and connection with utility lines and related facilities including, but not limited to, telephone, water, electric, sewer and cable television. This easement shall not include the right to consume any water or electricity for which one (1) or more individual Members are billed directly without the consent of the individual Members affected.

b. Upon connection of lines and/or facilities servicing such land area comprising any other property, should such lands not be added to the scope of this Declaration, such lands shall be responsible for the payment to the Association of a fair share of the cost of operation, maintenance, repair and replacement of those lines and facilities servicing such lands, if any.

Section 5.14. Assessment Certificates. Upon written demand of a Member, Mortgagee, lessee or title insurer of a Unit, (or any prospective purchaser, lessee, Mortgagee or title insurer of such Unit), the Association shall, within fifteen (15) days of receipt of such written demand, issue and furnish a certificate in writing, signed by an Officer or designee of the Association, setting forth with respect to such Unit, 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; and (iii) whether any other amounts or charges are owing to the Association, e.g., for the cost of extinguishing a violation of this Declaration, the By-Laws and/or Rules or Regulations.

A reasonable charge, as determined by the Board of Directors, may be made for the issuance of such 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, Mortgagee, lessee of, or title insurer of, the Unit with respect to which such certificate has been issued.

ARTICLE VI

MAINTENANCE BY THE ASSOCIATION

Section 6.01. Repairs and Maintenance by the Association.

a. Except as specifically otherwise provided in this Section 6.01, all maintenance, repair and replacements of the exterior of the Buildings and improvements on The Property, the maintenance of all access roads, driveways, lighting on the access roads and landscaped areas up to the Unit Lot lines as shown on the Site Plan, and replacement of identification or directional signs, shall be the responsibility of, and an expense of, the Association. Maintenance, repair and replacement of pipes, wires, conduits and public utility lines servicing more than one (1) Unit, and for which a utility company or other entity (such as cable television) is not responsible, whether or not such lines and facilities are on The Property shall also be the responsibility of, and an expense of, the Association.

b. The Association shall be responsible for the maintenance of all shrubbery and other plantings installed by, or at the direction of, the Sponsor, the Board of Directors or the Architectural Committee, but not for shrubbery or other plantings installed by, or at the direction of any Member. The Association shall not be responsible for any area adjacent to any Unit Lot line modified by such Unit's Owner or obstructed by furniture, grills or other obstacles preventing the continuous cutting of the grass or access thereto.

c. With respect to the Units, the Association shall repair and replace the Unit exterior including, but not limited to, siding, gutters and downspouts, if any, and roofs; paint or stain the exterior trim and the exterior of windows and the exterior of doors which open from a Unit; paint or stain, repair and replace patio fences; repair and replace all driveways; and caulk the windows; but shall not repair or replace stoops, stairs or steps, or window panes or screens, or repair or replace doors. However, upon notification to the Owner, the Association has the right, but not the duty, to repair or replace window broken panes or screens, or replace damaged doors, to preserve the appearance and value of the Property, the cost of which shall constitute an Assessment payable by such Owner.

d. The Board of Directors of the Association may, upon the affirmative vote of not less than two-thirds (2/3rds) of the entire Board of Directors, provide for additional maintenance with respect to the Units or other improvements to the Lot lines to be undertaken by the Association.

e. Subject to the provisions of Section 6.02 below, 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.

a. Except as provided in Section 6.01 above, the Association shall not be responsible for (i) the maintenance, repair or replacement of any Buildings, structures or landscaped areas not owned by the Association; or (ii) the maintenance, repair and replacements of any sewer lines, water lines or other utility lines not servicing two or more Units or which are maintained, repaired and replaced by a municipality, public authority, special district, utility company or cable television company.

b. Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 6.01 herein, but which is occasioned by a negligent or willful act or omission of a Member or the Sponsor shall be made at the cost and expense of such Member, his guests, lessees, licencees or invitees, or the Sponsor, its guests, lessee, licencees or invitees, as the case may be. If such maintenance, repair or replacement is performed by the Association, it shall not be regarded as a Maintenance Assessment, but shall rather be considered a special expense allocable to the Member's Unit and such cost shall be added to that Member's Assessments and, as part of those Assessments, shall constitute a lien on the Unit, 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 or staining 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 Member(s), have the right to enter upon any portion of The Property and into and upon any Unit, at any reasonable hour and upon reasonable notice, to carry out its functions as provided for in this Declaration, 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 in an emergency shall be undertaken by the Association at its expense.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 7.01. Control by Association. After transfer of title by the Sponsor to any Unit, or other completed portion of the Property, enforcement of those provisions of this Declaration pertaining to exterior appearance of the Property and control over any change in use or any additions, modifications or alterations to any exterior improvements on said Unit or other portion of the Property shall be the responsibility of the Association, acting through the Architectural Standards Committee as provided in Section 7.02 below.

Section 7.02. Composition and Function of Architectural Standards Committee.

a. The Architectural Standards Committee (the "Architectural Committee") shall be a permanent committee of the Association, shall be subject to Paragraph b. of this Section and shall (i) approve all proposed additions, modifications or alterations to any improvement or any proposed change in the use of a Lot or Unit or any other portion of The Property after transfer of title to such Lot or Unit or other portion of the Property; and (ii) enforce those provisions of the Rules and Regulations set forth in Article IX of this Declaration and such Rules and Regulations as may be promulgated by the Board of Directors. The Architectural Committee may also assist and advise the Board of Directors 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) who shall be appointed 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 (2/3rds) of the entire Board of Directors.

b. Notwithstanding anything herein to the contrary, the Architectural Committee may be limited, from time to time, to an advisory capacity, with final approvals and/or enforcements resting solely with the Board of Directors, by the affirmative vote of not less than two-thirds (2/3rds) of the entire Board of Directors.

Section 7.03. Submission of Plans to Architectural Committee. After transfer of title to any Unit or other portion of the Property by the Sponsor, no exterior addition, modification or alteration shall be made on or to such Unit or other portion of the Property or to the improvements located thereon, unless and until a plan or plans therefore, in such form and detail as the Architectural Committee requires, shall 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, including any fees and reasonable expenses which may be charged by architects, engineers or attorneys retained by the Architectural Committee in connection with the review of such plans.

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

a. failure of such plans to comply with Covenants and Restrictions contained in the Declaration;

b. failure to include information in such plans as reasonably requested by the Architectural Committee;

c. objection to the site plan, exterior design, appearance of materials of any proposed improvements, including without limitation, colors or color scheme, finish, proportion, and style of architecture;

d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses within The Property;

e. failure of the applicant to furnish to the Architectural Committee proof satisfactory to the Committee that insurance in the form and amount satisfactory to the Architectural Committee has been obtained and will be maintained for the appropriate period of time by the applicant;

f. failure of proposed improvements to comply with any zoning, building, health or other governmental laws, codes, ordinances, rules and regulations; or

g. any other matter which, in the reasonable judgment of the Architectural Committee, would render the proposed improvement use or uses inconsistent or incompatible with the general plan of improvement of The Property, including any possible adverse impact on the use and enjoyment of The Property by any other Member.

Section 7.05. Approval of Architectural Committee.

a. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to this Article, 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 in the Association's permanent records (together with such qualifications or conditions, if any) and, if requested by the applicant, shall provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans shall not be deemed a waiver of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are submitted for approval by other Members.

b. Once plans have been approved for a Unit, they may not be revoked unless the Architectural Committee determines that (i) the work currently being performed is not in substantial conformity with the approved plans; (ii) adequate insurance is not being maintained by the applicant; (iii) appropriate permits have not been obtained, maintained and/or complied with; or (iv) a period of six (6) months has passed from date of approval of the plans and the alterations, modifications or improvements have not been commenced.

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 hereof. In any such case, the Architectural Committee shall, if requested and if practicable, 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 from the Architectural Committee approving (including qualified approval) or disapproving any plans within sixty (60) days after submission thereof, said 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 Architectural Committee twenty (20) days after the date of receipt of such notice, if no decision is rendered by the Architectural Committee within said twenty (20) day period.

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 tot he approval or disapproval of certain types of alterations, modifications or improvements to the Units or other property, 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 by 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, the By-Laws 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 Committee as long as the number and identity of such staff or members, the functions and scope of authority have been established by a resolution of the entire Architectural Committee and the Board of Directors. The approval or disapproval of plans by the staff members, 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 Committee. As may be provided within the budget approved by the Association, the Architectural Committee may hire engineers, architects and other consultants reasonably necessary to perform its functions.

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 Building or other portion of The Property. Neither the Association, the Board of Directors, the Architectural Committee, nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval or to any Member or any other person, in connection with a 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, to defend, indemnify and hold harmless the Association, the Board of Directors and the Architectural Committee (or any officer, Member, subcommittee, employee or agent thereof) from any action, proceeding, suit or claim arising out of, or in connection with, such submission.

Section 7.11. Architectural Standards Compliance Certificate. Upon written request of any Member, Mortgagee, lessee, licencee or title insurer (or any prospective member, mortgagee, lessee, licencee or title insurer) of a Unit or other portion of the Property, title to which has been previously transferred from the Sponsor, the Architectural Committee shall, within fifteen (15) days, issue and furnish to the person or entity making the request, a certificate in writing ("Architectural Committee Certificate") signed by a member of the Architectural Committee or the Board of Directors stating, as of the date of such Certificate, whether or not the Unit 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, determined by the Architectural Committee or the Board of Directors, 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 Certificate was issued.

Section 7.12. Completion of Work by Architectural Committee. In the event the Architectural Committee deems it necessary to complete work previously commenced by an Owner, or to otherwise protect the appearance, value or structural integrity of The Property, such amounts shall become a binding personal obligation of the Owner and an additional Assessment payable by such Owner a lien against his Unit, subject to the provisions of Article V herein.

ARTICLE VIII

PARTY WALLS

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

Section 8.02. Maintenance of Party Walls.

a. Each Member whose Unit contains a Party Wall shall have an easement to enter upon the Unit with which the Party Wall is shared to effect necessary repairs or maintenance of such Party Wall. Each Member shall be responsible for the ordinary maintenance and repair of such Member's respective side of a Party Wall. Subject to Sections 8.03 and 8.05 hereof, 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) Members whose Units share such wall.

b. In any event, where it is necessary for a Member (or said Member's authorized employees, contractors, or agents) to enter upon a Unit owned by another for purpose of maintaining, repairing or rebuilding a Party Wall, such right shall be exercised upon reasonable notice to the adjoining Member, shall be limited to reasonable times and shall be exercised so as not to unreasonably impair the right of the adjacent Member to the use and quiet enjoyment of said adjacent Unit.

Section 8.03. Exposure of Wall. A Member 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 such elements, and the necessary repair caused by such act.

Section 8.04. Materials Used. If and when any Party Wall is repaired or rebuilt, it shall stand upon the same place and be of the same or similar material as the original wall.

Section 8.05. Destruction of the 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 Member of either Unit which used the wall may restore it. The Member who undertakes such rebuilding shall be entitled to a contribution (equaling one-half (1/2) the cost of such restoration) from the Member owning the other Unit which shares such wall. Such right to contribution shall not be construed, however, to limit in any degree, the right of a Member 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 same, which are described in this Article, shall run with the land and shall bind heirs, successors and assigns of each Owner.

ARTICLE IX

GENERAL COVENANTS AND RESTRICTIONS

Section 9.01. Use of Units.

a. **Residential Purposes Only.** Except as otherwise provided in the Declaration and By-Laws, the Association Property shall be used only for residental purposes and purposes incidental and accessory thereto; provided, however, that prior to transfer of title by Sponsor to all of the Units, the Sponsor may use one (1) or more Lots or Units or other portions of the Property for model Units, a sales office and/or a construction office.

b. **Garages and Garage Doors.** In accordance with the Town of Victor requirements, garages may be used for vehicular parking only and may not be modified for any other use. Occupants of Units shall be required, to the extent practicable, to park motor vehicles owned by them, or under their control, in their garage and shall cause the garage door to be kept in a closed position, except for ingress and egress, whenever possible.

c. **Awnings, Blinds and Window Guards.** No awnings, blinds, shutters, window guards or other exterior window and/or door coverings, decorative or protective, may be installed without the prior written consent of the Architectural Committee. Shades, or drapery linings should be white or light beige.

d. **Television and Radio Antennas.** No outside television or radio satelite dish or antenna for any other transmission or receiving purposes, shall be erected upon any Unit or other portion of The Property without prior written consent by the Board of Directors.

e. **Unit and Occupant Identification.** Unit Owners and/or tenants shall not be allowed to put their names or Unit numbers in any area except the area so designated by the Board of Directors.

f. **Mechanical Installations.** No machinery, refrigeration or heating devices, other than those originally provided with the Unit, or similar replacements of same, or lighting fixture other than standard electric lights shall be installed or operated in or about any Unit without prior written permission of the Board of Directors.

Section 9.02. Pets. Occupants of Units shall have the right to have pets within the Units, which must be kept leashed or otherwise restrained. However, the Board of Directors shall have the right to require any occupant, or any family member, or guest of any occupant, to remove any pet from the Unit, or the property, if, in the opinion of the Board of Directors, acting in its sole discretion, such pet is creating a nuisance or such pet possesses a threat to the safety or health of other occupants of the Units, or that such pet is not kept under leash or restraint.

Section 9.03. Parking.

a. **Recreational Vehicles.** No recreational vehicles, including but not limited to, all terrain vehicles, motor bikes, motorcycles, minibikes, snowmobiles, boat trailers, campers, golf carts or other such vehicles shall be permitted on the premises at any time for any reason except with the prior written consent of the Board of Directors. If such permission is granted, such vehicle shall be parked or stored only in such area as designated by the Board of Directors.

b. **Oversized, Commercial and/or Unlicensed Vehicles.** Unless used in connection with the construction or sale of Units by the Sponsor, or maintenance of The Property, the following shall not be permitted to remain overnight on the Property:

(i) any vehicle which cannot fit into a garage of the size constructed by the Sponsor as a part of each Unit;

(ii) commercial vehicles, unless garaged; or

(iii) unlicensed motor vehicles of any type, unless garaged.

c. **Unauthorized Parking.** Vehicles parked in unauthorized areas or in any manner impeding or preventing ready access to The Property or an occupant's driveway, shall be towed from the premises at the expense of the respective owner of such vehicle so parked. The Board of Directors, Managing Agent or authorized employee of either, may order such removal on behalf of the Board of Directors after giving reasonable notice to the owner of the vehicle to remove such unauthorized parked vehicle, and shall not be liable for any costs, loss or damage of any nature whatsoever, directly or indirectly, resulting therefrom or connected therewith. Notice is not required prior to removing a vehicle blocking the roadway or impeding access by emergency vehicles.

d. **Guest Parking.** any additional vehicles belonging to guests or occupants, will be parked in such areas as designated for such purpose by the Board of Directors.

Section 9.04. Use of The Property.

a. **Advertising and Signs.** Except for signs erected by or with the permission of the Sponsor in connection with the development, sale or lease of Units, no additional sign or other advertising device of any nature shall be placed for display to the public view on any Unit, or other portion of The Property (including temporary signs advertising Units for sale or rent) except with the consent of the Architectural Committee and/or the Board of Directors.

b. **Protective Screening and Fences.** Any screen planting, fence enclosure or walls initially planted, installed or erected, on The Property shall not be removed or replaced by any Member (other than the Sponsor) except with the prior written permission of the Architectual Committee.

Except for the foregoing, no fence, wall or screen planting of any kind shall be planted, installed or erected upon any Lot or other portion of the Property without the prior written permission of the Architectural Committee. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

c. **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 the established slope ratios, create erosion or sliding problems, or change the direction of flow drainage channels. The slop control areas of any Unit or other portion of The Property and all improvements thereon shall be maintained by the Association, except in those cases where a governmental agency or other public entity or utility company is responsible for such maintenance.

d. **Trees and Other Natural Fences.** After the transfer by the Sponsor of title to a Unit or other portion of the Property, no trees shall be removed from any such transferred Lot or Unit or other portion of the Property, except with the prior written consent of the Architectural Committee, in accordance with Section 7.08 of the Declaration, the Architectural Committee in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources upon The Property.

e. **Outdoor Storage.** No storage of personal property shall be permitted outside the Unit on the patio, balcony, (if any) or elsewhere on The Property, except for customary seasonal outdoor furniture, grills and the like.

f. **Outdoor Repair Work.** No extensive work on any motor vehicles, boats, trailers or other equipment of any kind shall be permitted on The Property.

g. **Refuse Disposal.** Except for building materials being used during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, refuse, or other waste material shall be kept, stored or allowed to accumulate 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 twenty-four (24) hours of a scheduled pick-up, at such place as so designated by the Architectural Committee or the Board of Directors to provide access to persons making such pick-up. The Architectural Committee may, in its discretion, adopt and promulgate reasonable rules and regulations relating to size and type of containers permitted and the manner of storage of the same on any portion of The Property.

h. **Clotheslines.** No outdoor drying or airing of any clothing, bedding or other items shall be permitted on The Property. No clotheslines of any type shall be permitted on any Unit or other portion of the Property.

i. **Flammable Substances.** No flammable substances or articles deemed hazardous to life, limb or property shall be stored or permitted to be stored anywhere on The Property, in any Unit or in any garage, except in an area so designated for such storage by the Board of Directors.

j. **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 the Property) and no derrick or other structure designed for use in boring for oil or natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property, except with prior written consent of the Board of Directors.

k. **Noxious or Offensive Activities.** No noxious or offensive activity shall be carried out upon any portion of The Property, or in any Unit, nor shall anything be done thereon that may be, or become, a nuisance or annoyance to the residents or Unit Owners thereof.

l. **No Above Surface Utilities.** No facilities, including without limitation, poles and wires for the transmission of electricity or telephone messages, and water, 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 the Architectural Committee or Board of Directors.

Section 9.05. General.

a. **Lease Restrictions.** An Owner shall not lease any portion of a Unit (other than the entire Unit), nor shall a Owner lease a Unit to a lessee for an initial term of less than one (1) year. This restriction shall not preclude the Sponsor from permitting a purchaser of a Unit to occupy the Unit being purchased prior to transfer of title to such Unit.

b. **Obligation to Maintain Utility Service.** Regardless of whether the Unit is occupied, the Owner owning such Unit shall be obligated to maintain sufficient utility service to prevent damage to other Units or The Property. If such service is not maintained by the Owner, the Board of Directors shall have the right to immediately arrange for such service, upon such notice to the Owner as is practical under the circumstances and without notice in emergency situations. If such service must be arranged by the Board of Directors, any costs incurred shall be collectible in the same manner as Assessments and shall constitute a lien on the Unit involved and a personal obligation of the Owner.

c. **Interaction With the Board of Directors, Managing Agent and/or Employees of the Association.**

(i) If an Owner, his family, guests, lessees, licencees or invitees, gives a key whether to his Unit or an automobile or other item of personal property, to an employee or Director of the Association or the Managing Agent, he does so at his own risk, and neither the Board of Directors nor the Managing Agent nor the employee of either shall be liable for injury, loss or damage indirectly resulting thereform or connected therewith.

(ii) No employee of the Homeowners' Association or the Managing Agent shall be asked to perform any personal services for any Owner or occupant or guest, except in an emergency, during hours such employee is employed by The Association or Managing Agent on behalf of The Association.

THE BOARD OF DIRECTORS MAY PROMULGATE SUCH OTHER RULES AND REGULATIONS, FROM TIME TO TIME, AS MAY BE NECESSARY TO PRESERVE AND ENHANCE THE THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC. PROPERTY.

ARTICLE X

DURATION, ENFORCEMENT AND AMENDMENT OF DECLARATION

Section 10.01. Duration. This Declaration shall continue until (i) terminated by casualty loss, condemnation or eminent domain; or (ii) such time as withdrawal of the Property from the provisions of this Declaration is authorized by a vote of at least eighty percent (80%) of Owners. No such vote shall be effective without a written consent of Mortgagees, if any. Sponsor will not vote its interests appurtenant to unsold Lots or Units for such withdrawal unless at least eighty percent (80%) of all other Owners so elect for such withdrawal, at which time Sponsor may vote as he sees fit.

Section 10.05. Default Notices to be Sent to Mortgagees. Each Member shall notify the Association of the name and address of the Mortgagee and any other information necessary to identify the mortgage and Mortgagee of any mortgage of such Member's Unit, if any. Upon receipt of written request from any such Mortgagee, the Association shall thereafter provide such Mortgagee with a duplicate copy of any notice of default sent to such Member with regard to the violation by such Member of any provision of this Declaration.

Section 10.06. Amending.

a. Subject to Subparagraph b. of this Section, this Declaration may be modified, altered or amended at any duly called meeting of Members provided that:

(1) a notice of the meeting containing a full statement of the proposed modification, alteration or amendment has been sent to all Members listed on the books and records of the Association, and to all Mortgagees of Units who have requested the same, no less than thirty (30) days nor more than fifty (50) days prior to the date of the meeting; and

(2) sixty-six and two-thirds percent (66-2/3%) or more in number of all Members approve the change; and

(3) an instrument evidencing the change is duly recorded in the Office of the Ontario County Clerk. Such instrument need not contain a written consent of the required number of Members, but shall contain a certification by the Board of Directors that the consents required by this Section for such change have been received and filed with the Board of Directors.

b. Until the Transfer of Control Date, the prior written consent of the Sponsor shall be required for any amendment which adversely affects a substantial interest or right of the Sponsor (as determined by the Sponsor in its sole judgment) to become effective, which consent may not be unreasonably withheld.

Section 10.07. Conflict with Municipal Laws. The Covenants 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 10.08. Attorney's Fees. Any party to a proceeding who succeeds in enforcing the Covenants or Restrictions, or enjoining the violation of any Covenants or Restrictions against a Member (or such Member's lessee, licencee or invitee), shall be entitled to reasonable attorney's fees against such Member.

Section 10.09. 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 10.10. Inspection and Entry Rights. Any agent of the Association (or the Architectural Committee) may, at any reasonable time or times, upon not less than twenty-four (24) hours notice to the Member or occupant, enter upon a Unit 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 this Declaration, or with the By-Laws or 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.

g. Easements and rights retained by Sponsor.

2. State of facts shown on a survey of the Land and Buildings.

3. Zoning, regulations and ordinances, and any amendments thereto, provided that neither the Building in which the Unit is located, nor its use as contemplated by the Plan, are prohibited thereby.

4. New York State franchise taxes of any corporation in the chain of title, provided that the Rochester Abstract Co., or any other member of the New York State Board of Title Underwriters, is willing to insure that such taxes will not be collected out of the Unit.

5. Sewer, water, electric, plumbing, heating, telephone, cable television and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, pipes, ducts, wires, cables, conduits, connections, fittings, poles and distribution boxes in, over, under and upon the Property and the Buildings.

6. Leases or tenancies, and service, maintenance and license agreements affecting the Units or portions of the Association Property, if any.

7. Water charges (but the Sponsor will be obligated to pay all such charges through the date preceding the date of the first closing of title to a Unit).

8. Future installments of special assessments for payable with the Town and County Taxes.

9. Utility easements, rights of way and agreements granted to or made with the Rochester Telephone Company, Rochester Gas and Electric Corporation, the Town of Victor or any other utility company or municipality.

10. The lien of a purchase money mortgage, if any, obtained by Purchase to finance the purchase of the Unit.

11. Standard exceptions contained in the form of title insurance policy then issued by Rochester Abstract Co., or such other title insurance company issuing Purchaser's title to the Unit.

ALL OF THE ABOVE SHALL SURVIVE DELIVERY OF THE DEED.

SCHEDULE C TO DECLARATION
UNIT DESIGNATIONS

Building Number	Unit Number	Unit Tax Account Number
1	138	4207-138
1	139	4207-139
1	140	4207-140
1	141	4207-141
1	142	4207-142
1	143	4207-143
2	144	4207-144
2	145	4207-145
2	146	4207-146
2	147	4207-147
2	148	4207-148
2	149	4207-149
3	150	4207-150
3	151	4207-151
3	152	4207-152
3	153	4207-153
3	154	4207-154
3	155	4207-155
11	198	4207-198
11	199	4207-199
11	200	4207-200
11	201	4207-201
11	202	4207-202
11	203	4207-203
12	204	4207-204
12	205	4207-205
12	206	4207-206
12	207	4207-207
13	208	4207-208
13	209	4207-209
13	210	4207-210
13	211	4207-211
13	212	4207-212
13	213	4207-213
14	214	4207-214
14	215	4207-215
14	216	4207-216
14	217	4207-217
14	218	4207-218
14	219	4207-219
18	238	4207-238
18	239	4207-239
18	240	4207-240
18	241	4207-241
18	242	4207-242
18	243	4207-243

FILING RECEIPT

NYS DEPARTMENT OF STATE

CORPORATION NAME

DATE FILED	DURATION & COUNTY CODE	FILM NUMBER	CASH NUMBER

NUMBER AND KIND OF SHARES	LOCATION OF PRINCIPAL OFFICE

ADDRESS FOR PROCESS	REGISTERED AGENT

FEES AND/OR TAX PAID AS FOLLOWS:

AMOUNT OF CHECK $ _____ AMOUNT OF MONEY ORDER $ _____ AMOUNT OF CASH $ _____

$ _____ DOLLAR FEE TO COUNTY

$ FILING
$ TAX
$ CERTIFIED COPY
$ CERTIFICATE

FILER NAME AND ADDRESS

TOTAL PAYMENT $

REFUND OF $

TO FOLLOW

380604-003 (8/84)

CERTIFICATE OF INCORPORATION

OF

THE HOMEOWNERS ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

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

The undersigned, being over the age of eighteen years, for the purpose of forming a corporation under Section 402 of the Not-for-Profit Corporation Law, does hereby certify as follows:

1. NAME

The name of the corporation shall be The Homeowners Association of Victoria Woods, Phase III, Inc.

2. NON-PROFIT STATUS

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 except to the extent permitted under the Not-for-Profit Corporation Law.

3. PURPOSES

a. The purposes for which the corporation is formed are to own, operate and maintain common areas and recreational facilities for the exclusive use of the homeowners of residences located in Phase III of Victoria Woods Village located in the Town of Victor, Ontario County, New York.

b. To carry on any activities in furtherance of the foregoing.

4. TYPE

The corporation is a Type A corporation as defined in

Section 201 of the Not-for-Profit Corporation Law.

5. OFFICE

The office of the corporation is to be located in the Town of Victor, County of Ontario, State of New York.

6. TERRITORY

The territory in which the activities of the corporation are principally to be conducted is the County of Ontario, State of New York.

7. PROCESS

The Secretary of State is designated as agent of the corporation, upon whom process against it may be served and the post office to which the Secretary of State shall mail a copy of any process against it served upon him is: 6400 Victor-Manchester Road, Victor, New York 14564.

IN WITNESS WHEREOF, I have signed this Certificate of Incorporation this 13th day of February, 1985.

RICHARD A. CALABRESE
One East Main Street
Rochester, New York 14614

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

On this 13th day of February, 1985, before me personally appeared RICHARD A. CALABRESE, to me known and known to me to be the person described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

NOTARY PUBLIC

BY-LAWS

OF

THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

Richard A. Calabrese
ELLIOTT, STERN & CALABRESE
Counsel to the Sponsor
One East Main Street
Rochester, New York 14614
Telephone: (716) 232-4724

BY-LAWS
OF
THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

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THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC.

ARTICLE I

NAME, LOCATION AND MEMBERSHIP

Section 1.01. Name and Location. The name of the not-for-profit corporation is THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC., hereinafter referred to as the "Association". The principal office of the Corporation shall be located in the Town of Victor, County of Ontario, and State of New York.

Section 1.02. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Association and to the use thereof.

Section 1.03. Personal Application. All present and future Owners their guests, lessee, licencees, invitees and Mortgagees, and any other person having a right to use all or a portion of Association Property by virtue of rights previously granted by deed and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations (as hereinafter defined).

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. All capitalized terms herein, which are not separately defined or denominated herein shall have the meanings given to those terms in Article I of the Declaration.

ARTICLE III
MEMBERS; VOTING RIGHTS

Section 3.01. Membership in the Association. The Association shall have as Members only Owners of Units of the THE HOMEOWNERS' ASSOCIATION OF VICTORIA WOODS, PHASE III, INC. All Owners, shall, upon becoming such, 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 definition of the word "Owner" as found in Article I of the Declaration. Any person or entity holding an interest in a Lot or Unit merely as security for the performance of an obligation shall not be a Member.

Section 3.02. Voting. Each Member (including the Sponsor if the Sponsor shall then own or hold title to one (1) or more Units) shall be entitled to cast one (1) vote at all meetings of Members, except for Members who have a joint or common interest in one (1) or more Units, who shall have one (1) collective vote subject to Section 3.07 below. Voting rights for any Member delinquent in the payment of his Assessments may not be suspended.

Section 3.03. Right to Vote. At any meeting of Members, every Voting Member having the right to vote shall be entitled to vote in person or by a person designated by him to act as proxy on his behalf and who need not be an Owner.

Section 3.04. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. Such proxies shall only be valid for such meeting or subsequent adjourned meetings thereof. A notation of such proxies shall be made in the minutes of the meeting.

Section 3.05. Absentee Ballot. All absentee ballots shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. Such absentee ballots shall be valid only for such meeting or subsequent adjourned meeting thereof. A notation of such absentee ballots shall be made in the minutes of the meeting.

Section 3.06. 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; except as set forth in Section 3.07 below, evidence of right to vote, the appointment and duties of inspectors of election, 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 3.07. Individual Ownership. If a Unit is owned by one (1) person, his right to vote shall be established by the recorded title to such Unit.

Section 3.08. Common Ownership.

a. If a Unit is owned by more than two (2) persons, or other than an individual natural person, the person entitled to vote on behalf of the Unit, shall be designated in a certificate signed by all Owners of record of such interest, and filed with the Secretary. The person designated in such certificate who is entitled to cast the vote for such Unit shall be known as the Voting Member. Such a certificate shall be valid until revoked or until suspended by a subsequent certificate or until a transfer in the ownership of the Unit concerned. If such a certificate is not on file with the Secretary for such Unit, the vote of said Unit may not be considered in determining a quorum or for any purpose requiring the vote of Owners; provided, however, that if a Unit is owned jointly by a husband and wife, or by any two (2) natural persons, the following provisions shall be applicable.

   (i) They may, but shall not be required to designate a Voting Member.

(ii) If they do not designate a Voting Member, and if both are present at a meeting and are unable to concur in their decision upon any subject at that meeting. The vote of any Unit is not divisible.

(iii) Where they do not designate a Voting Member, and only one (1) is present at a meeting, the person present may cast the vote for the Unit as though he owned the Unit individually, and without establishing the concurrence of the absent person.

b. If a Unit is owned by a corporation or partnership, the person entitled to cast the vote for such corporation or partnership shall be designated by a certificate for such purpose and such certificate shall be signed by the president or vice president of the corporation and attested to by the secretary or, if a partnership, by all general partners, and filed with the Secretary. The provisions of a. of this Section shall govern the revocation and failure to file such a certificate.

c. A fiduciary shall be the Voting Member with respect to any Unit owned in a fiduciary capacity and a certificate shall be filed with the Secretary in accordance with the provisions of a. of this Section which shall govern the revocation and failure to file such a certificate.

Section 3.09. Sponsor's Right to Assign its Vote. The Sponsor may, subject to a duly filed amendment to the Offering Plan, for the sale of the Units together with interests in the Association, 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.

ARTICLE IV

MEETING OF MEMBERS

Section 4.01. Annual Meeting. Upon transfer of title to two hundred fourteen (214) Units, or five (5) years from the date of recording of the Declaration, whichever shall first occur, the Sponsor shall notify all Members that the first meeting shall be held within thirty (30) days thereafter. The annual meeting of the Members thereafter shall be held on or about the same date each succeeding year, at a time to be determined by the Board of Directors and at such place convenient to the Board of Directors adequate in size to accommodate all Members; provided, however, that if such date shall be a legal holiday, the meeting shall be held on the first day following such date which is not a legal holiday. Failure to hold an annual meeting at the designated time shall not terminate the Association's existence or affect otherwise valid acts of the Association. At such meeting, the Members shall elect the Board of Directors in accordance with the provisions of Section 5.03 hereof and may transact such other business as may properly come before them.

Section 4.02. Special Meetings. It shall be the duty of the President to call a special meeting of the Members if so directed by resolution of the Board of Directors or upon a petition presented to the Secretary, signed by not less than forty percent (40%) of the Members, in the aggregate. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4.03. Notice of Meetings. It shall be the duty of the Secretary to mail by first class, postage prepaid, a notice of each annual or special meeting of the Members at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Member of record, at his Unit or at such other address as such Member shall have designated by notice in writing to the Secretary, and to all Mortgagees of a Unit who have requested the same. Notwithstanding the foregoing, if the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days but not more than fifty (50) days prior to such meeting. The mailing of a notice of meeting shall be in the manner provided in this Section and shall be considered service of notice.

Section 4.04. Waiver of Notice. Whenever under any provisions of these By-Laws, the Declaration or any agreement or instrument, or law, the Association or the Board of Directors or any committee is authorized to take any action after notice to any person, or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before or after such action is completed, the person entitled to such notice or entitled to participate in the action to be taken, or in the case of a Member, by his or her duly authorized attorney-in-fact, submit a signed waiver of notice of such requirements. The attendance of any Member at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall also constitute a waiver of notice by such Member.

Section 4.05. Waiver and Consent. Wherever the vote of Members at a meeting is required or permitted by any provision of the Declaration, these By-Laws or law to be taken in connection with any action of the Association, the meeting and vote of the Members 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.

Section 4.06. List of Members. A list of Members as of a request date, certified by the corporate officer responsible for its preparation, shall be produced at any meeting of Members upon the request thereat or prior thereto of any Member. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat, shall require such list of Members to be produced as evidence of the right of the persons challenged to vote at such meeting, all persons who appear from such list to be Members entitled to vote thereat, may vote at such meeting.

Section 4.07. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members having fifty-one percent (51%) of the total authorized votes of all the Members shall constitute a quorum at all meetings of the Members. If, however, such quorum shall not be present or represented by any meeting of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

Section 4.08. Majority Vote. Members of the Board of Directors elected at any meeting of the Members shall, except as otherwise provided by law or these By-Laws, be elected by a plurality of votes cast. All other actions shall be taken by vote of a majority of Members at a meeting at which a quorum shall be present or represented by proxy, except where in the Declaration or these By-Laws, or by law, a higher percentage vote, or other vote, is required. The term "majority of Members" shall mean those Members having more than fifty percent (50%) of the total authorized votes of all Members present in person or by proxy and voting at any meeting of the Members, determined in accordance with the provisions of Section 3.02 of these By-Laws.

Section 4.09. Inspectors of Election.

a. The Board of Directors, in advance of any meeting of Members, may appoint two (2) or more persons, who need not be Members, to act as inspectors of election at such meeting or any adjournment thereof. If inspectors of election are not so appointed prior to the meeting, the person presiding at such meeting may appoint two (2) or more inspectors of election. In case any person appointed fails to appear or act, the vacancy may be filled in advance of the meeting by the Board of Directors or at any meeting by the person presiding thereat.

b. The inspectors of election shall (i) determine the Members entitled to vote at the meeting; (ii) determine the existence of a quorum and the validity and effect of proxies; (iii) receive ballots or determine votes or consents; (iv) hear and determine any challenges or questions arising in connection with any Member's right to vote; (v) count and tabulate all votes, ballots or consents and determine the result thereof; and (vi) do such other acts as may be proper to conduct an election or vote with fairness to all Members.

Section 4.10 Order of Business at Meetings. The order of business at all meetings of the Members shall follow Roberts Rules of Order and be as follows:

a. Roll Call

b. Proof of Notice of Meeting

c. Reading of Minutes of Preceeding Meeting

d. Reports of Officers

e. Reports of Board of Managers

f. Reports of Committees

g. Election of Inspectors of Election (when so required)

h. Election of Members of the Board of Directors (when so required)

i. Unfinished Business

j. New Business

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number and Qualifications of Directors.

a. The business and affairs of the Association shall be managed by the Board of Directors. The Board shall initially consist of three (3) persons designated by the Sponsor. Within thirty (30) days after the initial transfer of title of sixty percent (60%) of the Units in Phase III to Owners, two (2) persons shall be elected by those Owners other than the Sponsor. The initial five (5) Members will serve until the first annual meeting. The first meeting of the Board of Directors will be held within six (6) months of the date of transfer of title to the first Unit, officers will be elected to serve until the first annual meeting and the By-Laws adopted.

b. Successors to this Board of Directors shall be elected by Members at the first annual meeting of Members, which shall be held within thirty (30) days after transfer of title to all Units, or five (5) years from date of recording of the Declaration whichever first occurs. Three (3) of such elected Directors shall serve for a term of two (2) years and two (2) for a term of one (1) year or until their successors are elected. Thereafter the term of office shall be for two (2) years.

c. Until the Transfer of Control Date, the Sponsor shall have the right to elect or appoint a majority of the members of the Board of Directors but, if the Sponsor exercises this right, Sponsor may not vote for the other members of the Board. After the Transfer of Control Date, the Sponsor shall have no further right to elect or appoint any members of the Board of Directors. Members of the Board of Directors elected or appointed by the Sponsor shall serve for a term of one (1) year.

d. All elected Directors shall be (i) Owners; (ii) spouses of Owners; (iii) Mortgagees of Units; (iv) members or employees of a partnership Owner or Mortgagee; (v) officers, directors, shareholders, employees or agents of a corporate Owner or Mortgagee; (vi) fiduciaries or officers, agents or employees of such fiduciaries; or (vii) designees of the Sponsor.

Section 5.02. Nominations.

a. Nominations for election to the Board of Directors shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting of Members.

b. 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 by the votes of Members of the Association as provided in Section 5.03 hereof.

Section 5.03. Election and Term of Office.

a. At the first annual meeting of Members, subject to the right of the Sponsor to elect or appoint Director(s) as provided in Section 5.01 hereof, a new Board of Directors shall be elected.

b. At each annual meeting thereafter, the Members shall replace those Directors whose terms have expired and elect such successor Directors for terms of two (2) years. Voting shall be by secret written ballot which shall:

(1) set forth the number of vacancies to be filled;

(2) set forth the names of those nominated by the Nominating Committee to fill such vacancies; and

(3) contain space for a write-in for each vacancy.

Section 5.04. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Members, shall be filled by vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the Members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors until the next annual meeting of the Members or until a successor is elected. Notwithstanding the foregoing, if the vacancy occurs with respect to any Director not designated by the Sponsor, the successor shall be a Member independent of the Sponsor and further, if the vacancy occurs with respect to any member of the Board of Directors designated by the Sponsor, the Sponsor shall have the sole right to choose the successor to fill the unexpired portion of the term of such Director.

Section 5.05. Resignation. A member of the Board of Directors may resign at any time by giving written notice to the Board, or to the President or Secretary of the Association. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Board, President or Secretary, as the case may be, and acceptance of the resignation shall not be necessary to make it effective.

Section 5.06. Removal. At any regular or special meeting of Members, any one (1) or more of the Members of the Board elected by the Members may be removed with or without cause by a majority of the Members other than the Sponsor and a successor may then and there or thereafter be elected by the Members to fill the vacancy thus created. Any Member of the Board of Directors whose removal has been proposed by the Members 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 with or without cause, only by the Sponsor, and then and there or thereafter be replaced by the Sponsor.

Section 5.07. Compensation. Directors shall not receive any compensation or salary for their services as Directors. Any Director may be reimbursed for his actual reasonable expenses incurred in the performance of his duties providing prior approval has been granted by resolution of the Board. A Director who serves the Association in any other capacity, however, may receive compensation therefor, if otherwise entitled to compensation.

Section 5.08. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly 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. Notice of regular meetings shall be given to each Director personally, by mail or by telegram at least four (4) days prior to the date set for such meeting.

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 upon not less than five (5) days notice to each Director either personally, by mail or by telegram which notice shall specify the time, place and purpose of the meeting. The person or persons authorized to call such special meeting of the Board may fix any time and place convenient to the Directors as the time and place for holding such special meeting.

Section 5.10. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance of a member of the Board of Directors at any special meeting of the Board, without protesting prior to the conclusion of the meeting the lack of notice, shall constitute a waiver of notice by him of the time and place thereof. If all members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5.11. 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 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 pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by a 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 5.12. Informal Actions by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors or 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 all members of such committee, as the case may be, provided, further, such written consent is filed with the minutes of proceedings of the Board or committee.

Section 5.13. Powers and Duties. 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, 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 as provided for in the Declaration;

b. to establish and maintain such bank accounts as may be required for the operation of the Association;

c. to collect, use and expend the Assessments collected for the maintenance, care, repair, replacement and operation of the Property of the Association and exterior of the Units;

d. to operate, maintain, repair and replace the Association Property and the exterior of the Units;

e. to procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees; to procure and maintain adequate hazard insurance on such of the Association's real and personal properties as it deems appropriate; and multiperil insurance on all Units as provided in Article IX of these By-Laws;

f. as required by these By-Laws, to repair, restore or alter the properties of the Association and the Units after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

g. to employ and terminate the employment of employees, independent contractors and professionals to purchase supplies and equipment, enter into contracts and generally have the powers of manager in connection with the matters herein set forth. Any contracts entered into shall be terminable by the Board upon not more than ninety (90) days notice without penalty;

Section 5.15. Indemnification of Officers and Directors.

a. 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 Director or Officer may be a party, or in which such Director or Officer may become involved by reason of being or having been a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is 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 approves such settlement as being in the best interests of the Association.

b. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, any rights to which each such Director or Officer may otherwise be entitled. The Association shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless such contract shall have been made in bad faith or contrary to the provisions of law, or this Declaration. It is intended that the Board of Directors shall have no liability with respect to any contracts made by it on behalf of the Association.

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 thereof to be determined by the Board of Directors), the Secretary and the Treasurer. 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 office until his successor shall have been duly elected, unless he 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, and if there is no Chairman of the Board, shall preside at all meetings of Directors, and shall perform such other duties and functions as may be assigned him. The President may not also serve simultaneously as Secretary or Treasurer.

Section 6.06. Vice President. The Vice President shall take the place of the President whenever the President is absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be assigned to him by the Board or the President.

Section 9.03. Restoration or Reconstruction After Fire or Other Casualty.

a. In the event of damage to or destruction of any Unit or Units or Property insured through insurance obtained by the Board of Directors as a result of fire or other casualty (unless seventy-five percent (75%) or more of the Units are destroyed or substantially damaged and seventy-five percent (75%) or more of the Members do not duly and promptly resolve to proceed with repair and restoration), the insurance proceeds, if any, shall be payable to the Board of Directors or Insurance Trustee if they do not exceed the limit established pursuant to Section 9.01 hereof. The Board of Directors shall notify all Mortgagees of such Unit or Units as indicated on the records of the Association and shall arrange for the prompt repair and restoration of the Unit or Units as insured pursuant Section 9.01 a. 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 progess payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute an Assessment and the Board of Directors shall assess all the Members for such deficit and for a performance bond and labor and materials payment bond, such deficit as part of the Assessments.

b. In the event of any damage or destruction as hereinabove described, the Board of Directors shall promptly send written notification of the casualty to all Mortgagees as they appear on the books and records of the Association.

c. If there shall have been a repair or restoration pursuant to the first paragraph of this Section, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all the Members, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first paying out of the share due each member such amounts as may be required to reduce unpaid liens on such Unit in order of priority of such liens.

d. If seventy-five percent (75%) or more of the Units are destroyed or substantially damaged as determined by the Board of Directors and seventy-five percent (75%) or more of the Members do not duly and promptly resolve to proceed with repair and restoration, the Property shall be subject to an action for partition upon the suit of any Member or lienor, as if owned in common, in which event, the net proceeds of sale, together with the net proceeds of insurance policies shall be held in escrow by the Board of Directors or the Insurance Trustee, as the case may be, to be divided among all Members, subject to the rights of Mortgagees, in proportion to their respective common interests after first applying the share of the net proceeds of such sale, otherwise payable to any Unit Owner, to the payment of any liens on his Unit, in the order of the priority of such liens.

e. Wherever in this Article the words "promptly repair" are used, it shall mean repairs are to begin, weather permitting, not more than sixty (60) days from the date the Insurance Trustee notifies the Board of Directors and the Members that it holds proceeds of insurance sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notifies the Board of Directors and the Members that such funds are sufficient to pay said estimated costs and advises them of the amount of the required bonds, if necessary. In the event there is no Insurance Trustee, such phrase shall mean not more than sixty (60) days from the date of receipt of insurance funds on account of such damage or

destruction. Wherever the phrase "promptly resolve" is used, it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds, providing that if new or revised permits from a governmental authority are required, a reasonable time is allowed to procure such permits.

f. Any repair or restoration as hereinabove described shall be in substantial accordance with the plans and specifications of the damaged improvements as originally built. Any proposed substantial deviation therefrom shall require (i) a written consent of first Mortgagees on the records of the Association which have at least fifty-one percent (51%) of the votes of all Units affected; and (ii) written consent of seventy-five (75%) of Owners of Units affected.

Section 9.04. Insurance Carried by Members. Each Member shall, at such Member's expense, obtain adequate insurance covering fixtures, installations or additions comprising a part of the Unit owned within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Unit, initially installed or replacements thereof, in accordance with the original plans and specifications, or installed by or at the expense of the Member, naming the Association as an additional insured on the policy and provide the Association evidence of such coverage upon the anniversary of such policy. Each Member has the right, at such Member's expense, to obtain for such Member's benefit, (i) fire, casualty and theft coverage for Member's personal property; and (ii) such Member's personal liability within Member's Unit and on such Member's Lot. All such policies shall contain waivers of subrogation, if available, and 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 Member.

Section 9.05. Actions Which May Increase Insurace Rates Prohibited. Under no circumstances shall a Member permit or suffer anything to be done or left in such Member's Unit or storage area which will increase insurance rates on such Unit or on any other Unit or on the Association Property. The penalty for violation shall be an Assessment against the Member violating the provision in an amount equal to the increased rate(s).

ARTICLE X

BOOKS, RECORDS AND LEGAL DOCUMENTS

Section 10.01. Books and Records. The Declaration, these By-Laws, Certificate of Incorporation and other books, records and papers of the Association, or copies, shall, during reasonable business hours, upon reasonable notice, be subject to inspection by any Member or agent of a Member or Mortgagee, at the principal office of the Association. The Board of Directors may furnish copies of such documents to such parties and may charge reasonable fees to cover the cost of furnishing such copies.

Section 10.02. 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 (1) 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 non-capital items) or otherwise.

ARTICLE XI

CORPORATE SEAL OPTIONS

Section 11.01. Corporate Seal Optional. The Association, if the Board of Directors so chooses, shall have a corporate seal.

ARTICLE XII

AMENDMENTS

Section 12.01. Amendments to By-Laws. Except as provided hereinafter to the contrary, these By-Laws may be amended or supplemented in whole or in part, at any duly called meeting of the Members provided that:

a. A notice of the meeting containing a full statement of the proposed amendment or supplement has been sent to all Members as listed on the books and records of the Association and to all Mortgagees of Units who have requested the same, not sooner than thirty (30) days nor more than fifty (50) days prior to the date of the meeting.

b. Sixty-six and two-thirds percent (66-2/3%) or more in number and in common interest of all Members approve the amendment or supplement.

c. Promptly thereafter all Members and Mortgagees who have requested notification, shall be notified of the results of the voting.

Until the Transfer of Control Date, these By-Laws may not be amended or supplemented without the prior written consent of the Sponsor, such consent not to be unreasonably withheld.

ARTICLE XIII

RULES COMPLIANCE AND ARBITRATION

Section 13.01. Compliance with Rules of the Association Pursuant to These By-Laws and the Declaration. Should any Member, members of his families, their employees, guests, lessees, licencees or other invitees fail to comply with any of the provisions of these By-Laws or the Rules and Regulations and as such may be amended from time to time, the following procedures may be followed to obtain compliance:

a. A committee of three (3) people, consisting of a member of the Board of Directors (other than the President) who is the liason on the Board of Directors to the Rules and Regulations Committee shall be appointed by the Board of Directors and designated the Compliance Committee to serve at the pleasure of the Board of Directors.

b. The Compliance Committee shall first undertake to obtain compliance with the Rules and Regulations informally, by discussing violations of the same with the person or persons violating them, and seeking to obtain future compliance, or correction of the on-going violations.

c. Should this informal procedure prove unsatisfactory or not secure future compliance, the Compliance Committee shall then send a written notice to the person violating a Rule or Regulation, and if such person is not an Owner, to the Owner who leased to, invited or otherwise brought such person onto The Property, notifying him of the claimed violation, and requesting, as the case may require, either a correction of the violation, or an assurance that similar violations will not occur in the future. Such notice shall establish a date for compliance.

d. Should such notice obtain the requested compliance, that will dispose of the matter, unless the same or a similar violation of the Rules and Regulations thereafter recurs.

e. Should such notice not obtain the requested compliance within the time requested, the Compliance Committee shall then be authorized, at its discretion, to establish a monetary and/or non-monetary penalty, the amount and/or severity of which shall be reasonably related to the violation and to the aim of deterring similar violations in the future by the same or any other person. Such fine shall become a binding personal obligation of the violator. Failure to correct the condition or situation which leads to the first fine, for a period of twenty (20) days after the initial fine becomes finally due and payable, shall constitute a second offense. Notice of the imposition of such fine or fines shall be

mailed to the violator, and shall be paid by him to the Association within ten (10) days after such meeting, unless the violator requests the right to arbitrate the matter within ten (10) days, as hereinafter set forth. Should he not pay the fine, or request the right to arbitrate it, and if the violator is a Member, or a family member, tenant, guest, employee or other invitee of said Member, the amount of the fine shall be added to the Member's Assessments on the first of the month following the termination of the ten (10) day period above set forth, and shall be a lien upon the Member's Unit.

f. The Arbitration Committee shall consist of the President of the Board of Directors, as Chairman of the Committee, and two (2) other members of the Board of Directors who shall be appointed by the Board of Directors to serve at the pleasure of the Board of Directors.

g. Should the violator request the right to arbitrate imposition or extent of a fine, as above set forth, he shall do so in writing, directed to the Board of Directors, within ten (10) days of his receipt of notice of the imposition of said fine. The Board of Directors shall promptly forward the same to the Arbitration Committee, which shall meet within twenty (20) days thereafter, on notice to the alleged violator, to hear and dispose of the matter. At such hearing, the alleged violator and one (1) or more members of the Compliance Committee may be present and be heard. A decision on the matter shall be made by the Arbitration Committee, by a majority vote, within ten (10) days following said hearing, and shall be promptly communicated to the alleged violator. If the decision of the Arbitration Committee is to uphold the determination of the Compliance Committee, the provision relating to the payment and enforcement thereof set forth in Subparagraph e. above shall apply. If their decision is in favor of the alleged violator, no fine will be imposed. The decision of the Arbitration Committee shall, to the extent permitted by law, be final and binding upon all parties.

h. In the event the violator is a person other than a Member or a member of such Member's immediate family, copies of all notices required to be given to the violator under these By-Laws shall also be given to the Owner of the Unit occupied by such violator.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Notices. Except as otherwise provided herein, all notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, if to go to the Board of Directors, at the office of the Board of Directors, and if to go to a Member or Mortgagee, to the address of such Member or Mortgagee at such address as appears on the books of the Association. 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 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 of such notice.

Section 14.02. 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 14.03. 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 14.04. 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 14.05. 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.

Section 14.06. Conflict with Certificate of Incorporation or with the 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.

THE FOREGOING have been adopted as the By-Laws of The Homeowners' Association of Victoria Woods, Phase III, Inc., a corporation organized pursuant to the New York State Not-for-Profit Corporation Law, at the first meeting of the Board of Directors.

THE HOMEOWNERS' ASSOCIATION
OF VICTORIA WOODS,PHASE III, INC.

Date: _____ By: _____
Secretary

SITE PLAI

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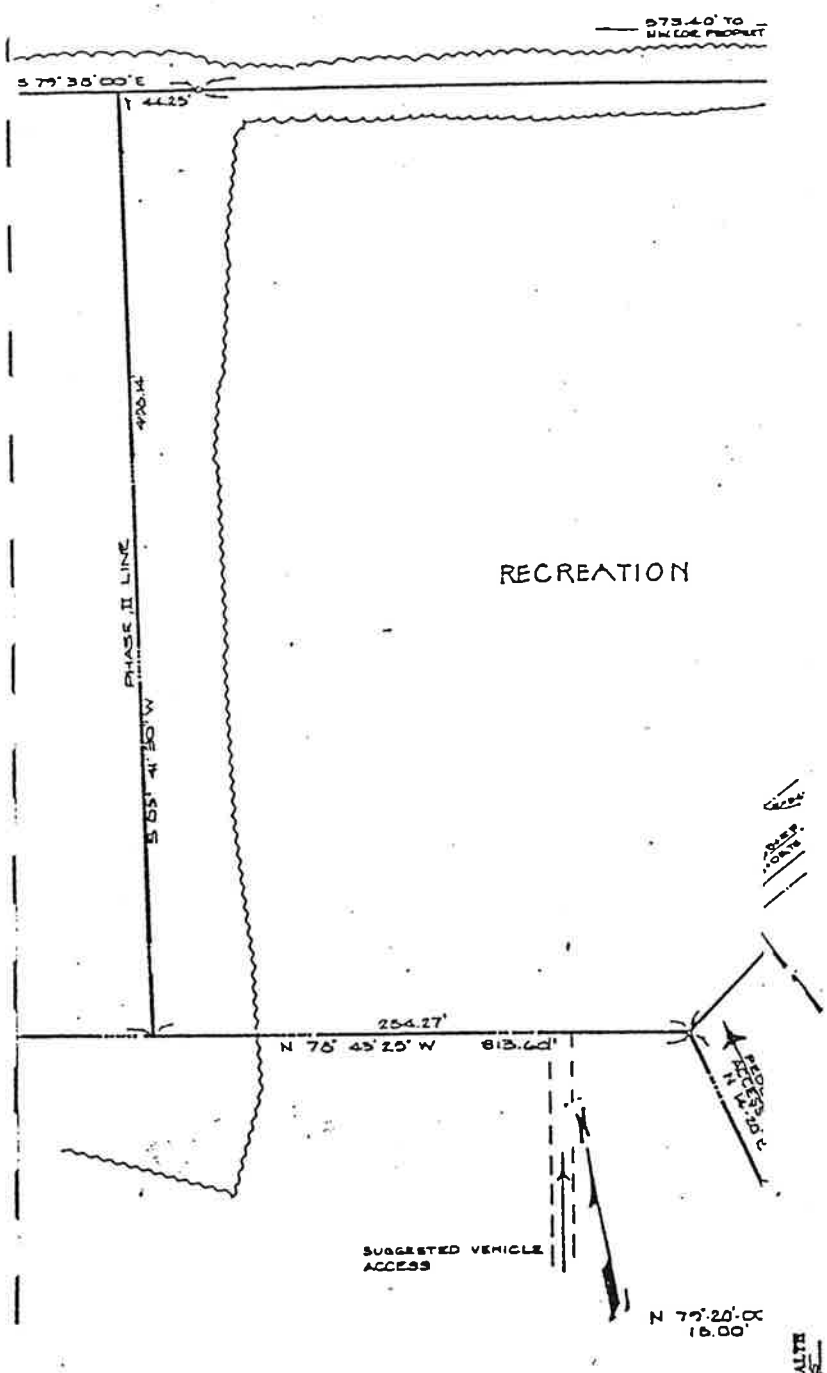

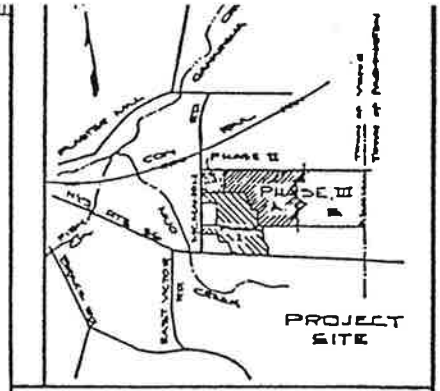

LOCATION MAP N.T.S.

LEGEND

- BOUNDARY LINE
- RIGHT-OF-WAY LINE
- PHASE LINE
- MATCH LINE
- CONTOUR LINE
- EDGE OF PAVEMENT
- REFERENCE LINE

GENERAL NOTES

1. ALL SANITARY SEWERS, STORM SEWERS AND WATERMAINS ARE TO BE DEDICATED TO THE TOWNS OF VICTOR AND FARMINGTON FOR MAINTENANCE AND ACCESS TO ALL UTILITIES. (SEE SPECIAL EASEMENT NOTE).
2. NO PORTIONS OF THE PROPOSED DEVELOPMENT, PHASE III IS WITHIN A FLOOD HAZARD ZONE.
3. THE DEVELOPER AND/OR CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING CURRENT TOWN OF VICTOR AND FARMINGTON SUBDIVISION REGULATION AND BUILDING SPECIFICATIONS.
4. EACH UNIT IS TO BE PROVIDED WITH AN INDIVIDUAL 3/4" WATER SERVICE AND 4" DIA. SANITARY SEWER LATERAL.
5. MONUMENTS SHALL BE INSTALLED IN ACCORDANCE WITH CHAPTER 47, SECTION 31-H OF THE TOWN OF VICTOR SUBDIVISION REGULATIONS.
6. THE DEVELOPER AND/OR CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FOR CONNECTION TO ALL EXISTING UTILITIES AND ROADWAYS AS WELL AS OTHER BUILDING PERMITS REQUIRED.
7. EXISTING ZONING IS MULTIPLE DWELLING (M.D.).
8. TOTAL PROJECT AREA IS 29 ACRES, CONTAINING 214 TOWNHOUSE UNITS.

SPECIAL EASEMENT NOTE

A PERMANENT UTILITY AND ACCESS EASEMENT SHALL BE GRANTED TO THE TOWNS OF VICTOR AND FARMINGTON ON ALL LANDS WITHIN PHASE III, UNDER THE W.Y.S. HOME OWNERS ASSOCIATION CONTROL, FOR PROPOSED SANITARY, STORM AND WATER SYSTEM INSTALLATION, MAINTENANCE, AND REPAIR.

MAP REFERENCE

NO. 1 - BOUNDARY SURVEY OF VICTORIA FARM, MAP DRAWN BY PASSERO-SCARDETTA ASSOCIATES, DATED JUNE 1978.

SURVEYOR'S CERTIFICATION

I, DAVID W. ANDERSEN DO HEREBY CERTIFY TO VICTORIA WOODS VILLAGE, THAT THIS MAP WAS DRAWN ON JANUARY 30, 1985 FROM NOTES OF AN INSTRUMENT SURVEY COMPLETED BY ME ON JANUARY 12, 1985 & FROM REFERENCES LISTED HEREON.

David W. Anderson 1-30-85

DAVID W. ANDERSEN N.Y.S. LIC. NO. 49481

NEW YORK STATE DEPARTMENT OF HEALTH
DATE: 3/8/85

This is to certify that the proposed arrangement for water supply and sewage disposal for this realty subdivision is in accordance with plans on file in the office of the State Department of Health are hereby approved. Consent is hereby given to the filing of the map on which this endorsement appears in the office of the County Clerk in accordance with the provisions of Section 1117 of the Public Health Law and Section 17-1905 of the Environmental Conservation Law.

P.E.
District Sanitary Engineer

SUBDIVISION APPROVED BY THE PLANNING BOARD
DATE 2/12/85

STATE OF NEW YORK
LICENSED PROFESSIONAL ENGINEER

Approved, By-Law: Supt.
3-7-85

ARCHITECT:
ANTHONY V. CARDULLA
1 RAILROAD AVENUE
VICTOR, NEW YORK
14564

Approved, By Water Supt.
3-27-85

Jan. 30/85

N. DENNIS MEANS, P.E.
CIVIL ENGINEER
1575 STATE ROAD
WEBSTER, NEW YORK 14580

VICTORIA WOODS PHASE III

TOWN OF VICTOR
ONTARIO COUNTY, NEW YORK

OWNER:
VICTORIA WOODS VILLAGE
8400 VICTOR-MANCHESTER ROAD
VICTOR, NEW YORK 14564

Drawn	GVJB
Checked	
Date	
Scale	1"=50'
Job No.	JAN. 1985
Drawing Title	FINAL SITE PLAN
Sheet	1
Of	16 Sheets

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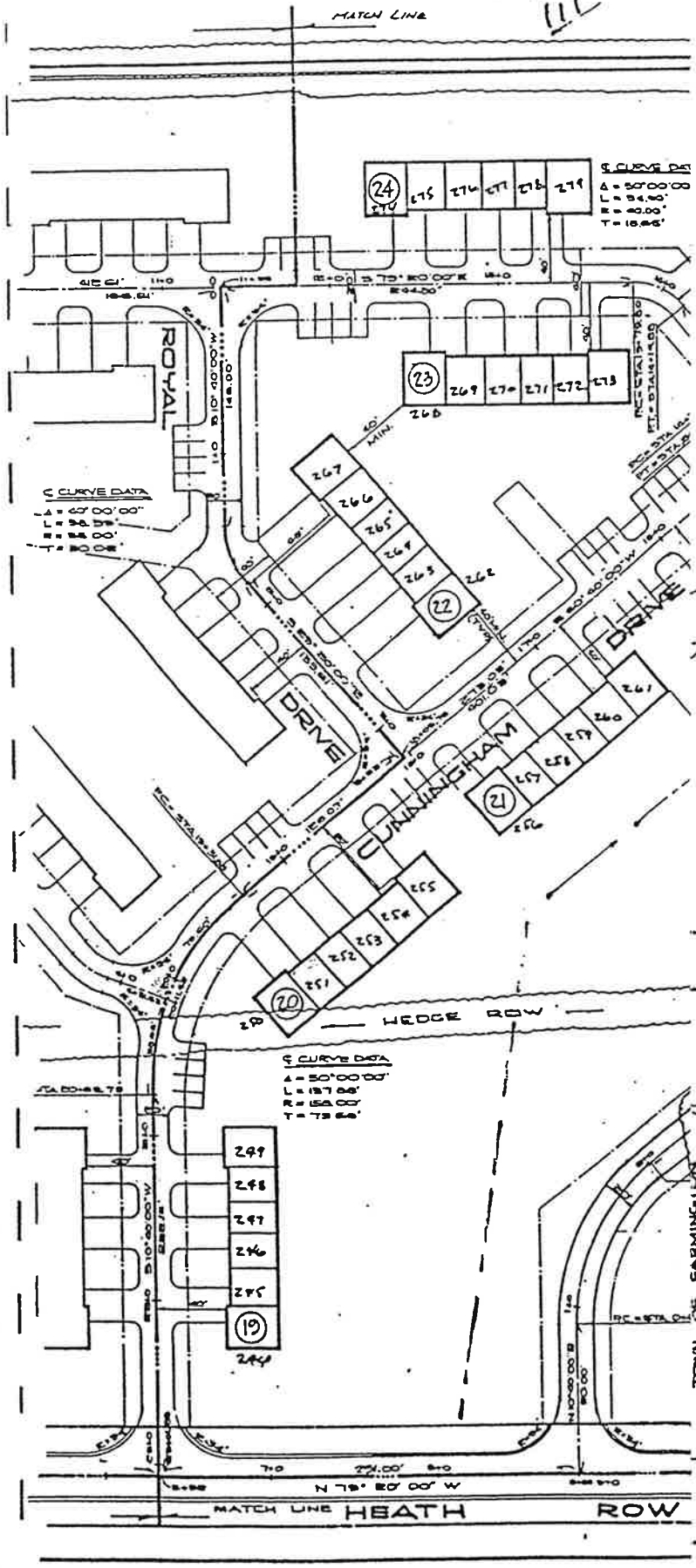
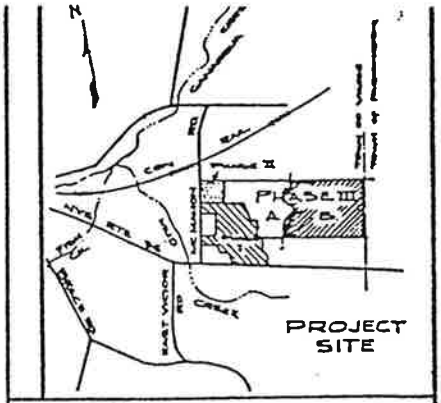
SITE PLAN
145 (2)

SECT. III





LOCATION MAP N.T.S.

3/21/85

NEW YORK STATE DEPARTMENT OF HEALTH
Division of Sanitary Engineering
By direction of the State Commissioner of Health
These plans are hereby approved. See first page for date and conditions.

2-43

N/F A. MELONI,
L. PROIA Jr. &
D. PROIA

SURVEYOR'S CERTIFICATION

I, DAVID W. ANDERSEN DO HEREBY CERTIFY TO VICTORIA WOODS VILLAGE, THAT THIS MAP WAS DRAWN ON JANUARY 30, 1985 FROM NOTES OF AN INSTRUMENT SURVEY COMPLETED BY ME ON JANUARY 12, 1985 & FROM REFERENCE LISTED HEREON.

David W. Andersen 1-30-85
DAVID W. ANDERSEN N.Y.S. LIC. NO. 49421

Approved: By Hwy. Supt. Date 3-19-85

Approved: By Water Dept. 3-22-85

STATE OF NEW YORK
DAVID W. ANDERSEN
LICENSED PROFESSIONAL ENGINEER

SUBDIVISION APPROVED
BY THE PLANNING BOARD
DATE 2/12/85

ARCHITECT:
ANTHONY V. CARDULLA
3 RAILROAD AVENUE
VICTOR, NEW YORK
14564

3/22/85	MC

N. DENNIS MEANS, P.E.
CIVIL ENGINEER
1575 STATE ROAD
WEBSTER, NEW YORK 14580

VICTORIA WOODS PHASE III
TOWN OF VICTOR
ONTARIO COUNTY, NEW YORK

OWNER:
VICTORIA WOODS VILLAGE
8400 VICTOR-MANCHESTER ROAD
VICTOR, NEW YORK 14564

Drawn	GVJB
Checked	
Date	JAN. 1985
Scale	1" = 50'
Job No.	
Drawing Title	FINAL SITE PLAN
Sheet	12
Of	16 Sheets

PLOT PI

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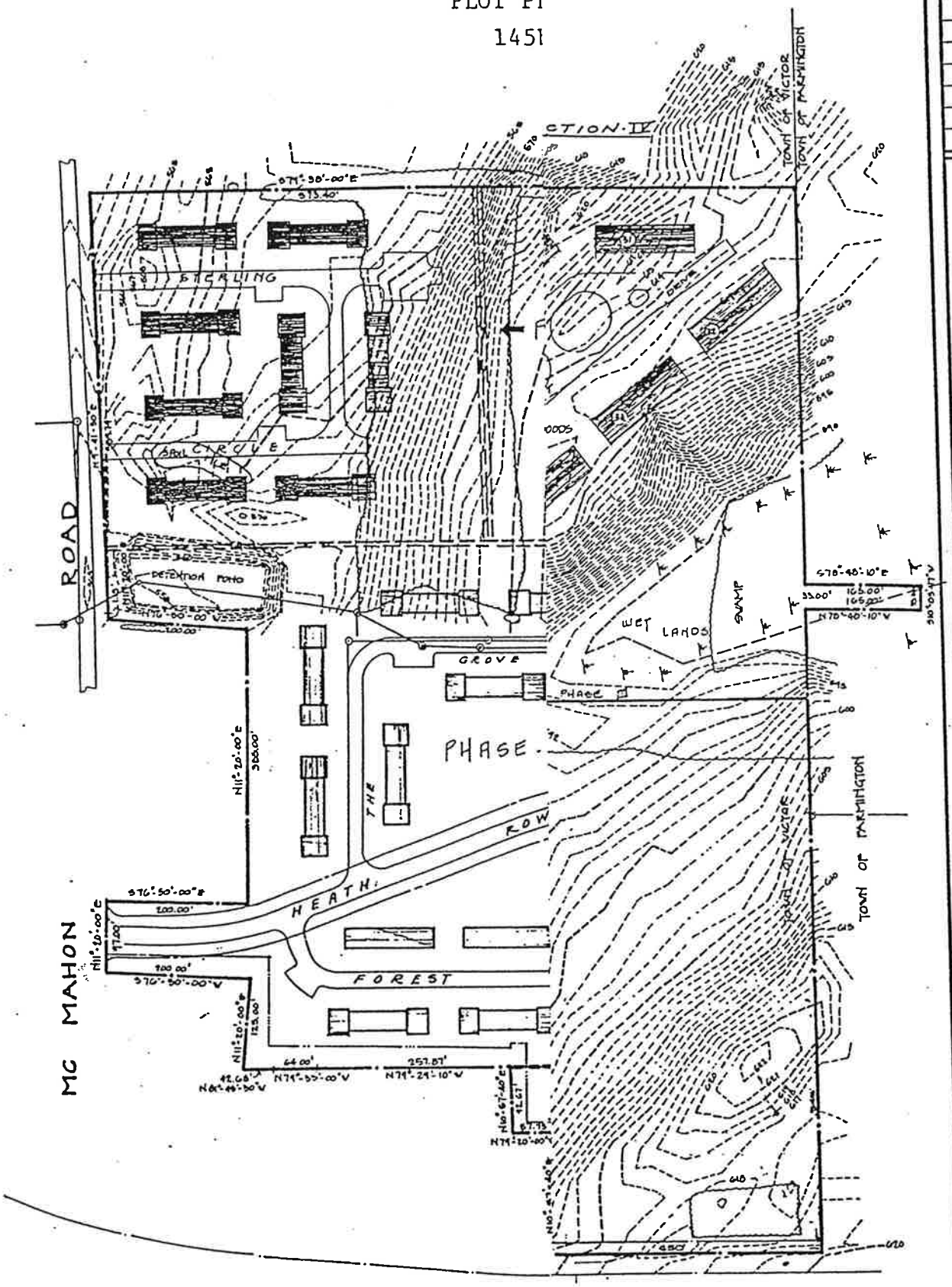


Revision	By

N. DENNIS MEANS, P.E.
CIVIL ENGINEER
1575 STATE ROAD
WEBSTER, NEW YORK 14580

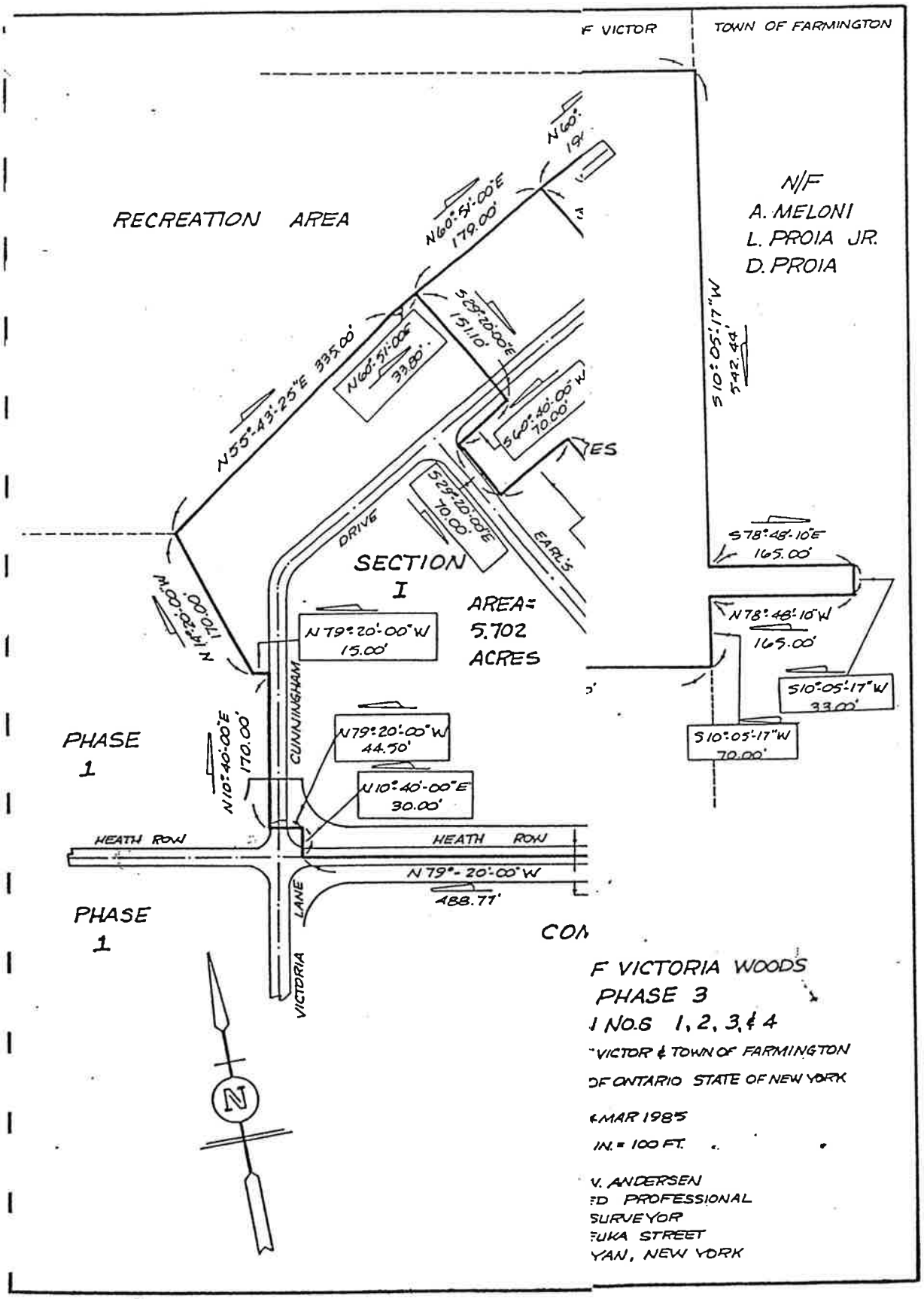
VICTORIA WOODS MASTER PLAN
TOWN OF VICTOR
ONTARIO COUNTY, NEW YORK
OWNER: VICTORIA WOODS VILLAGE
6400 VICTOR-MANCHESTER ROAD
VICTOR, NY 14564

Drawn	A.C.
Checked	
Date	6/14/84
Scale	1" = 100'
Job No.	
Drawing Title	OVERALL MAP
Sheet	—
Of	— Sheets

STATE OF NEW YORK
LICENSED PROFESSIONAL ENGINEER

PLOT PLA

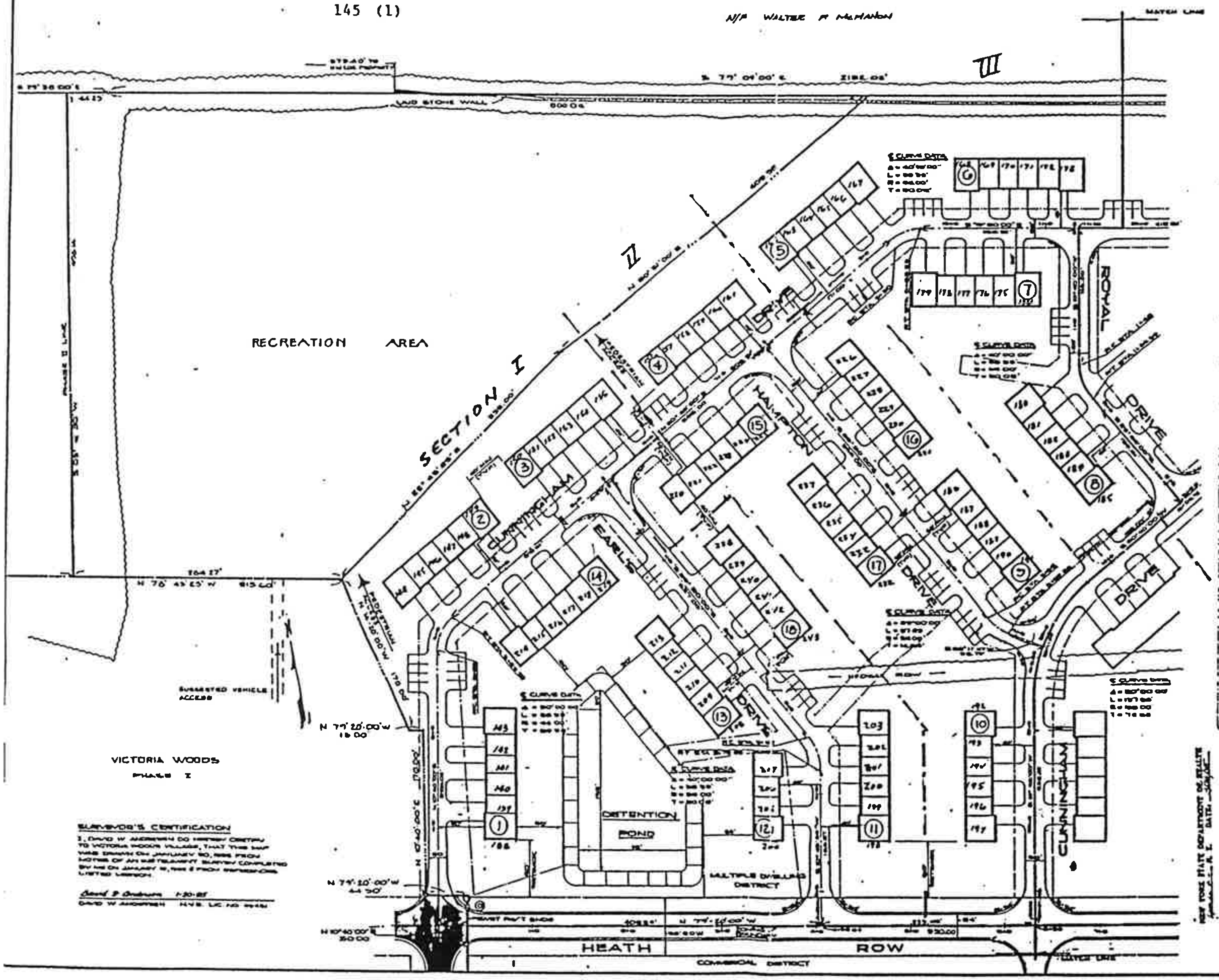
145a



SITE PLAN

145 (1)

Note: All property other than each individual lot and Heath Row is common area.

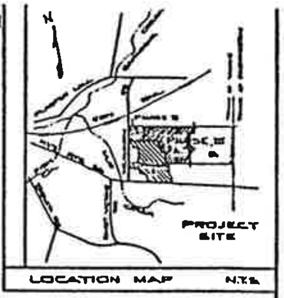


SURVEYOR'S CERTIFICATION

I, DAVID W ANDERSEN DO HEREBY CERTIFY TO VICTORIA WOODS VILLAGE, THAT THIS MAP WAS DRAWN ON JANUARY 30, 1985 FROM NOTES OF AN INSTRUMENT SURVEY COMPLETED BY ME ON JANUARY [illegible], 1985 & FROM REFERENCES LISTED HEREON.

David W Andersen 1-30-85

DAVID W ANDERSEN N.Y.S. LIC. NO. [illegible]



LOCATION MAP N.T.S.

LEGEND

BOUNDARY LINE
RIGHT-OF-WAY LINE
MATCH LINE
CENTERLINE
EDGE OF PAVEMENT
REFERENCE LINE

GENERAL NOTES

1. ALL SANITARY SEWERS, STORM SEWERS AND WATERMAINS ARE TO BE DEDICATED TO THE TOWNS OF VICTOR AND FARMINGTON FOR MAINTENANCE AND ACCESS TO ALL UTILITIES. (SEE SPECIAL EASEMENT NOTE).
2. NO PORTIONS OF THE PROPOSED DEVELOPMENT, PHASE III IS WITHIN A FLOOD HAZARD ZONE.
3. THE DEVELOPER AND/OR CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING CURRENT TOWN OF VICTOR AND FARMINGTON SUBDIVISION REGULATION AND BUILDING SPECIFICATIONS.
4. EACH UNIT IS TO BE PROVIDED WITH AN INDIVIDUAL 3/4" WATER SERVICE AND 4" DIA. SANITARY SEWER LATERAL.
5. MONUMENTS SHALL BE INSTALLED IN ACCORDANCE WITH CHAPTER 47, SECTION 31-H OF THE TOWN OF VICTOR SUBDIVISION REGULATIONS.
6. THE DEVELOPER AND/OR CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FOR CONNECTION TO ALL EXISTING UTILITIES AND ROADWAYS AS WELL AS OTHER BUILDING PERMITS REQUIRED.
7. EXISTING ZONING IS MULTIPLE DWELLING (M.D.).
8. TOTAL PROJECT AREA IS [illegible] ACRES, CONTAINING 214 TOWNHOUSE UNITS.

SPECIAL EASEMENT NOTE

A PERMANENT UTILITY AND ACCESS EASEMENT SHALL BE GRANTED TO THE TOWNS OF VICTOR AND FARMINGTON ON ALL LANDS WITHIN PHASE III, UNDER THE N.Y.S. HOME OWNERS ASSOCIATION CONTROL, FOR PROPOSED SANITARY, STORM AND WATER SYSTEM INSTALLATION, MAINTENANCE, AND REPAIR.

MAP REFERENCE

NO. 1 - BOUNDARY SURVEY OF VICTORIA FARM, MAP DRAWN BY PASSERO-SCANDETTA ASSOCIATES, DATED JUNE 1978.

NEW YORK STATE DEPARTMENT OF HEALTH
[illegible] P.E. DATE [illegible]

District Sanitary Engineer P.E.

SUBDIVISION APPROVED
BY THE PLANNING BOARD
DATE 3/13/85

ARCHITECT:
ANTHONY V CARBULLA
8 RAILROAD AVENUE
VICTOR, NEW YORK
14564

Revision	By
Jan. 30/85	[illegible]

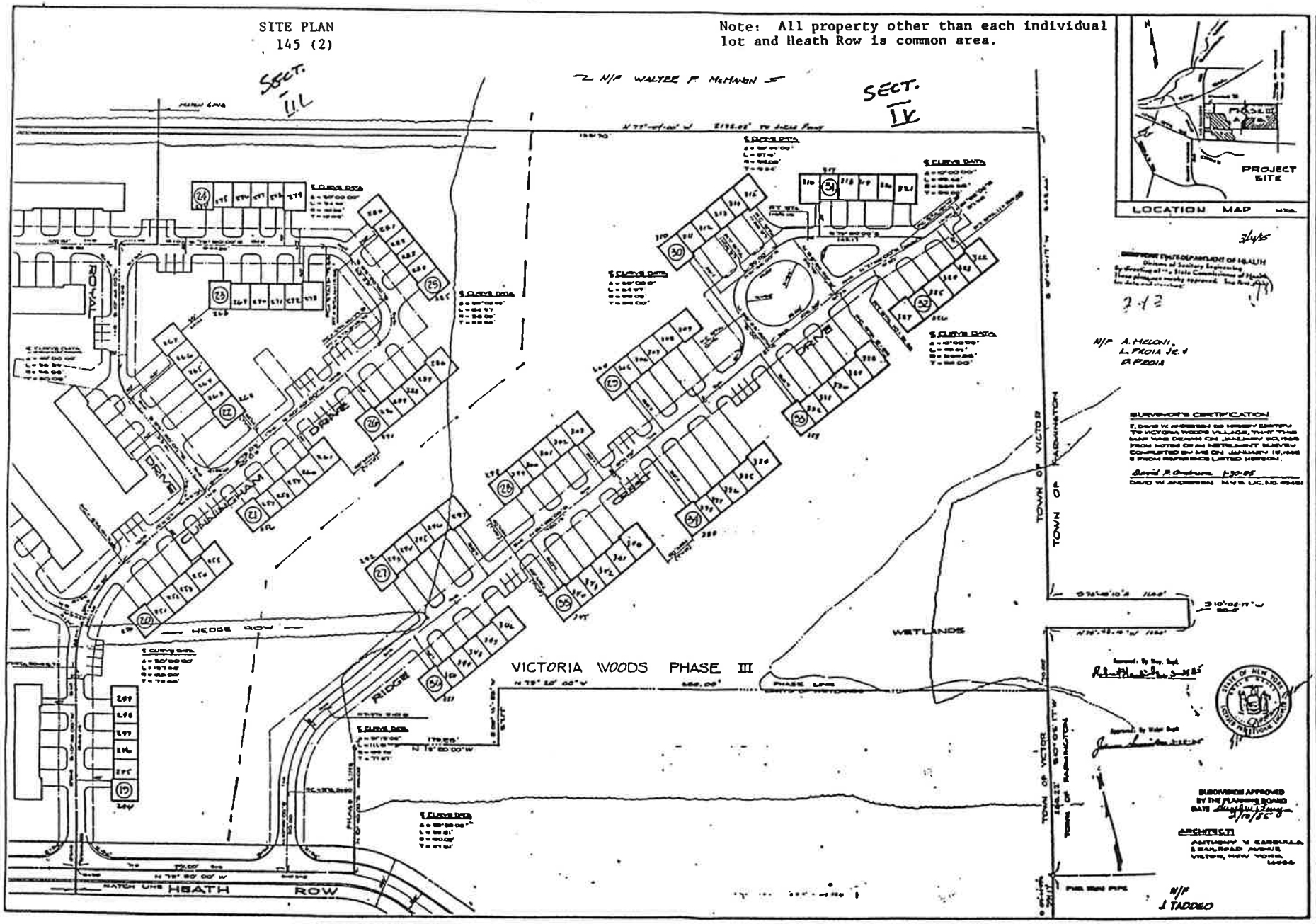
N. DENNIS MEANS, P.E.
CIVIL ENGINEER
1575 STATE ROAD
WEBSTER, NEW YORK 14580

VICTORIA WOODS PHASE III
TOWN OF VICTOR
ONTARIO COUNTY, NEW YORK

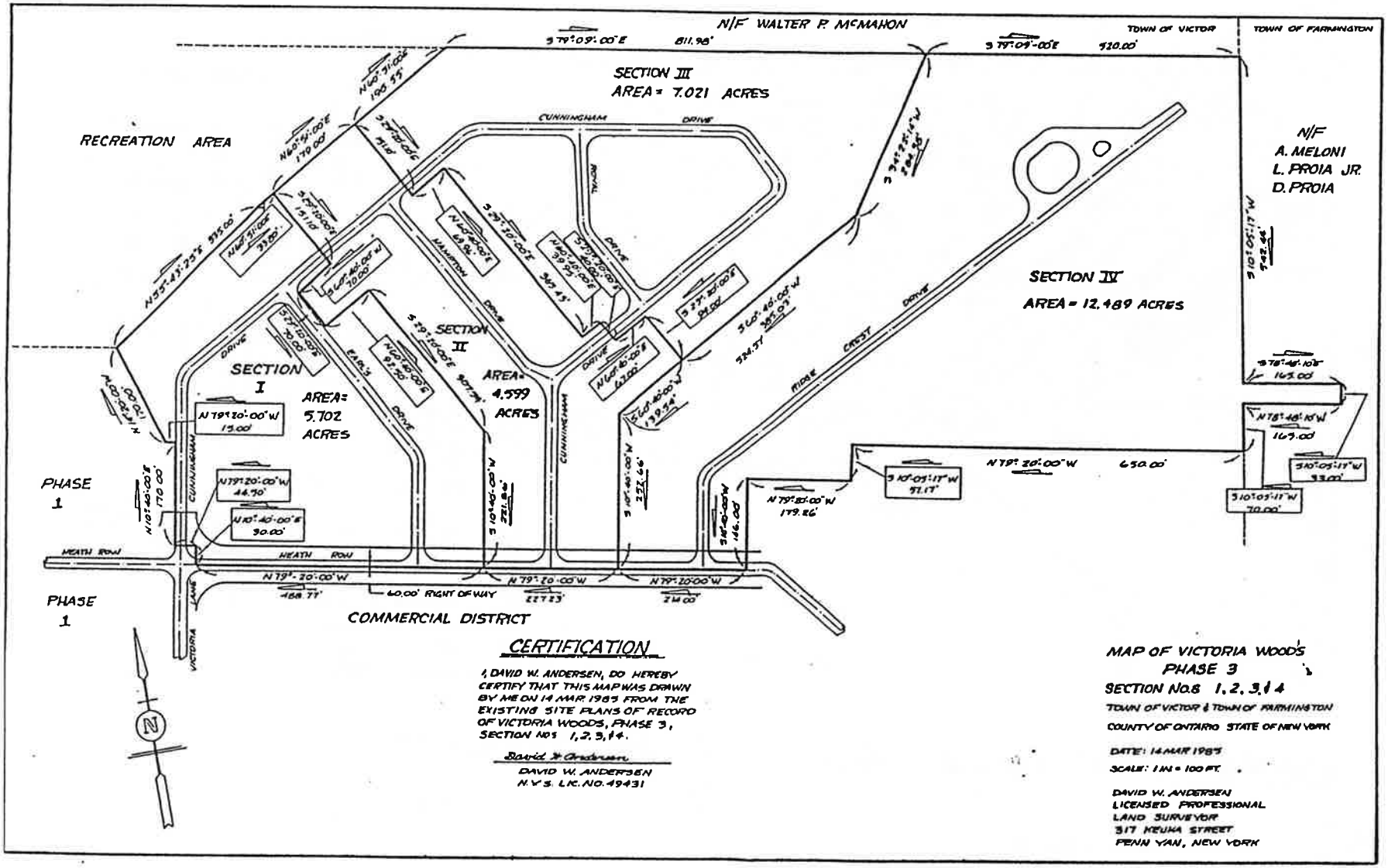
Drawn	DVM
Checked	
Date	
Scale	1"=50'
Job No.	[illegible]
Drawing Title	FINAL SITE PLAN
Sheet	1
Of	[illegible] Sheets

SITE PLAN
145 (2)

Note: All property other than each individual lot and Heath Row is common area.



PLOT PLAN
145a



CERTIFICATION

I, DAVID W. ANDERSEN, DO HEREBY CERTIFY THAT THIS MAP WAS DRAWN BY ME ON 14 MAR 1989 FROM THE EXISTING SITE PLANS OF RECORD OF VICTORIA WOODS, PHASE 3, SECTION NOS 1, 2, 3, & 4.

David W. Andersen

DAVID W. ANDERSEN
N.Y.S. LIC. NO. 49431

MAP OF VICTORIA WOOD'S
PHASE 3
SECTION No.s 1, 2, 3, & 4
TOWN OF VICTOR & TOWN OF FARMINGTON
COUNTY OF ONTARIO STATE OF NEW YORK

DATE: 14 MAR 1989
SCALE: 1 IN = 100 FT.

DAVID W. ANDERSEN
LICENSED PROFESSIONAL
LAND SURVEYOR
317 KEUKA STREET
PENN YAN, NEW YORK

4. **PRICE.** Purchaser shall pay to Sponsor for said premises the sum of $_____ _____ _____, which price includes the cost of any "Extras", changes or deletions set forth hereafter on Schedule A, payable as follows:

a. Upon the signing of this Agreement as a deposit by check payable to the Order of "Victoria Woods Village Escrow Account", the receipt whereof, subject to collection, is hereby acknowledged;

$1,000.00

and,

b. Upon delivery of deed, as hereinafter provided, in cash, bank draft or certified check, the sum of:

$_____
(Balance Due)

Any Extras selected and/or ordered subsequent to the date of this Agreement must be paid in full at the time of selection and order of the Extras.

5. **MORTGAGE.** This Agreement is contingent upon Purchaser, within thirty (30) days from the date of Sponsor's acceptance of this Agreement, obtaining a commitment for a mortgage loan in the amount of $_____ _____, at the prevailing rate of interest in effect at the time Purchaser makes his loan application. In the event Purchaser's mortgage has not been acted upon by the proposed mortgagee within said thirty (30) day period, Sponsor may, at his option, terminate this Agreement and the Sponsor, upon electing to terminate this Agreement, shall promptly return the down payment to the Purchaser, with interest, if any. Thereafter this Agreement shall be without effect and the parties shall have no further rights or obligations with respect to each other.

The Purchaser shall make application for such loan within five (5) days of the date of Sponsor's acceptance or this Agreement, or such longer period of time as Sponsor may agree to in writing, and will promptly notify the Sponsor in writing when the mortgage application, if any, is made, and in due course, when it is accepted or rejected. If Purchaser's mortgage application is rejected and written notice of such fact is received by the Sponsor

within five (5) days after the expiration of the thirty (30) day period, or if such mortgage commitment, once obtained, is thereafter rescinded or expires without fault of Purchaser, and is not reinstated or extended at the same or a lower interest rate, this Agreement shall terminate automatically and the Sponsor shall cause the down payment to be returned to the Purchaser with interest, if any.

If the Purchaser's mortgage application is accepted, the Purchaser shall promptly send a fully executed copy of the commitment letter to the Sponsor.

The Purchaser may, at his option, pay the Purchase Price by "all cash", without obtaining a mortgage provided Purchaser gives written notice to Sponsor of his intent to do so within thirty (30) days from the date of Sponsor's acceptance of this Agreement. In the event Purchaser exercises this option, the provisions of this Agreement which refer to the obtaining of a mortgage by Purchaser (including provisions for mortgage costs) shall be deemed deleted.

6. **SEARCH AND SURVEY.** Sponsor, at Sponsor's expense, shall furnish and deliver to Purchaser, or Purchaser's attorney, at least fifteen (15) days prior to date of closing a fully guaranteed tax and title search dated subsequent to the date of this contract and shall include a local tax certificate where not covered by the search. Sponsor shall also furnish, upon Purchaser's request and 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.

7. **INSURABLE TITLE.** The Sponsor shall give, and the Purchaser shall accept, such title as the Rochester Abstract Company, or any other member of the New York State Board of Title Underwriters, will approve and insure, subject only to (i) those liens and encumbrances set forth in Exhibit A annexed hereto; (ii) the conditions of the standard title insurance policies written by such companies; (iii) the mortgage loan, if any, obtained by the Purchaser; (iv) the conditions set forth in this Agreement; and (v) the provisions of the Declaration and the By-Laws. Such insurance shall insure that the Homeowners' Association has been validly created pursuant to Article 9-A of the Real Property Law of the State of New York.

If on the Closing Date (as defined in Paragraph 20 of this Agreement) there are violations or matters relating to title or liens of record with respect to the premises, such that the Sponsor's title does not conform to this Agreement, the Sponsor shall remove same prior to closing, and the Sponsor shall be entitled to an adjournment of the Closing Date for up to sixty (60) days. However, and notwithstanding the foregoing, if the curing of such matters will, in the Sponsor's reasonable judgment, require litigation; or an aggregate expenditure of more than $5,000.00; or a period exceeding sixty (60) days the Sponsor may elect to cancel this Agreement and return the Purchaser's down payment, in which event the Sponsor shall incur no further liability whatsoever to the Purchaser.

Nothing herein contained shall require the Sponsor to bring any action or proceeding or incur any expense in order to remove such title matters and any attempt by the Sponsor to cure the same shall not be construed as an admission by the Sponsor that any such objection is such that would give the Purchaser the right to refuse delivery of the deed.

8. **ADJUSTMENTS AT CLOSING.** There shall be prorated and adjusted as of date of delivery of the deed:

a. Real estate taxes computed on a yearly basis (including, as applicable, all items in the current Town, School, and County tax bills);

b. The Association Assessments for the month in which the closing occurs and for the month following the closing occurs.

c. Purchaser shall also reimburse the Sponsor $150.00 advanced by the Sponsor as Association working capital on behalf of the Purchaser.

d. Purchaser shall also reimburse Sponsor the sum of $85.00 for Purchaser's water meter.

9. **CLOSING COSTS.** Purchaser shall be responsible for the payment of the premium of any title insurance desired or required by Purchaser or required by Purchaser's Mortgagee. Purchaser shall pay fees incurred in obtaining a mortgage, recording of the deed and for the New York Mortgage Tax, and shall pay to Sponsor the cost of the required Rochester Transfer Tax Stamps to be affixed to the deed.

If Purchaser is accorded any mortgage tax credit pursuant to Section 339-ee (2) of the Real Property Law of the State of New York, Purchaser shall reimburse Sponsor for the amount of mortgage tax previously paid by the Sponsor and for which Purchaser receives a credit at closing. If the Purchaser assumes a portion of the existing mortgage on the Property, Purchaser shall reimburse Sponsor for the amount of mortgage tax previously paid by Sponsor on the portion of the mortgage assumed.

10. **FORM OF DEED.** The closing deed shall be in proper statutory form for recording; shall be a Warranty Deed with Lien Covenant; shall be duly executed and acknowledged and shall be accepted and/or approved by any title insurer of the Unit so as to validly convey, under New York State Law, the Unit in fee simple, free and clear of all encumbrances, except as otherwise provided herein in Exhibit "A".

11. **BINDING EFFECT OF DECLARATION, BY-LAWS, RULES AND REGULATIONS.** The Purchaser hereby agrees to be bound by the Declaration, By-Laws and Rules and Regulations of the Association, as the same may be amended from time to time. This provision shall survive delivery of the deed and shall be enforceable in the same manner and by the same parties as set forth in said Declaration and By-Laws.

12. **CONDITIONS OF UNITS AND BUILDINGS.** The Purchaser acknowledges that the Purchaser has not relied on any representations or other statements of any kind or nature, whether written or oral, made by the Sponsor or by any agent of the Sponsor, except those set forth in this Agreement, the Declaration, the By-Laws and in the Plan. No person has been authorized to make any representation on behalf of the Sponsor except as herein or in the Declaration, the By-Laws or the Plan are specifically set forth. Any claim based upon the Sponsor's representations of the construction of the Units, Buildings and the equipment and appliances thereof, as set forth in the Plan, shall be made and enforced only by the Purchaser. The Purchaser agrees to purchase the Unit so long as the layouts and dimensions of the Unit conform substantially to the floor plans, even if such layouts and dimensions may not be exactly as set forth in the floor plans.

13. **LIMITED WARRANTY.** Schedule C, attached hereto and a part hereof, sets forth the limited warranty provided by Sponsor to Purchaser. The terms and conditions of the warranty shall survive delivery of the deed.

14. **INSPECTION.** Prior to the scheduled Closing Date, the Sponsor shall notify the Purchaser of the scheduled Closing Date and date on which the Purchaser may inspect the Unit, which date shall not be less than two (2) days prior to the scheduled Closing Date. Such inspection shall be made in the presence of the Sponsor or an agent of the Sponsor.

15. **MONIES TO BE HELD IN TRUST.** In accordance with Sections 352-e (2) b and 352-h of the General Business Law, the Sponsor will hold all monies received by it prior to the Closing Date through its agents or employees in trust until the closing, earlier termination of this Purchase Agreement, or until actually employed in connection with the consummation of the transaction. As specified in the Plan, all such monies will be deposited in the Central Trust Company, 44 Exchange Street, Rochester, New York 14614, and will be held in trust in a non-interest-bearing account under the name of "Victoria Woods Village Phase III Escrow Account". The funds so deposited will be disbursed only upon the signature of Richard A. Calabrese, Counsel to the Sponsor, in compliance with the provisions of this Agreement and the Plan.

16. **THIS AGREEMENT SUBJECT TO BUILDING LOAN MORTGAGE.** The Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage obtained by the Sponsor to construct the Unit and other improvements on The Property. Such subordination shall be to the full extent of any advances or expenses made or incurred pursuant to such mortgages, whether or not such advances or expenses are voluntarily made by the lender. Additionally, such subordination shall be automatic, without the need for the execution by the Purchaser of any further subordination agreement. Nonetheless, if the Sponsor requests such documentation, the Purchaser shall execute, acknowledge and deliver the same. Because of this subordination, a Purchaser's right to purchase could be "cut-off" by a foreclosing mortgage lender, who has a construction mortgage loan on the Unit which is in default. Before transferring title to the Unit to the Purchaser, the Sponsor shall pay off or discharge all mortgages on the Unit or obtain a release of the Unit from the lien of such mortgages.

17. **ESCROW FOR COMPLETION.** In the event that the Unit or its environs shall not be substantially completed at the time set by the Sponsor for the closing of title, the same shall not constitute an objection to such closing provided that the lending institution granting the Purchaser's mortgage shall issue an inspection report and an escrow fund shall be deposited by the Sponsor with the lending institution, if required, under said report and further provided that Purchaser shall have the right to delay the closing of title until a Certificate of Occupancy, or Temporary Certificate of Occupancy, has been issued. The escrow fund or portions thereof shall be paid by the lending institution directly to the Sponsor when the lending institution, in its sole discretion, deems specific items for which the escrow is held to be substantially completed. If the Purchaser is not obtaining a mortgage loan, such completion escrow shall be in a reasonable amount and shall be held by Sponsor's attorney, with the escrow fund to be released upon written notification by the Sponsor's architects or contractors that all work has been completed. Said escrow agents shall incur no liability to Sponsor or Purchaser in connection with the foregoing, except for willful misconduct.

18. **SPONSOR'S FAILURE TO CLOSE.** If title to the Unit does not transfer because of default (willful or otherwise) of the Sponsor or the Sponsor's inability to convey title to the Unit in accordance with the terms of this Agreement (except if such failure is due to the Purchaser's default), unless the Closing Date is otherwise provided for herein, or mutually adjourned in writing, the Purchaser may cancel this Agreement upon written notice of cancellation to the Sponsor, and upon such cancellation, Sponsor shall refund the Purchaser, all monies paid by the Purchaser hereunder, with interest, if any, and neither party shall have any claim against the other and both shall be released from all obligations hereunder.

19. **PURCHASER'S FAILURE TO TAKE TITLE.** If Purchaser fails to close within fifteen (15) days after receiving written notice to close from the Sponsor (except for Sponsor's default or Purchaser's failure to obtain a commitment for the mortgage loan as contemplated herein), unless Closing Date is otherwise provided for herein, or mutually adjourned in writing, or if Purchaser fails to make prompt and proper application for the aforesaid mortgage loan, or, does not furnish Sponsor within thirty (30) days after being required to apply for such mortgage loan pursuant to Paragraph 5 of this Agreement with notice of whether such mortgage loan was granted or rejected,

or, if Purchaser fails to perform any of Purchaser's other obligations hereunder, the Sponsor, at its option may cancel this Agreement; provided, however, that prior to any cancellation for Purchaser's failure to close, Sponsor shall send written notice to Purchaser affording Purchaser at least fifteen (15) days to cure Purchaser's failure. If Purchaser does not cure such failure within said fifteen (15) days, Sponsor may cancel this Agreement and recover for damages as follows:

The Sponsor and the Purchaser agree that the Sponsor would suffer damage by Purchaser's failure to take title and that such damages, other than the actual costs incurred by the Sponsor for any Extras to the Unit which were contracted for by the Purchaser, would be difficult to prove or to arrive at accurately. For that reason, the Sponsor and the Purchaser agree that if the Purchaser fails to take title as hereinbefore stated, the Sponsor shall be entitled to liquidated damages in an amount equal to ten percent (10%) of the Purchase Price, excluding from the Purchase Price, solely for the purpose of computing liquidated damages, the actual costs incurred by the Sponsor for any Extras to the Unit which were contracted for by the Purchaser both as a part of this Agreement and contracted for subsequent to the signing of this Agreement. The Sponsor shall be entitled to retain towards payment of the liquidated damages the Purchaser's deposits, provided that in no event shall the Sponsor be entitled to retain any amount in excess of the liquidated damages.

If this Agreement is so cancelled, Sponsor may sell the Unit to any third party as though this Agreement had never been made and without any obligation to account to Purchaser for any part of the proceeds of such sale.

The remedies provided herein to the Sponsor shall be cumulative and not exclusive of any other remedy.

20. **CLOSING DATE.** The transfer of title shall be held at the office of the Clerk of the County of Ontario on _____, (the "Closing Date"). However, the parties hereby agree that title to the Unit will not transfer unless and until a Certificate of Occupancy or Temporary Certificate of Occupancy has been issued relating to the Unit and/or the Building in which the Unit is located, except as may otherwise be agreed to by the Purchaser. The Closing Date may be adjourned to such later date as the parties may agree upon, in writing, and such adjourned date

shall be deemed the Closing Date hereunder. Sponsor shall not be responsible for any delay in completing the Unit if such delay is caused by the unavailability of materials, labor or transportation, acts of God, fire, strikes, weather conditions or by other causes beyond the control of Sponsor, and the refund to Purchaser of the down payment, or portion thereof, in accordance with this Agreement, shall discharge and release Sponsor from any liability arising out of, or resulting from, such delay.

If the Unit is substantially completed and ready for transfer, and the 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 thirty (30) days, provided, however, that 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 Sponsor at the time of closing.

21. **DAMAGES TO THE UNIT.** If between the date of this Agreement and the Closing Date, the Unit is damaged by fire or other casualty, the risk of loss to the Unit by fire or other casualty is assumed by Sponsor and Sponsor may declare this contract null and void and any deposits paid herein by the Purchaser shall be returned and both parties shall be released from any further liability hereunder.

22. **ASSIGNABILITY OF AGREEMENT.** The parties agree that stipulations and agreements herein contained shall be binding upon them, their successors, respective heirs, executors, administrators and/or assigns. The Purchaser agrees that he will not record or assign this Purchase Agreement, or any of his rights hereunder, without prior written consent of the Sponsor. In no way should the existence of this election be construed as a requirement that the Sponsor must consent to any assignment, and the Sponsor reserves the right to refuse to permit an assignment of this Purchase Agreement.

23. **NOTICES.** Any notice to be given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the Purchaser at his address given herein, and to the Sponsor at 6400 Victor-Manchester Road, Victor, New York 14564 or at such other address as either party may hereafter designate in writing to the other. The date of mailing shall be deemed to be the date of giving notice, except for the notice of change of address which shall be deemed given when received by the party to whom it was sent.

24. **DEFINITIONS.** The term "Purchaser" shall be read as "Purchasers" if more than one (1) person be named herein as the Purchaser, in which case their obligations shall be deemed joint and several.

25. **GENDER.** The use of the masculine gender in this Agreement shall be deemed to refer to the feminine, and/or neuter gender whenever the context so requires.

26. **OTHER AGREEMENTS.** This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire understanding between them. However, in the event of any conflict between this Purchase Agreement and the Plan, the provisions of the Plan shall control.

27. **AMENDMENT OF AGREEMENT.** This Agreement may not be amended except by a written instrument signed by the party sought to be charged therewith or by the duly authorized agent of such party.

28. **BROKER'S COMMISSION.** Purchaser and Sponsor agree that no broker, other than Sponsor's sales agent, brought about this sale.

29. **CAPTIONS.** The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision thereof.

30. **SEVERABILITY.** If any provision of this Agreement, or the Plan, is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement, or the Plan, and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement, or the Plan, except as otherwise herein, or therein, provided shall be valid and enforced to the fullest extent permitted by law.

31. **STRICT COMPLIANCE.** Any failure by Sponsor to insist upon strict performance by Purchaser of any provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

32. **SCHEDULES AND EXHIBITS.** The following Schedules and Exhibits are attached hereto and made a part of this Agreement:

a. Schedule A: Extras, Changes to Specifications, Additions, or Deletions to Sponsor's Model or to Plans and General Specifications

b. Schedule B: Sponsor's General Specifications

c. Schecule C: Limited Warranty

d. Exhibit A: Liens, Encumbrances and Other Title Exceptions

e. Other: _____

_____

33. **ACCEPTANCE.** Unless the Sponsor accepts this Purchase Agreement within five (5) days after receipt, this Agreement shall not become effective, and the deposit shall be refunded within five (5) days thereafter.

34. **OFFERING PLAN CONTROLS.** Any conflict between the terms, provisions and conditions of this Offering Plan and those of the Purchase Agreement will be resolved in favor of the Plan.

IN WITNESS WHEREOF, the Purchaser hereto caused this instrument to be duly executed the day, month and year first herein written.

_____ _____

_____ _____

ACCEPTANCE

Sponsor hereby accepts this offer to sell on the Terms and Conditions set forth herein.

SPONSOR: VICTORIA WOODS VILLAGE

Dated:_____ BY: _____

SCHEDULE A TO PURCHASE AGREEMENT
CHANGES TO SPONSOR'S UNIT SPECIFICATIONS

The undersigned party to this Purchase Agreement agrees that Unit No. _____, and Model _____, which is the subject of this Agreement shall contain the following extras, changes or deletions (collectively "Extras"), all of which are included in the purchase price as set forth in this Agreement:

ITEM	ADDITIONAL CHARGE	CREDIT
1.	$	$
2.		
3.		
4.		
5.		
6.		
7.		
8.		

TOTALS: $_____
LESS CREDITS: $_____
LESS DEPOSITS: $_____
BALANCE DUE: $_____
COMMENTS: _____

Purchaser also acknowledges that if completion of the Unit is delayed due to the unavailability of materials required to complete the installation of such "Extras", Purchaser will not delay closing and will close solely on Sponsor's written assurance that the completion of such installation will be completed by Sponsor promptly after receipt of such materials.

Dated: _____ _____
Purchaser

_____
Purchaser

Accepted by:
SPONSOR: VICTORIA WOODS VILLAGE

By: _____ Dated: _____

SCHEDULE B
VICTORIA WOODS TOWNHOUSE UNITS
GENERAL SPECIFICATIONS

UNIT "R"

One story ranch type Unit with one car garage. Split level entry services and first floor living area and the basement/garage. Garage area will be approximately 10'8" x 20' (approximately 216 s.f.) and the first floor living area approximately 906 s.f., comprised of one or two bedrooms, bath, kitchen, living/dining area and exit to a grassed patio area enclosed on two sides by a privacy fence.

UNIT "S"

Two-story Unit with one car garage and utility room. Split level entry services the first floor and garage area. The garage area will be approximately 12'10" x 20'0" (approximately 248 s.f.). The first floor living area will be approximately 640 s.f. and the second level will be approximately 660 s.f. The first floor area will be kitchen, powder room, dining area, living room and exit to a grassed patio area enclosed on two sides by a privacy fence. The second level will be comprised of two or three bedrooms and one bath. Total Square Feet: approximately 1,300.

ALL UNITS:

Garage:	One car.
Heating:	Forced gas hot air; thermostat.
Air Conditioning:	OPTION
Carpeting:	Living room, dining area, bedrooms, stairs and upper hall.

SCHEDULE B

Sheet Vinyl:	Kitchen, bath powder room.
Room Colors:	Choices of basic selections.
Front Entry Doors:	Single warp-free insulated steel clad with integral magnetic seals and sweep.
Garage Door:	Wood Panel Painted Overhead Door with Windows.
Siding:	Aluminium prefinished with double 5" exposure; assorted colors.
Trim:	Aluminium to match siding.
Brick:	As per elevation; assorted colors.
Painting:	To match prefinished siding colors.
Gutters and Downspouts:	Prefinished aluminium "K" type with spikes and ferrules.
Roofing:	235# asphalt 3-in-1 roof shingles with assorted colors to coordinate with siding.
Shutters:	Selected Units will have non-functional plastic shutters.
Windows:	Double-hung; double glazed with screens.
Railings:	Wrought iron exterior entry railings. Interior railings wrought iron.
Fencing:	Six-foot high; board-on-board pressure treated lumber.
Patio:	Grassed.
Driveway:	Blacktop from private access road to garage with drain grate.
Front Steps:	Precast concrete.

Note: Some Units will have basements and others will be on slab.

SCHEDULE C TO PURCHASE AGREEMENT
LIMITED WARRANTY
VICTORIA WOODS VILLAGE, PHASE III

The following sets forth the limited warranties which VICTORIA WOODS VILLAGE provides. The terms and conditions of this limited warranty will survive delivery of the deed. There are no expressed or implied warranties on those items for which a manufacturer's warranty has been assigned to Purchaser.

Terms: The terms of the various coverages of the Limited Warranty begin on the date on which the Unit is deeded to Purchaser, or the date which Purchaser first occupies the Unit, whichever first occurs. Such date is referred to in this Limited Warranty as the "Closing".

Coverage: For a period of one (1) year after Closing, the Sponsor warrants the following will be free of defects in materials and workmanship:

a. Floors, ceilings, walls and other internal structural portions;

b. Plumbing, heating and electrical wiring systems;

c. Roof will be free of leaks;

For a period of sixty (60) days after Closing, the Sponsor warrants doors (including hardware); windows; caulking around exterior openings; electric switches; receptacles and fixtures, plumbing fixtures; and cabinet work.

Manufacturers' Warranties. To the extent assignable, Sponsor will assign to Purchaser the manufacturers' warranties on all appliances and equipment, such as, but not limited to, refrigerator, range, dishwasher, hot water heater, heating and air conditioning equipment, and ventilating fans.

Exclusions. Sponsor does not assume responsibility for any of the following, all of which are excluded from the coverage of this Limited Warranty:

a. Any item covered by manufacturer's warranty;

b. Damage due to ordinary wear and tear, abuse or lack of proper maintenance;

c. Defects which are the result of characteristics common to the materials used, such as, but not limited to, warping and deflection of wood; fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, plaster, bricks and masonry; drying, shrinkage and cracking of caulking and weatherstripping;

d. Damage, loss or injury due to the elements, such as frost and ice;

e. Conditions resulting from condensation on, or expansion or contraction of, materials;

f. paint applied over newly plastered interior walls;

g. Consequential or incidental damages, including damages for bodily injury;

h. Defects in items installed by Purchaser or anyone other than Sponsor, or, if requested by Sponsor, Sponsor's subcontractors.

No Other Warranties. This Limited Warranty is the only express warranty given by Sponsor.

Claims Procedure. Any warranty claim made by Purchaser shall submit, in writing to Sponsor, a description of such defect, certified mail, return receipt requested, to VICTORIA WOODS VILLAGE, 6400 Victor-Manchester Road, Victor, New York 14564. In such writing, the Purchaser must also state when, during normal business hours, someone will be home to provide for scheduling of the work to be done. In the event of an emergency, such as a burst pipe, Purchaser shall telephone Sponsor.

Repairs. Upon receipt of written claim, if defect is covered by this Limited Warranty, Sponsor will repair or replace defective item within sixty (60) days (unless weather conditions, labor problems, materials shortages or other factors beyond Sponsor's control cause delays), at no charge to Purchaser. The work will be performed by Sponsor or such subcontractors as Sponsor may choose. The choice between repair and replacement is that of Sponsor alone.

Not Transferable. This Limited Warranty shall apply to the original Purchaser only and is not transferable to subsequent owners of the Unit. Upon transfer of title by original purchaser to subsequent purchaser, this Limited Warranty automatically terminates.

EXHIBIT A TO PURCHASE AGREEMENT
LIENS, ENCUMBRANCES AND OTHER TITLE EXCEPTIONS

1. The terms, conditions, covenants, easements and provisions of the Declaration and By-Laws relating to the Association, include:

   a. Each Lot and The Property shall be subject to an easement for encroachments created by construction, settling and overhangs of the townhouse Units or other improvements as designed or constructed. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist.

   b. Each Owner shall have an easement in common with the Owners of other Lots or Units to maintain and use all pipes, wires, conduits, drainage areas, public utility lines and cable television lines located on other Lots or within other Units or on The Property and servicing such Owner's Unit or Lot. Each Lot or Unit shall be subject to an easement in favor of the Owners of other Lots and Units to maintain and use the pipes, wires, conduits, drainage areas and public utility lines and cable television lines servicing, but not located on such other Unit or Lot.

   c. Each Owner shall have an easement over The Property for the maintenance, repair and replacement, as necessary, of air conditioning condensers, if any, located on Association Property and servicing such Owner's Unit

   d. The Association shall have the right of access to each Unit and Lot for maintenance, repair or replacement of any pipes, wires, conduits, drainage areas, public utility lines or cable television lines located on any Lot or within any Unit and servicing any other Unit or Lot.

   e. The Association shall have an easement over the exterior walls of the various Units for the placement, maintenance, repair and replacement of utility banks and telephone pedestals and for the maintenance and repair or the exterior of the Units.

   f. Each Member whose Unit contains a Party Wall shall have an easement to enter upon the Unit with which the Party Wall is shared to effect necessary repairs or maintenance of such Party Wall.

g. Easements and rights retained by Sponsor.

2. State of facts shown on a survey of the Land and Buildings.

3. Zoning, regulations and ordinances, and any amendments thereto, provided that neither the Building in which the Unit is located, nor its use as contemplated by the Plan, are prohibited thereby.

4. New York State franchise taxes of any corporation in the chain of title, provided that the Rochester Abstract Co., or any other member of the New York State Board of Title Underwriters, is willing to insure that such taxes will not be collected out of the Unit.

5. Sewer, water, electric, plumbing, heating, telephone, cable television and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, pipes, ducts, wires, cables, conduits, connections, fittings, poles and distribution boxes in, over, under and upon the Property and the Buildings.

6. Leases or tenancies, and service, maintenance and license agreements affecting the Units or portions of the Association Property, if any.

7. Water charges (but the Sponsor will be obligated to pay all such charges through the date preceding the date of the first closing of title to a Unit).

8. Future installments of special assessments for payable with the Town and County Taxes.

9. Utility easements, rights of way and agreements granted to or made with the Rochester Telephone Company, Rochester Gas and Electric Corporation, the Town of Victor or any other utility company or municipality.

10. The lien of a purchase money mortgage, if any, obtained by Purchase to finance the purchase of the Unit.

11. Standard exceptions contained in the form of title insurance policy then issued by Rochester Abstract Co., or such other title insurance company issuing Purchaser's title to the Unit.

ALL OF THE ABOVE SHALL SURVIVE DELIVERY OF THE DEED.

PROPOSED MANAGEMENT AGREEMENT

An AGREEMENT made this _____day of _____, 1985, by and between The Homeowners' Association of Victoria Woods, Phase III, Inc. and Victoria Woods Village a Joint Venture (the Developer).

WHEREAS, the Association desires to enter into a contract with Victoria Woods Village (the Developer), to act as Managing Agent for the Association:

NOW, THEREFORE, it is agreed that, in consideration of the terms and conditions set forth below, the Association hereby employs and appoints Victoria Woods Village (Developer) Managing Agent to manage Victoria Woods Village, and Victoria Woods Village (Developer) accepts that employment and appointment in mutual agreement as follows:

Term and Cancellation: This Agreement shall have a term of one (1) year, commencing on , 1985 and expiring on , 1986. During the first nine (9) months of this Agreement, it may not be cancelled without cause by either party, except as provided in this Agreement. After the first nine (9) months of this Agreement, it may be cancelled by either party, with or without cause, without penalty, upon ninety (90) days prior notice to the other party. However, the failure of either party to substantially perform its responsibilities and duties under this Agreement for a continuous period of sixty (60) days after notice of default, shall be grounds for the cancellation of this Agreement.

Compensation: The Managing Agent shall be paid a total of Six Dollars ($ 6.00) per Unit per month for each Unit brought under the Declaration by the Association, not to exceed Three Thousand Three Hundred Twelve Dollars ($3,312.00) per year, payable in equal mnthly installments at the end of each month, as its sole compensation for managing Victoria Woods Village on behalf of the Board of Directors. Sixty (60) days prior to the expiration of this Agreement, compensation shall be negotiated with the Board of Directors for the extention or one-year renewal of this contract.

This fee shall compensate the Managing Agent for all its personnel costs and other internal administrative and operational expenses associated with meeting its responsibilities and duties under this Agreement, including, but not limited to, financial control services and supervision of all Association employees, if any, and the performance of all contractors servicing the property.

Indemnity: The Managing Agent shall be liable to the Board of Directors for any loss or damage caused by negligence or misconduct of the Managing Agent, its agents, servants or employees. The Board of Directors shall, and does hereby, indemnify and save harmless the Managing Agent for any liability for damages, costs and expenses arising from injury to any person or property in, about, and in connection with the Association Property arising out of negligence or misconduct by the Board of Directors.

The Managing Agent shall indemnify and hold harmless the Board of Directors from any claim, lawsuit or damage, cost or expenses arising from acts or omission of the Agent's servants and employees under this Agreement, including any statutory or common law liability resulting, and the Managing Agent is to have and keep in full force and effect contractural liability insurance with itself as insured, in the amount of $500,000.00 for purposes of this indemnification clause.

The Managing Agent shall further have a fidelity bond for all its employees handling Association funds. This bond shall be in an amount not less than the estimated maximum of funds, including reserves, in the custody of the Managing Agent at any given time, but in no event less than a sum equal to six (6) months' aggregate maintenance assessments of all Units plus the amount of reserves and other funds on hand.

Default: If the Board of Directors shall not interfere with the Managing Agent in the performance of its duties and the exercise of its powers hereunder, or if the Board of Directors shall fail to take reasonable action to prevent or control Unit Owners from interfering with the Managing Agent in the performance of its duties and the exercise of its powers hereunder, or if the Board of Directors shall fail promptly to do any of the things required of it hereunder, including, but not limited to the assessment of the Unit Owners in amounts sufficient to defray in full the Managing Agent's costs and expenses as herein defined and to otherwise pay all of the sums mentioned in the By-Laws, then the Managing Agent, sixty (60) days after having given written notice to the Board of Directors of said default by delivery of said notice to any member of the Board of Directors, may declare this Agreement in default unless such default is cleared by the Board of Directors within thirty (30) days after such notice.

If the Managing Agent fails to substantially perform its duties and obligations under this Agreement for a continuous period of thirty (30) days after written notice of default from the Board of Directors, specifying the default complained of, shall be grounds for the Association's cancellation of this Agreement.

Termination Procedures: Upon the expiration of this Agreement as set forth herein, this Agreement shall remain in full force and effect under the same terms and conditions contained herein unless at least sixty (60) days prior to the expiration hereof either the Managing Agent or the Board of Managers shall have informed the other, in writing, of its intention to terminate the Agreement. Thereafter, if a successor agreement is not reached, either the Managing Agent or the Board of Directors may terminate this Agreement upon giving sixty (60) days notice, in writing, informing the other of its intention to do so.

The Managing Agent agrees that under no circumstances will it withdraw its employees or contractors from the Association unless this Agreement is terminated in accordance with the provisions of the Agreement.

The Managing Agent agrees to deliver the Association records in a businesslike and up-to-date condition to the Board of Directors on the day that the Agreement terminates. The Board of Directors agrees to make such records available to representatives of the Managing Agent for the purpose of auditing such records at the Association for a period of sixty (60) days following the termination of the Agreement.

Assignment: It is understood and agreed that this Agreement may not be assigned by the Managing Agent, or any portion of its responsibilities hereunder without obtaining the prior written consent of the Board of Directors.

Severability: If any section, subsection, sentence, clause, phrase or word of this Agreement shall be, and is for any reason held or declared to be inoperative, invalid or void, such holding will not effect the remaining portion of this Agreement, and it shall be construed to have been the intent of the parties hereto to agree without such inoperative, invalid or void portion therein, and the remainder of the Agreement, after the exclusion of such parts shall be deemed and held to be valid as if such excluded parts had never been included herein.

Powers and Duties of Managing Agent: Subject to the direction and control of the Board of Directors of the association, the Managing Agent shall have, and there are hereby delegated to the Managing Agent, all the powers and duties necessary for the proper orderly management, maintenance and repair of the Association Property and the exterior of the Units as set forth in the Declaration and By-Laws. Among such powers and duties, and by way of illustration, and not of limitation, the Managing Agent shall:

(i) Confer and Attend Association Board Meetings: Confer with the Board of Directors of the Association when so requested by them in connection with the performance of the Managing Agent's duties. The Managing Agent shall advise the Board of Directors regarding the proposed annual budget of the Association, and shall generally be available to counsel the Board of Directors at the invitation of the Board. The Managing Agent shall attend and report at each monthly meeting of the Board of Directors and at each annual meeting of the Homeowners' Association at no additional cost to the Association. The Managing Agent shall compile minutes of each meeting and present a copy of the minutes to the Board of Directors within ten (10) days after the meeting.

(ii) Employees and Contractors: Supervise the performance of the contractors and Association employees, if any. Initially the Association will have no employees. Contracts will be entered into with contractors for the removal of trash from the premises; plow and/or shovel snow from driveways, parking areas and private access roads; and perform all lawn, tree and shrub care services.

The Managing Agent, from time to time, will have contracts rebid for the purpose of obtaining for the Association the best services for the best prices as maintenance and/or repair work is needed.

If the Association should, at some time, have employees, the Managing Agent will maintain all payroll records and file all required government reporting forms as required by law.

(iii) Collect Assesments: Collect all required and special assessments from the Unit Owners. The Board of Directors reserves to itself the right to take such actions in the name of the Homeowners' Association as are permitted by the Declaration and By-Laws by way of making, recording, satisfying and foreclosing the Association's lien thereon, or by way of other legal process or otherwise, including compromise and settlement thereof in order to collect delinquent assessments. The Managing Agent may recommend to the Board of Directors when such actions are required and the Board of Directors will not unreasonably refuse to take such actions. The Board of Directors and the Managing Agent shall cooperate with one another in a reasonable manner to facilitate

the simple and expenditious collectino of Maintenance Assessments and special assessments using such methods and procedures as are permitted by the Declaration and By-Laws. As a standard practice, the Managing Agent shall furnish the Board of Directors with an itemized list of all delinquent accounts immediately following the tenth (10th) day of each month.

(iv) Insurance: The Managing Agent shall promptly investigate and make a full written report to the Board of Directors concerning all accidents, and claims for damages related to the ownership, operation and administration of the Association's common property.

(v) Association Records: Maintain the Association's minutes, membership and mortgagee books; give notice to appropriate parties of Unit Owners' and Board of Directors' meetings and maintain all financial record books, accounts and other records required to be kept by the laws of the State of New York, or by the By-Laws of the Association; and issue statements of accounts to Unit Owners, their mortgagees and title insurers and to prospective Unit Owners, mortgagees and title insurers. Also, maintain rosters of Board members, Association officers, committee chairpersons and committee members. Also, maintain rosters of all Unit Owners (including addresses and phone numbers) including listings of non-occupant Owners and their current tenants.

Maintain copies of all correspondence, publications, informational materials, certificates and records pertaining to the operation and administration of the Association. Such records shall be kept in the Office of the Managing Agent and shall be available for inspection at all reasonable times by the Association's Board of Directors, Unit Owners, and mortgagees. The Managing Agent agrees to honor reasonable requests of the Board of Directors to produce such records at the Association. As a standard procedure, the Managing Agent shall render to the Board of Directors a statement of its receipts and accounts for each fiscal year not later than ninety (90) days after the end of such year and shall inform the Association on a monthly basis of the expended vs. budgeted amount in the various categories of expenditures as set forth in the budget of the estimated expenses of the Association.

The Managing Agent shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same but no independent audit shall be required. The Association shall have the right to an external independent audit provided the costs for the same shall be borne by the Association which shall employ such auditors, directly and provided further that the external independent auditor is acceptable to the Managing Agent whose acceptance may not be unreasonably withheld. Such independent audit shall be at the Office of the Managing Agent.

(vi) Association Funds: The Managing Agent agrees that all monies collected by it on behalf of the Association shall be deposited in a custodial account in the name of the Association at a location designated by the Board of Directors. Withdrawals from such account shall be only upon the signature of a member or members of the Board of Directors. Such account shall be separate and apart from the Managing Agent's own funds.

Except as otherwise set forth in this Agreement, the Managing Agent shall be reimbursed by the Association from the Association's funds for all reasonable expenses of operation and management. Payment of expenses shall be over the signature of a member or members of the Board of Directors as shall from time to time be designated by the Board of Directors. The Managing Agent shall present checks for signature, together with supporting documents to the member or members of the Board of Directors described above. The Managing Agent shall have no obligation to advance funds to the Association for any purpose whatsoever.

(vii) No Personal Liability and Waiver of Right to Lien: No Unit Owner or member of the Board of Directors shall be personally liable for any payment to the Managing Agent and the Managing Agent waives any right it may have to lien the Association property, it being understood that assessments collected constitute a trust fund for the payment of obligations of the Association.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, the day and year first above written.

THE HOMEOWNERS' ASSOCIATION OF
VICTORIA WOODS, PHASE III, INC.

By: _____

By: _____

VICTORIA WOODS VILLAGE (DEVELOPER)

By: _____

March 20, 1985

New York State Department of Law
Two World Trade Center
New York, New York 10047

Re: The Homeowners' Association of
Victoria Woods, Phase III, Inc.
6400 Victor-Manchester Road
Victor, New York 14564

We are the Sponsor and the Principals of 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 Attorney General in 13 NYCRR 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 for the Homeowners' Association does, and that documents submitted hereafter by us which amend or supplement the Offering Plan for the Homeowners' Association 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.

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

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.

VICTORIA WOODS VILLAGE, a Joint Venture

WOODBROOKE DEVELOPMENT, INC.

By: _____
Rockwell Ligozio, President

_____
Rockwell Ligozio, Individually

B & G INVESTMENTS, INC.

By: G Belacca
Gino Belacca, President

G Belacca
Gino Belacca, Individually

CANSTATES REALTY, INC.

By: _____
Peter T. Davies, Vice President

_____
Peter T. Davies, Individually

Sworn to before me this 20th day
of March, 1985.

_____
Notary Public

RICHARD A. CALABRESE
NOTARY PUBLIC, STATE OF NEW YORK
MONROE COUNTY 03CA5570735
COMMISSION EXPIRES MARCH 30, 1986

N. Dennis Means, P.E.
CIVIL ENGINEER
1575 STATE ROAD - WEBSTER, NEW YORK 14580 - (716) 872-5645

March 20, 1985

New York State Department of Law
Two World Trade Center
New York, New York 10047

RE: The Homeowners' Association of
Victoria Woods, Phase III, Inc.
6400 Victor-Manchester Road
Victor, New York 14564

The Sponsor of the captioned Offering Plan for a Homeowners' Association retained me to prepare a report describing the Homeowners' Association property when constructed (the "Report"). I have examined the plans and specifications that were prepared by N. Dennis Means, P.E., dated August 1984 and prepared the Report dated March 20, 1985, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

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 13 NYCRR Part 22 insofar as they are applicable to this report.

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

(i) set forth in narrative form the significant elements of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(ii) in my opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(iii) not omit any material fact;

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

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

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

by existing circumstances;

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

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the profitability or price of the Offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

N. Dennis Means

N. DENNIS MEANS, P.E.

Sworn to before me this

1st day of April, 1985.

Notary Public

moisture or seepage into basements. It is not anticipated that the water table will create any substantial flooding or that there will be a problem with surface water flooding for the design rainfall. The storm sewer system has been designed for ten (10) year rainfall occurrence. The lowest proposed floor elevation is in excess of twenty feet (20') above the channel of Mud Creek and therefore no flooding is anticipated within the project site from this source. The final grading within all areas will not be greater than a one-on-three slope and therefore the potential for erosion is minimal.

The Ontario County Soil Survey, published by the U.S. Department of Agriculture Soil Conservation Service, indicates on their maps that the site consists of two (2) major soil types: (i) Cazenovia Series, which is made up of mostly silts and clay with a moderately fine texture which is well drained, and (ii) the Palmyra Series, which consists largely of a gravelly-sandy loam mixture which is well drained.

LANDSCAPING AND ENCLOSURES

There will be rows of deciduous trees on both sides of the dedicated road (Heath Row) and at each end of each Building. All other areas, including the patios, will be grassed. The landscaping will be substantially in conformity with the landscape plan prepared by Cardulla Associates, Architects, consultants to the Sponsor, and as shown on plans on file with the Town of Victor by N. Dennis Means, P.E., Civil Engineer.

There will be a six-foot (6') high, twenty-foot (20') long privacy fence perpendicular to the Lot line of each Unit, creating grassed patio areas limited in use to the occupant of the Unit constructed on such Lot. The fences will be board-on-board natural finished, pressure-treated lumber. There will be no gates closing off the patio areas. The fences will be owned and maintained by the Association.

There will be no garden or retaining walls or pools.

UTILITIES

Gas is supplied by the Rochester Gas and Electric Corporation, a regulated public utility company. Each Unit will be separately metered and the cost of gas service attributable to such Unit will be the sole responsibility of the occupant of the Unit. There will be no gas servicing any Association Property.

The installations to and including the individual Unit meters, will be owned, operated and maintained by the Rochester Gas and Electric Corporation.

Electric is supplied by the Rochester Gas and Electric Corporation, a regulated public utility company. Each Unit will be separately metered and the cost of electric consumption will be the sole responsibility of the occupant of the Unit. The private roadway lighting will be separately metered and billed to the Association. The installations to, and including, the transformers, will be owned and maintained by the Rochester Gas and Electric Corporation. The Association will have the obligation and responsibility to maintain, repair and replace all power lines and installations running from the low tension terminals of the transformers owned by Rochester Gas and Electric Corporation, to, and including, the panel boxes servicing the individual Units. Street lighting along Victoria Lane and Heath Row will be owned and maintained by the Rochester Gas and Electric Corporation and the cost of such usage will be included in the annual Town of Victor real property taxes through the special lighting district formed by the Town of Victor.

Telephone service will be by means of lines installed by the Rochester Telephone Corporation, a regulated utility company, over easements granted by the Sponsor. The lines will be maintained by the Rochester Telephone Corporation. Each Unit occupant will be responsible for the installation of telephone service for its Unit. Each Unit will be prewired for telephone service.

Water is supplied to the Property by the East Victor Water District. The eight-inch (8") and ten-inch (10") principal water mains from the main to the curb stops will be owned and maintained by the Town of Victor. The three-quarter-inch (3/4") service from the curb stops to each Unit will be owned and maintained by the Association. Each Unit will be separately metered and the cost of water consumed by such Unit will be the sole responsibility of the Owner. The cost of each meter will be $85.00 and will be paid for by the Purchaser at time of closng. The cost of maintenance and/or replacement of such meter will be the sole responsibility of the Unit Owner. There will be no separately metered water for Association use.

SEWERS

Sanitary Sewers and appurtenances are eight-inch (8") diameter, as approved by the N.Y.S. D.E.C. and installed and tested in accordance with the Town of Victor "Construction Standards for Developments" dated July 1975 and any revisions thereto and the Town of Farmington sub-division regulations revised February 1973 and any revisions thereto. All sanitary sewers shall be of such materials as PVC SDR 35 or other Town of Farmington approved equal. All sanitary laterals shall be of such material as PVC with gasket-type joints, or other Town of Farmington approved equal. All sanitary manhole frames and covers shall be Pattern #1032 by Syracuse Castings Corp. or other Town of Farmington approved equal, with the word "Sanitary" cast into the cover. The sanitary sewers will be dedicated to, and maintained by, the Town of Victor, except the four-inch (4") diameter service laterals to each Unit, which will be owned and maintained by the Association. All construction will be in accordance with the Towns of Farmington and Victor. Sanitary sewer plans are part of plans on file with the Town of Victor by N. Dennis Means, P.E., Civil Engineer. The entire development is located within Extension #2 of the East Victor Sanitary Sewer District and the proposed collection system for Phase III has been reviewed and approved by the N.Y.S. D.E.C. All discharge of domestic sewage effluent from the proposed collection system will be directed to the Town of Farmington sewage treatment plant by way of the Phase I sanitary sewer system.

Storm Sewers, laterals, manholes and appurtenances are to be constructed in accordance with the Town of Victor "Construction Standards for New Developments" dated July 1975 and any revisions thereto. All storm sewers shall be of such material as reinforced concrete pipe, Class III or other Town of Victor approved equal. All storm laterals shall be of such material as six-inch (6") diameter corrugated metal pipe, gauge 16, fully coated with smooth lining or other Town of Victor approved equal. Storm sewers will be dedicated to and maintained by the Town of Victor. Laterals to the driveway crocks will be owned and maintained by the Association. All construction will be in accordance with the Town of Victor Subdivision Regulations and are part of plans on file with the Town of Victor by N. Dennis Means, P.E., Civil Engineer. The entire development is located within the Victoria Farm Storm Sewer District.

The storm sewers will range in size from twelve inches (12") to twenty-four inches (24") in diameter and will be located approximately parallel to the private roadway centerlines. A series of twenty-one (21) catch basins and fifteen (15) drop inlets will collect surface water runoff throughout the site. Surface runoff will then be transmitted to a detention facility located in the southwest corner of Phase III. The controlled discharge of these waters will be released to the storm sewer system for Phase I, which in turn flows to the existing detention pond along McMahon Road. The collection of surface runoff in front of the Units will be by way of a two-foot (2') diameter R.C.P. crock located in each driveway area and discharged to the main sewer main through the six-inch (6") storm laterals.

REFUSE DISPOSAL

Refuse disposal will be by private contractor permitted to serve the area by the Town of Victor. Refuse will be stored by the Unit occupant within the Unit and such Unit occupant will be responsible for the placement of such refuse at the curb on the designated pick-up day. Refuse placed at curb side on the designated day or days will be removed from the Property by the private contractor and the cost of such service will be included in the Association Maintenance Assessments.

RECREATION FACILITIES

There are no facilities planned for the Property. Areas have been designated as recreational areas to be used in common with the other Phases of this development, as shown on the Site Plan, but no specific facilities have been planned for installation in these areas. Upon completion of the entire 84.5 acre development, the parcel will be deeded to the Town of Victor.

GARAGES

Each Unit will have one (1) one-car garage located below the first floor of such Unit, as a part of the basement area. There will be no garages for common use on the Property. The blacktopped driveway servicing the two (2) adjacent Units will provide such Units with one (1) outside parking space each immediately perpendicular to the outside of the garage door of such Unit. Additionally, there will be designated guest parking along the private access roadways. There will be approximately eighty-six (86) such additional parking spaces in Phase III.

BUILDINGS

There will be no buildings or other structures on the Association Property.

FIRE PROTECTION

There will be ten (10) fire hydrants located on the Property. Fire protection will be provided by the Town of Victor. Hard-wired 110v smoke detectors will be installed in each Unit, located in the hallways of the sleeping areas.

CABLE TELEVISION

Cable television service will be provided by Canandaigua Video, the area franchisee. Each Unit will be prewired for cable television reception and each occupant will contract directly with Canandaigua Video for desired service, which will be the sole expense of the occupant. Reciprocal easements with Rochester Gas and Electric Corporation and the Rochester Telephone Company will be granted by the Sponsor to Canandaigua Video and they will utilize the same trenches as Rochester Gas and Electric and Rochester Telephone to lay cable to each Unit.

Dated: March 20, 1985

N. Dennis Means

N. DENNIS MEANS, P.E.

(SEAL)

Dolan CPM,

[illegible]

[illegible]

P. O. Box 2129
Clifton Park,
New York 12065

(518) 371-7291

October 4, 1985

New York State Department of Law
Real Estate Financing Bureau
Two World Trade Center - 48th Floor
New York, New York 10047

Re: The Homeowners' Association of
Victoria Woods, Phase III, Inc.
6400 Victor-Manchester Road
Victor, New York 14564

The Sponsor of the Homeowners' Association Offering Plan for the captioned property retained me to review Schedule A containing projections of income and expenses for the first year of operation as a Homeowners' Association. My experience in this field includes:

> Involvement in the development, conversion, marketing and management of condominium and homeowners' associations since 1973 and prior to that with the development and management of multifamily residential rental properties since 1970; being a Certified Property Manager (CPM) and President of the Western New York Chapter of the Institute of Real Estate Management (IREM); President for three years of the Community Associations Institute Western New York Chapter (CAI) and instructor throughout Western New York of their association organizational and operational training programs.

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 13 NYCRR Part 20 insofar as they are applicable to Schedule A.

I have reviewed the Schedule 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 Schedule A appear reasonable and adequate under existing circumstances and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year of operation as a Homeowners' Association.

I certify that the Schedule:

(i) sets forth in detail the terms of the transaction as it relates to 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 representation or statement made.

I further certify that I am 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 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.

Dated: October 4, 1985

Ruth V. DeRoo, CPM
Certified Property Manager
Key Number 6277

Sworn to before me this 4th day of October 1985

Notary Public

RICHARD A. CALABRESE
NOTARY PUBLIC, STATE OF NEW YORK
NO. 31-4824070
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES MARCH 30, 1986