

HOMEOWNERS ASSOCIATION OFFERING PLAN

THIS OFFERING RELATES SOLELY TO MEMBERSHIP IN THE GLENBROOKE PATIO HOMES HOMEOWNERS ASSOCIATION, INC. AND THE DECLARATION OF COVENANTS AND RESTRICTIONS APPLICABLE TO ALL HOMES SOLD AT GLENBROOKE PATIO HOMES, CONSISTING OF 68 PATIO HOMES. THE PURCHASE PRICE OF HOMES INCLUDES MEMBERSHIP IN THE HOMEOWNERS ASSOCIATION.

**GLENBROOKE PATIO HOMES
HOMEOWNERS ASSOCIATION, INC.
3490 EAST HENRIETTA ROAD
TOWN OF HENRIETTA
MAILING ADDRESS: 3490 EAST HENRIETTA ROAD,
HENRIETTA, NEW YORK 14467
COUNTY OF MONROE, STATE OF NEW YORK**

APPROXIMATE AMOUNT OF OFFERING (COMMON AREAS)	\$60,000 (Nominal Value) (68 Units) (This amount is based upon the total value of the improved common property to be owned and maintained by the Homeowners Association).
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NAME AND ADDRESS OF SPONSOR:	The Marrano/Marc-Equity Corporation 2730 Transit Road West Seneca, New York 14224
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NAME AND ADDRESS OF SELLING AGENT:	The Marrano/Marc-Equity Corporation 2730 Transit Road West Seneca, New York 14224
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Date of Acceptance for Filing:	May 16, 2018
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This plan may not be used after May 16, 2019 unless extended by amendment.

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE HOMEOWNERS (OR PROPERTY OWNERS) ASSOCIATION. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE New York STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY MEMBERSHIP INTERESTS. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

THIS OFFERING PLAN CONTAINS THE TERMS OF THE OFFER OF SALE AND THE OBLIGATIONS OF THE SPONSOR.

PLEASE READ IT CAREFULLY.

THE PROPERTY YOU ARE PURCHASING IS PART OF A PRIVATE SELF-GOVERNING SUBDIVISION WHICH MAY INITIALLY BE CONTROLLED BY THE SPONSOR.

YOUR OBLIGATIONS AS A LOT OWNER ARE INCLUDED IN THIS PLAN. THIS PLAN IS PREPARED AND ISSUED BY THE SPONSOR OF THIS SUBDIVISION. IT HAS BEEN FILED WITH THE ATTORNEY GENERAL OF THE STATE OF NEW YORK, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, NEW YORK, NEW YORK 10271.

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SPECIAL RISKS

1. There will be 68 individual patio home lots within the development. The Marrano/Marc-Equity Corporation (“Sponsor”), a builder with projects throughout Western New York, will construct and market the individual patio homes to the public. The Sponsor will complete all improvements to Association property. The private road, detention pond and landscaped areas will be finished. There are no bonds or other security established to guarantee the completion by Sponsor of any of the improvements.

2. The Sponsor retains the right to control the Homeowners Association (defined below) for up to five (5) years after the sale of the first patio home in that the Sponsor retains the right to designate the directors until fifty percent (50%) of all lots are transferred or for five (5) years, whichever first occurs (see pages 16 and 18).

3. The current maximum amount in any account which will be insured by the Federal Deposit Insurance Corporation (F.D.I.C.) is \$250,000. It is possible that deposits totaling more than \$250,000 could be placed in the Glenbrooke Patio Home Subdivision Special Escrow Account at any given time. Any amount in excess of \$250,000 would not be covered by F.D.I.C. insurance (see page 11).

4. The roads in the development will be built to Town specifications for public roads, but it is not anticipated that the road will be dedicated to the Town. The Homeowners Association will remain liable for the maintenance and replacement of the roads when necessary (see page 4, 5 and 15).

5. A small portion of the property contains an existing Federal Wetland area which shall continue to remain undisturbed; however the remainder of the site, where all buildings are proposed to be constructed, do not fall within the floodplain (see pages 5 and 7).

6. Should the Purchaser elect not to make the purchase contract contingent upon obtaining financing, and subsequently is unable to obtain financing, the Purchaser may be deemed in default and forfeit their Deposit. (see page 15).

PART I

INTRODUCTION

This Offering is being made by The Marrano/Marc-Equity Corporation, (hereafter “Sponsor” or “Declarant”). The property which is the subject of this Offering is located on the northerly side of Goodburlet Road and on the easterly side of East Henrietta Road, with an address of 3490 East Henrietta Road, in the Town of Henrietta, Sponsor acquired fee title to the property on March 14, 2017. The parcel being offered under this plan consists of approximately 40.191 acres.

All of the land within the development will be owned in fee by either the Glenbrooke Patio Homes Homeowners Association, Inc. (hereafter “Association” or “Homeowners Association” or “HOA”) or by the individual patio home unit owners. Each patio home owner will own his home and garage and the plot of land on which the house and garage are located. The Homeowners Association will own and/or maintain approximately 33.715 acres being landscaped area outside of the footprint of the patio home, the private roads and a detention pond.

The number of lots with membership in the Homeowners Association will be sixty-eight (68). The lots will vary in size from 3,000 square feet to 3,400 square feet square feet (0.068 to 0.078 acres). All homes will be single family residences.

All owners of lots in the Glenbrooke Patio Homes Subdivision will automatically become members of the Glenbrooke Patio Homes Homeowners Association, Inc. The Association is a corporation formed under the Not-For-Profit Corporation Law of the State of New York for the purposes of owning and maintaining the common property as well as maintaining the landscaped areas and private road. The function of this Association is to own and maintain the common property and to provide services for lot owners. Upon the sale of any lot and residence thereon, the membership of the former owner is automatically terminated and the new owner automatically becomes a member of the Association.

The price of the patio homes or lots includes the cost of membership in the Association and the prices are set by the Sponsor alone and are not subject to review or approval by the Department of Law or any other government agency. Except for the monthly common charges as detailed on Schedule A attached hereto, there are no fees or dues for membership in the Association.

The Town of Henrietta will provide road maintenance and snow removal for East Henrietta Road, the dedicated road at which the HOA private road ends. Water and sanitary sewer services will also be provided by the Town of Henrietta. Police protection will be provided by the Town of Henrietta Police Department. Fire protection will be provided by the Henrietta Fire Department. The Association will provide road maintenance for and snow removal from the private road and driveways and for the street lighting as well as the maintenance of the storm water management system, all as described in the Projected Budget. The Association will contract with a private disposal company for the collection and removal of refuse and garbage from the development.

Water will be supplied by the Monroe County Water Authority (“MCWA”). All water mains and hydrants are owned by and will be maintained by MCWA in easements granted to the MCWA. Electricity and natural gas will be provided by Rochester Gas and Electric Corporation.

Sanitary sewer collectors are connected to the Town of Henrietta sewer main at East Henrietta Road. All sewers and manholes in easements will be dedicated to the Town of Henrietta. Sewer and water laterals are the responsibility of lot owners.

The property to be developed is in the Rush Henrietta Central School District.

The property which is subject to this Offering Plan is bounded on all sides by residential developments.

A small portion of the property contains an existing Federal Wetland area which shall continue to remain undisturbed; however the remainder of the site, where all buildings are proposed to be constructed, do not fall within the floodplain.

The purpose of this Offering Plan is to set forth all of the terms of the offer concerning the Association. This plan may be altered from time to time by proper amendments filed with the Department of Law. All amendments will be served on lot purchasers and members of the Association.

The plan as presented to prospective purchasers contains all of the detailed terms of the transaction as it relates to the Association. Certain exhibits designated Parts A, B, and C have been delivered to the Department of Law. These exhibits contain all of the documents referred to in the plan. Copies of the plan and Parts A, B, and C of the exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the office of the Sponsor and at the Department of Law.

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

There is no minimum number of contracts which must be signed before sponsor subjects the property to the covenants, easements and restrictions as set forth in this plan, records the declaration, and establishes the Association.

DESCRIPTION OF COMMON AREAS AND FACILITIES TO BE OWNED AND
MAINTAINED BY THE HOMEOWNERS' ASSOCIATION

The Sponsor plans to construct and sell a patio home on each of the 68 individual lots in Glenbrooke Patio Homes. The property which is the subject of this Offering is located on the northerly side of Goodburlet Road and on the easterly side of East Henrietta Road, with an address of 3490 East Henrietta Road, in the Town of Henrietta, having the tax account number 176.17-1-17.

The common areas to be owned by the HOA will consist of approximately 33.715 acres to be improved only by a private road, detention pond and landscaped areas.

The private road will be maintained by the HOA and will meet the construction requirements of the Town of Henrietta for public roads. The asphalt pavement section will include 1.5" of asphalt top course, 2.5" of asphalt binder course and 9" of crushed stone. All materials will comply with the latest NYSDOT standards and specifications. The project includes installation of 2.5 ft. wide concrete gutters on both sides of the proposed road. Catch basins are constructed throughout the project in locations of low points of the roadway as well as low points in lawn and landscape areas. The storm sewer system will drain to the onsite storm water management areas (a total of 3 on the site) which discharge to tributaries adjacent to the site. Site lighting includes decorative LED post top light fixtures on 16' fiberglass poles. A bond has been posted with the Town of Henrietta for the completion of the private road.

The Driveways will include 1" of asphalt top course, 2" of asphalt binder course and 6" of crushed stone. All construction materials meet NYSDOT standards. No curbing will be constructed on site; however each side of the main roadways will have a 2.5 ft wide gutter for drainage collection. Catch basins installed are new precast structures and are located at low points throughout the site. There is one common parking area near the mail box, consisting of 3 spaces.

Soils on site are silty, clay loams. Soils are not contaminated and are not included in high erosion or a landslide prone area. There are no environmental easements on the property. The site is not in danger of flooding and the water table is greater than 8 feet below existing grades. The southwest portion of the site is located in a flood zone AE per FEMA map 36055C0361G, which is situated around an existing tributary. The remainder of the site, where all buildings are proposed to be constructed, do not fall within the floodplain.

Lawn and grass areas are proposed throughout the site, where driveways, landscape bed and roadways are not proposed. Street trees are proposed throughout the project, with low shrubs and plantings situated around each building. All plantings and trees are native plants. Trees are decorative in nature and placed throughout the property. Fencing is proposed along the western portion of the site. Fencing is proposed to be wood and will assist in screening the proposed at 3490 East Henrietta Road from this project. No gates, garden walls, retaining walls or pools are proposed.

Sanitary sewer, storm water sewer and water service will be constructed by the Sponsor within individual lots and the HOA property and will meet the construction requirements of the Town of Henrietta.

The sanitary sewer will be constructed with SDR-35 PVC. No sanitary pumps are proposed. The sanitary sewers will be dedicated to the Town of Henrietta upon completion and will convey flows to a larger countywide sewer system that ultimately flows to Monroe County's Van Lare WWTP. All permits for work were obtained by the contractor prior to construction, from the Town of Henrietta. A bond has been posted with the Town of Henrietta for the completion of the sanitary sewer.

With regard to the storm water management system, there are several catch basins and storm manholes throughout the site, located in low lawn or pavement areas. All structures convey runoff to one of three storm water management areas. There are three storm water management areas (detention ponds) are proposed on site. There is one situated near the northwest portion of the site, near the project entrance. This area discharges to the drainage swales within the NYSDOT right of way and ultimately to a tributary 821-10. There is a second SMA near the southwest portion of the site This SMA discharges directly to tributary 821-10. The third is situated on the northeast portion of the site and discharges to a tributary on the western edge of the site. Yard drains are situated at low points throughout the site. Generally, roof drainage will be collected in storm sewers and conveyed to the SMAs. Where feasible, certain lots will discharge the rear roof leaders to grass areas. Grass areas will flow to low points where catch basins and yard inlets will convey water to SMAs. Storm sewers are proposed as HDPE and storm laterals are SDR-21. No sump pumps are proposed.

Water will be provided by a Monroe County Water Authority main installed as part of this project. Individual water service to the lots will originate from this new main. There are no proposed irrigation systems. The water system will be dedicated to Monroe County Water Authority.

All refuse disposal is private. There are no municipal trash collection.

The project site will be improved and all homes and amenities will be constructed in compliance with all applicable zoning and building regulations of the Henrietta Town Code. It is contemplated that the first home will be ready for occupancy by September 1, 2018 with all homes completed by September 1, 2020.

SCHEDULE A

GLENBROOKE PATIO HOMES HOMEOWNERS ASSOCIATION
BUDGET FOR FIRST YEAR OF HOA OPERATION¹
BEGINNING September 1, 2018 and ENDING August 31, 2019

Projected Income	
1. Maintenance Charges	\$281.82
Other Income	-0.00-
 TOTAL ANNUAL INCOME	 \$229,964
 Projected Expenses	
2. Labor	-0.00-
3. Heating	-0.00-
4. Utilities (Electric and Gas)	3,523.00
5. Water	-0.00-
6. Landscaping	74,388.00
7. Sprinkler Maintenance	12,580.00
8. Snow removal	82,080.00
9. Refuse Removal	15,994.00
10. Insurance	6,364.00
11. Management Fees	15,000.00
12. Office/Postage	1,000.00
13. Legal Fees	500.00
14. Accounting and Audit Fees	1,500.00
15. Real Property Taxes	1,948.00
16. Franchise and Corporate Taxes	100.00
Reserves	
17. Road Maintenance	8,600.00
18. Fence	1,600.00
19. Storm Water and Drainage	2,652.00
20. Street Lights	1,055.00
21. Mailbox	1,080.00
 TOTAL PROJECT ANNUAL EXPENSES	 \$229,964

FOOTNOTES TO SCHEDULE A

1. **Common Charges:** Projection base on the following monthly per unit assessment:

<u>Number of Units:</u>	68
<u>Monthly Assessment:</u>	\$281.82
2. **Labor:** No direct on-site employees have been planned for at the outset. All service work is to be performed by subcontractors. Should the association decide to employ labor in the future, the monthly maintenance charges may increase as a result of wages, salaries, payroll taxes and benefits payable to employees.
3. **Heating:** Individual Unit Owners will pay for the cost of their heat directly to the provider. There is no common expense associated with this item.
4. **Utilities (Electric and Gas):** As individual Unit Owners will pay for the cost of their gas and electricity directly to the provider, the common expense associated with this item is for the eleven (11) street lights. Based upon Rochester Gas and Electric Corporation's billing kW for High Pressure Sodium 100 Watt lamps and average burning hours for Dusk-to-Dawn street light service, the average consumption is 5359.2 kWh per year or 446.6 kWh per month. Using RG&E's current rates for Service Classification No. 2, plus an additional 10% for taxes and fees the projected electrical cost for the first year of operation is \$3,522.55 which is approximately \$0.657 per kWh. This figure will vary slightly depending on usage, choice of supplier and rate.
5. **Water:** All Units will be individually metered and Unit Owner will be pay for the cost of water directly to the supplier. There is no common expense associated with this item.
6. **Landscaping:** Annual cost for summer landscaping maintenance is based on written estimate, plus 8% sales tax, received from R.M. Landscape, Inc. Services include spring and fall cleanup, bed maintenance, weekly lawn cutting, weed and feed applications, tree and shrub care, and mulch installation.
7. **Sprinkler Maintenance:** Cost for opening and closing the sprinkler system is based upon written estimate from Irrigation Tech dated October 6, 2017. Services include checking and adjusting all sprinkler heads, purging all water from system and annual backflow testing which includes submitting required paperwork to the Water Authority.
8. **Snow Removal:** Annual cost for winter snow removal is based on written estimate, plus 8% sales tax, received from R. M. Landscaping, Inc. Services include snow removal and ice control from the main road and snow removal from all driveway areas, front door service walks and public walks within the community. It is each homeowner's responsibility to decide whether or not to use ice control on their individual driveways and walkways.
9. **Refuse Removal:** Annual cost for refuse removal is based upon written proposal from Youndblood Disposal Enterprises of Western NY, LLC, plus taxes and fees. Services to

include weekly curbside collection of garbage (96-gallon tote), recycling (16 gallon bin) and yard waste (biodegradable bags and/or bundled).

10. **Insurance:** Based on written estimate from John J. Grimaldi & Associates, Inc., 137 Summer Street, Buffalo, New York 14222 dated August 3, 2017. The insurance meets or exceeds the minimum requirements and shall include: (a) that each Unit Owner as an additional insured party; (b) that there will be no cancellation without notice to the Board of Managers; (c) a waiver of subrogation; (d) a waiver of invalidity because of the acts of the insured and Unit Owners; and (e) a waiver of pro rata reduction if Unit Owners obtain additional coverage. In addition: (1) General Liability provides payment of behalf of the Board of Managers, Officers of the HOA, Managing Agent and all Unit Owners, for all sums for which the insured shall become legally obligated to pay as damages because of bodily injury or property damage in the amount of \$1,000,000 per occurrence, unlimited aggregate. Annual premium \$3,480; no deductible. (2) Non-Owned Auto/Hired Auto Liability provides protection against the exposure of the association from liability for operation of autos that it does not own or hire, or that it hires, rents, leases or borrows in the amount of \$1,000,000. Annual premium – included; no deductible. (3) Fidelity Bond provides for loss sustained by the insured for any fraudulent or dishonest act of any Board Member, Officer, or Employee of the insured acting alone or in collusion with others and includes coverage for the Property Manager in the amount of \$50,000. Annual premium – included; no deductible. (4) Umbrella Liability provides excess liability for claims that exceed the coverage provided under Comprehensive General Liability, Worker Compensation and Automobile Liability in the amount of \$5,000,000. Annual premium \$1,100; no deductible. (5) Workers Compensation provides coverage for employees if injured while participating in a work activity for the Association. Annual premium \$824; no deductible. (6) Directors & Officers provides coverage for sums legally obligated to pay as damages because of wrongful acts committed by Officers and Directors solely in the conduct of its management responsibilities for the HOA in the amount of \$1,000,000. Annual premium \$960; no deductible. Individual Unit Owners are advised that the Board of Managers will not obtain coverage for the following: (a) fire, casualty and theft for any Lot or improvements (including the Units) built upon the Lot or the Unit Owner's personnel property; (b) liability coverage for occurrences within the Unit or on the Lot owned by the Unit owner; and (c) flood insurance, if applicable.
11. **Management Fees:** Realty Performance Group, Inc. will act as the Property Manager for the Homeowners Association. Fee is based upon a written estimate from Realty Performance Group, Inc. dated February 8, 2018.
12. **Office/Postage:** Amount is based upon estimate from Realty Performance Group, Inc.
13. **Legal Fees:** Estimate (based upon Sponsor's prior experience) to provide consultation services to the Board of Directors on such items as legal documents and interpretation thereof, delinquent assessments collections, rule enforcement, etc.
14. **Accounting and Audit Fees:** Based upon written proposal from Bonn, Dioguardi & Ray LLP, dated October 6, 2017, for preparation and filing of year-end statements and tax returns.

15. **Real Estate Tax:** The Town of Henrietta will assign an individual assessment to the common area to be owned by the HOA, which is the basis for property tax levied by the Town of Henrietta, Monroe County and the Rush-Henrietta Central School District. According to the property and tax analysis prepared by Justin R. Martin, CCIM (NYS Certified General Real Estate Appraiser #46-50070) of Bruckner, Tillett, Rossi, Cahill and Associates dated September 29, 2017, the estimated real estate tax expense for the first year of operation is \$1,948.00. This estimate is based upon the current tax rate of 0.032460 per thousand and an estimated assessed value of \$60,000.
16. **Franchise and Corporation Tax:** Base upon New York State Department of Taxation and Finance that the Association is liable for the payment of the minimum New York State Franchise Tax.
17. **Roadway Reserve:** Reserve for pavement maintenance and replacement based upon written estimate of \$215,000.00 from Redman Construction, Inc., dated September 21, 2017, and a life expectancy of 25 years.
18. **Fence Reserve:** Reserve for fence maintenance, repair and replacement based upon initial installation cost of \$32,000.00 for 800 linear feet of six (6) foot high board on board fence and a life expectancy of 20 years.
19. **Storm Sewer and Drainage Reserve:** Reserve for storm sewer and drainage line maintenance and replacement based upon initial installation cost of \$265,200.00 and a life expectancy of 100 years.
20. **Street Light Reserve:** This reserve for repair, maintenance and replacement of street light is based upon initial pole cost of \$14,385.00, plus 10% for inflation and a life expectancy of 15 years.
21. **Mailbox Reserve:** Reserve for the repair, maintenance and replacement of all curbside mailboxes within the community. Amount is based upon initial cost of \$16,200.00, which is approximately \$238.00 per mailbox, and a life expectancy of 15 years.

The budget for the first year of HOA operation is based upon a twelve month period commencing September 1, 2018. If the actual or anticipated date of commencement of HOA operation is to be delayed more than six months from the budget year projected in the offering plan, this plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25% or more, Sponsor shall offer all Purchasers the right to rescind and a reasonable period of time that is not less than 15 days after the date of presentation to exercise the right, whether or not Sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or down payment within a reasonable period of time to Purchasers who rescind.

PROCEDURE TO PURCHASE

A prospective purchaser ("Purchaser" or "Purchasers") shall execute and deliver the Purchase and Sale Contract on the form set forth as Exhibit A of Part II of this Offering Plan. Once executed by Purchaser and Sponsor, the agreement becomes a binding obligation on both parties subject only to those contingencies set forth in the contract. As set forth in the contract all deposits shall be made payable to Glenbrooke Patio Homes Homeowners Association Escrow Account and deposited by Harris Beach PLLC as Escrow Agent to be held in escrow as set forth below.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Section 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser or subscriber purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in this Offering Plan or in a purchase agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the plan, will be placed, within five (5) business days after receipt of such instrument by the Escrow Agent, in a segregated special escrow account of Harris Beach PLLC, the Escrow Agent, whose address is 99 Garnsey Road, Pittsford, New York 14534 and whose telephone number is (585) 419-8800.

The signatories authorized to withdraw funds on this account are: Kevin L. Overton and Charles W. Russell, both of whom are members at Harris Beach PLLC.

The name of the account is "Glenbrooke Patio Homes Homeowners' Association Escrow Account" located in Five Star Bank, 220 Liberty Street, Warsaw, New York 14569. This bank is covered by the federal deposit insurance corporation (FDIC) to a maximum at any given time of \$250,000 per individual Account. (If total deposits in the account exceed \$250,000 at any given time, it is a special risk of this offer that such deposits will not be federally insured in excess of \$250,000)

The escrow account will not be an Interest On Lawyer's Account (IOLA) pursuant to Judiciary Law Section 497 and interest shall be earned by Purchaser. The interest rate for all deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to the Purchaser within two weeks after closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Within ten business days after tender of the deposit submitted with the purchase agreement, the escrow agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number. If the Purchaser does not receive notice of such deposit within fifteen business days after tender of the deposit, the Purchaser may cancel the

purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit or Purchaser may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Since all contracts are contingent upon the plan's becoming effective, under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the plan.

The escrow agent will hold funds in escrow until otherwise directed in

- (a) a writing signed by both Sponsor and purchaser; or
- (b) a non-appealable judgment or order of a court of competent jurisdiction; or
- (c) accordance with the terms and conditions of the escrow agreement upon closing.

If there is no written agreement between the parties to release the escrowed funds, the escrow agent will not pay the funds to the Sponsor until the escrow agent has given the purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to the Builder.

The Sponsor will not object to the release of the escrowed funds to

- (i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan;
- (ii) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

It is expected that the first closing of a unit will occur approximately September 1, 2018. If the first closing is delayed for any reason whatsoever beyond September 1, 2019, Purchasers will be offered the right to rescind any purchase contract.

There shall be no forfeiture of any deposit unless all contingencies have been satisfied, the closing date set forth in the contract has passed and Sponsor has made a written demand for payment after default at least thirty (30) days before forfeiture of the deposit has been declared.

At Sponsor's option, Purchasers who have received the plan and all filed amendments will be afforded:

1. not fewer than seven (7) days after delivery of an executed purchase agreement together with the required deposit to rescind the purchase agreement, and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor within the seven (7) day period or mail the notice of rescission to the Sponsor and have the mailing post-marked within the seven (7) day period; or
2. not fewer than three (3) business days to review the offering plan and all filed amendments prior to executing the purchase agreement.

The Sponsor shall have seven (7) days from receipt of executed purchase contract and deposit to either accept or reject the contract. If Sponsor does not accept and return a fully executed copy of the contract to the Purchaser within said seven (7) days, the contract will be deemed rejected and the deposit shall be refunded to the Purchaser.

The risk of loss from fire or other casualty remains with Sponsor unless and until a Purchaser takes actual possession of the unit pursuant to an written agreement with the Sponsor or legal title to the home has been conveyed to the Purchaser.

The purchase contract provides that it may be submitted subject to the Purchaser obtaining mortgage financing. If the Purchaser elects to make the contract subject to mortgage financing it must promptly submit an application for financing following execution of the contract and diligently pursue loan approval in good faith. If the Purchaser fails to obtain the required financing within thirty (30) days, either Purchaser or Sponsor may terminate the contract, all deposits, including and interested accrued thereon, will be returned and neither party will have any further liability under the contract. All financing will be negotiated directly by Purchasers independent of the Sponsor and the terms and conditions of any financing are the responsibility of the Purchaser. In the event that the purchase contract is subject to the Purchaser obtaining a financing commitment and the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment, Sponsor shall grant Purchaser a right of recession within five (5) business days following the expiration of the financing commitment.

If the Purchaser elects not to make the contract contingent on financing and is unable to complete the closing, or if the Purchaser's financing commitment contains conditions which Purchaser has accepted but is unable to meet, the Purchaser may be in default under the purchase contract and may forfeit the deposit and any interest accrued thereon.

Upon default of Purchaser under the purchase contract, the Sponsor may retain the deposit, including accrued interest thereon, as liquidated damages. In addition, the Sponsor, at its option, may pursue additional remedies such as specific performance or money damages. If Purchaser delays closing beyond the agreed upon settlement date set forth in the contract, Sponsor, at its option, may demand a late fee computed at the rate of eight percent of the unpaid balance per annum (Exhibit A of Part II, page 15).

In addition, Builder may retain as additional damages any funds paid by Purchaser for special work ordered in an amount equal to any funds disbursed by Seller for such special work.

The purchase contract contains various dates by which the parties are to complete certain tasks or certain events are to occur, failure to perform in a timely manner would result in default under the contract by the party failing to perform. Such a default could result in termination of the contract including loss of Purchaser's deposit.

The purchase agreement and Plan do not contain and may not be modified to contain any provision waiving purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

The purchase contract provides that it is personal to the parties and may not be assigned by Sponsor or Purchaser without the consent of the other party, except for an assignment by Sponsor as collateral security for construction financing.

Any conflict between this Offering Plan and the contract of sale will be resolved according to the terms of this Plan.

TERMS OF SALE

All property to be conveyed to the Homeowners Association will be conveyed by a full warranty deed. A copy of the proposed deed is included in Part II of this plan as Exhibit C. The Sponsor is obligated to repair any damage to the property to be conveyed to the HOA from a casualty or any other cause which occurs prior to the transfer of the property to the HOA. Title to the HOA property will be conveyed to the HOA free and clear of all liens and encumbrances and title exceptions other than those described in this Offering Plan and the proposed HOA deed. Title exceptions will include such state of facts shown on the site plan included in Part II as Exhibit D including those easements set forth on the site plan. In addition, the Declaration of Covenants, Conditions and Restrictions set forth in Part II as Exhibit F in this Plan shall be recorded prior to the first conveyance of title to a home in accordance with the disclosure set forth in this Offering Plan. That declaration shall be recorded in the Monroe County Clerk's Office.

The transfer of title of individual units to unit owners shall take place only after or concurrently with the issuance of the certificate of occupancy for the unit being conveyed.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. The Sponsor will defend any suits or proceedings arising out of Sponsor's acts or omissions and indemnify the Board of Directors in any of said suits or proceedings.

2. All representations under the Offering Plan, obligations pursuant to the General Business Law and such additional obligation under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

3. This Offering Plan is for sixty-eight (68) lots. The Common Area will include a road, detention ponds and landscaping. Common property improvements will be started when Sponsor begins construction and will be completed as required for issuance of certificates of occupancy for each unit. The projected approximate time table for the completion of the project is September 1, 2020.

4. The Sponsor has closed on construction financing through the Five Star Bank to cover the cost of all improvements to HOA property for all phases of the project.

5. The Sponsor will complete all Association property in accordance with the specifications identified in this Plan. Sponsor reserves the right to substitute materials and make modifications in design provided it does not substitute materials of lesser quality or design.

6. Sponsor will pay for all improvements in the development and for the installation of all Association property that Sponsor is obligated to complete under the Plan and will cause all mechanic's liens with respect to such construction to be promptly discharged or bonded.

7. The Sponsor will file the declaration, will convey the Association property to the Association and record a release of the association property from the lien of the construction loan prior to closing title to the first lot. The Sponsor will complete the construction of the private road

serving the lots, (excepting the finished surface which is expected to be completed by April, 2018), and any other facilities that are vital to the health and safety of the owners prior to closing title of the first lot. Some final Association landscaping and completion of the finished surface of the road may not be completed at the time of transfer of title to the lots. If the municipality permits occupancy and Sponsor escrows funds for completion, closing may occur if uncompleted items are not vital to the health and safety of the owners.

8. Upon completion of the development the Sponsor will deliver a set of “as built” plans of common property improvements to the Board of Directors including specifications of roads, and a representation that the plans and specifications are in substantial compliance with the terms of the Offering Plan. If the plans or specifications, as built, are not in substantial compliance with the terms of the Offering Plan, the plan will be amended and rescission will be offered to all purchasers and members.

9. The Sponsor does not intend to furnish any bond or other security to secure its obligation to complete the Association property except for those bonds required by the Town of Henrietta in connection with dedication of the water and sewer systems. If it becomes necessary to repair roads, an additional charge may be incurred by the unit owners.

10. As long as Sponsor is in control of the Board of Directors, Sponsor shall procure fire and casualty insurance for the HOA property pursuant to an agreed amount replacement cost policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule A.

11. In the event of the dissolution or liquidation of the Sponsor or the transfer of three or more units to a Purchaser, the principals of the Sponsor will provide financially responsible entities or individuals who at the time of engaging in sales activity will assume the status and all of the obligations of the Sponsor for those transferred units under the Offering Plan applicable laws or regulations. If the original Sponsor is dissolved or liquidated, the principals of the original Sponsor will guarantee the obligations of the new Sponsor.

12. As long as Sponsor has unsold units which are offered for sale pursuant to this Offering Plan, Sponsor shall amend the Plan whenever there is a change in the budget or when one (1) year has passed since the budget was last updated. The prior years’ certified financial statements for the HOA will be included even if Sponsor assumes responsibilities for all HOA operating expenses. The financial statements will be submitted within four (4) months after the end of the latest fiscal year of operation of the HOA.

13. Sponsor will retain the right for itself of access through the property being offered under this Plan to complete all units offered under this Plan. Sponsor will remain liable for any damage caused as a result of this right to the Association’s property. At no time will Sponsor obstruct the Association members’ access to their lots over the common roadway or other parts of the Association property.

14. Title to common property will be insured at the time of transfer to the Association by Chicago Title Insurance Corporation, a company authorized to do business in the State of New York. The title insurance policy will be written in the amount of \$7,679.00.

15. If any mortgages or liens remain on the property covered by this Plan following the conveyance of the first lot, the lien or mortgage will be subordinate to the Declaration.

16. The Sponsor shall pay, as its share of the common area charges, the lesser of (1) an amount equal to the difference between the assessments charged to individual lot owners as

estimated in the projected budget and actual expenses of operating the Association (including budgeted amount for reserves); or (2) the maintenance and special assessments on all unsold lots. The Sponsor represents that it has the financial resources to meet its obligations under this paragraph including institutional financing, income from projected sales and from other funds of Sponsor and its principals.

17. The Sponsor will complete landscaping of the common areas. The Sponsor does not guarantee the continued health or vigor of any plants or trees.

18. At or prior to the transfer of the HOA property to the HOA, Sponsor shall assign any manufactures warranties with respect to the equipment and appliances installed in the HOA property to the Board of Directors.

19. Sponsor shall amend the plan after completion of the private road and sanitary sewer lines, but prior to the conveyance of the common property to the HOA, to include a certification by an engineer or architect (who must be registered as an architect or be licensed to practice as a professional engineer in the jurisdiction where the HOA is located) stating that the road and sewer lines have, in fact been constructed in accordance with such local governmental specification, and indicating the date of completion.

CONTROL BY SPONSOR

The Sponsor may retain control of the Board of Directors for a period of up to five (5) years after the transfer of the first lot or when fifty percent (50%) of the lots have closed, whichever is sooner. This control is retained through the power to designate the Directors of the Association. At such time as fifty percent (50%) of all lots have been transferred or five (5) years after the closing of the first lot or at such earlier date as Sponsor turns over control of the Association to the lot owners all lot owners shall have an equal vote in the election of the Directors and all other matters as defined by the By-Laws. The Sponsor may not exercise veto power over expense described in the Schedule A of this Offering Plan or over expenses required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by insurer.

During the period that the Sponsor is empowered to elect the Directors, no mortgage liens will be placed on the Association property without the consent of at least fifty-one percent (51%) of the lot owners excluding the Sponsor or Sponsor's nominees. Certified financial statements for Association activities will be provided to members each year for so long as the Sponsor remains in control of the Board of Directors.

As long as Sponsor has unsold lots which are offered for sale pursuant to this Plan the Sponsor shall amend the Plan to extend the offering or whenever there is a change in the budget or when one (1) year has passed since the last budget was updated. The amendment shall include the prior year's certified financial statements.

THE HOMEOWNERS ASSOCIATION

Prior to the conveyance of the first lot in this Subdivision the Sponsor will record the Declaration of Covenants, Conditions and Restrictions ("Declaration") in the Monroe County Clerk's Office, which will affect all the land in this Subdivision. Each lot in the subdivision will be conveyed subject to the Declaration and each purchaser will become a member of the Homeowners Association. The Association is formed for the purpose of owning all HOA property, governing its use and maintenance and carrying out those responsibilities assigned to it under this Plan, the Declaration and By-laws. By its terms ownership of a lot mandates membership in the Association. The only members of the Association will be lot owners and all lot owners will automatically become members.

All lots are subjected to the Declaration to provide lot owners with assurance that certain services and amenities are provided for all owners in the project. There will be sixty-eight (68) lots whose owners are members of the Homeowners Association. Although the Sponsor contemplates completion of the entire development within three (3) years after commencement of construction there is no time limit placed on the Sponsor for completion.

The Declaration shall run with the land and be effective in perpetuity following the recording of the Declaration, unless terminated or shortened by affirmative vote of not less than eighty percent (80%) of the lot owners.

There are no restrictions on who may purchase a lot and become a member of the Homeowners' Association except that occupancy is limited to single family residential use.

No alterations may be made to the exterior of the dwelling or the lot or mailboxes, without prior consent of the Board of the Association. No large motor vehicles (excluding small private passenger vehicles), trailers, boats or campers, may be stored at the premises except within the garages. Small private passenger vehicles shall be stored and parked in the garage or on the driveways. No motorized vehicle of any kind shall be allowed on any pedestrian path, except for maintenance vehicles, and motorized assistance given to disabled people.

Each lot shall be conveyed subject to certain easements as more particularly set forth in the Declaration. An easement is reserved to all public authorities and utility companies over any part of the property provided it does not interfere with any improvements. A blanket easement is established over all the property subject to the Declaration for the installation, maintenance, and repair of all utilities and for the entry by the Association or its agent to provide the services as needed.

Any land or construction loan mortgage on any part of the planned development will be subordinate to the Declaration.

Members are responsible for the purchase and maintenance of all other insurance on their units. Liability insurance will be maintained by the Association for Association properties, and the cost of all insurance obtained by the Association will be included in the common charges.

Any purchaser of property in the development will take title subject to the Declaration. However, any mortgagee who acquires title through foreclosure or by Deed in Lieu of Foreclosure will take title free and clear of the lien for delinquent common charges. It will be liable, however, for common charges which accrue after it takes title.

The Association will be incorporated under the New York State Not-for-Profit Corporation Law prior to the conveyance of the first Lot. The Association is governed by the Declaration and by the By-Laws which set forth the rules for the operation of the Association.

The Association will be run by a Board of Directors consisting of five (5) members. Initially the Association will be run by a Board with three (3) directors, these directors need not be members of the Association. The initial directors will be selected by the Sponsor who will have the power to elect the directors until fifty percent (50%) of all lots are transferred or five (5) years after the first unit is transferred, whichever first occurs. After the Sponsor's control of the Board has terminated, directors will be elected by members of the Association in good standing, and will serve for staggered terms of two (2) and one (1) year terms. So long as the Sponsor holds title to at least one (1) lot or unit, it shall have the right to appoint one (1) member of the Board of Directors. Board members may be removed with or without cause by the affirmative vote of a majority of all the members of the Association. The Board of Directors shall declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings. The directors' regular meeting time and place shall be determined by them. The first meeting of the Board of Directors will be held within thirty (30) days after the transfer of title to the first lot.

The officers of the Association shall be the President (who shall be a Member of the Board of Directors), one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Two or more offices may not be held by the same person. Officers may be removed and replaced by vote of the directors at any meeting.

Each member of the Association shall be entitled to one (1) vote for each lot or unit owned in the Association. A member is the owner of any lot or unit. If more than one person owns a lot or unit jointly, they shall jointly be considered a member and they shall share one vote. Prior to the transfer of fifty percent (50%) of all lots or five (5) years after the sale of the first lot, whichever first occurs, the Sponsor shall have one vote and it alone shall designate the directors.

The activities of the Association shall be governed by a majority vote of the members. However, special assessments may be made only with the concurrence of two-thirds of the votes of the members. The Declaration may be amended only by favorable vote of not less two-thirds of the votes of the members. So long as the Sponsor holds title to any lot or unit, the written consent of the Sponsor will be required for any amendment which adversely affects a substantial interest or right of the Sponsor, as determined by Sponsor, which consent may be withheld by Sponsor in its sole discretion. The initial Board of Directors shall consist of:

Patrick A. Marrano
2730 Transit Road
West Seneca, New York 14224

James P. Marrano
2730 Transit Road
West Seneca, New York 14224

David A. DePaolo
2730 Transit Road
West Seneca, New York 14224

Patrick A. Marrano is the sole shareholder and a director of the Sponsor of this offering. James P. Marrano is the other director and an Executive Vice President of the Sponsor. David A. DePaolo is an Executive Vice President of the Sponsor.

Each lot will be subject to an annual assessment for common area maintenance, insurance, and related expenses. Special assessments will be charged as needed.

The assessments will be levied on an annual basis as set by the Association's Board of Directors. The assessments will be calculated by the Board no later than December 1st of each year for the succeeding year. The annual assessment shall be paid by each owner on the first day of each month or as determined by the Board of Directors. Assessments will be pro-rated for each purchaser based on the date of closing.

Special assessments may be imposed by the Board with the assent of at least two-thirds of the Association members.

The annual assessments and any special assessments shall be paid equally by all lot owners.

All common assessments and special assessments are the personal obligation of the lot owner and, in addition, are liens against a lot owner's lot. If the assessment is not paid when due the lot owner is in default and the assessment will bear interest at a rate equal to the maximum rate then permitted by law after thirty (30) days following the due date. In addition, the lot owner will be liable for any cost and expense incurred by the Association in collecting delinquent assessments. The Association may enforce the lien for assessments through a foreclosure action similar to a mortgage foreclosure which may result in the eventual sale of the property to pay for delinquent charges, interest and expenses.

The obligation to pay assessments is personal to the lot owner and will not pass to subsequent owners unless specifically assumed. The lien for the assessments will, however, continue even after transfer of title except in the event of foreclosure of a first mortgage lien or transfer of title to a first mortgagee by deed in lieu of foreclosure.

Owners who are delinquent in charges may be prohibited by the Association from using any common facilities other than the access road while they are delinquent. A lot owner's voting rights will not be suspended even though he is delinquent in payment of assessments.

The Board of Directors may levy fines for the violation of the Restrictions as stated in the Declaration, for violations of the By-Laws, and for violations of the rules and regulations promulgated by the Homeowners' Association. Unpaid fines will become unpaid assessments and will become a lien upon the property.

Sponsor agrees that after the first closing has occurred it will be obligated for (1) the difference between the actual Association expenses, including reserves applicable to completed improvements as provided for in the projected Association's budget, and the Association charges levied on lot owners who have closed title to their lots as projected in Schedule A of this Plan; or (2) pay the maintenance and special assessments for all unsold lots.

OPINION OF COUNSEL

The opinion of counsel to the Sponsor is on the following pages.

October 30, 2017

Patrick A. Marrano
The Marrano/Marc-Equity Corporation
2730 Transit Road
West Seneca, NY 14224

Re: Glenbrooke Patio Homes Homeowners Association, Inc.

Dear Mr. Marrano:

You have asked us to render an opinion as to the various legal matters described below for inclusion in an Offering Plan for the Glenbrooke Patio Homes Homeowners Association, Inc. (the "Association") which will be filed with the New York Attorney General pursuant to Part 22 of Volume 13 of the New York Codes, Rules and Regulations.

As the basis for our opinion, we have examined the Offering Plan for the Association dated October 30, 2017 (and the Exhibits referred to therein and attached thereto, including the Association's Certificate of Incorporation and By-Laws and the Declaration of Covenants, Conditions and Restrictions governing the Association's property. We have also examined the applicable federal and New York State tax laws, regulations, rulings and judicial decisions relevant to our opinion.

Under present law, regulations, rulings and judicial decisions and based on the terms of the Offering Plan, it is our opinion that:

1. The Declaration of Covenants, Conditions and Restrictions, when recorded in the office of the Clerk of Monroe County, will be legal and valid.
2. The members of the Association will not be entitled to deduct any portion of Association membership dues, fees or assessments for federal or New York State income tax purposes.
3. Assuming that the Association duly elects such status by annually filing a Form 1120-H U.S. Income Tax Return with the appropriate office of the Internal Revenue Service on or before the fifteenth day of the third month after the end of its taxable year and further assuming that, in accordance with the projected schedules of receipts and expenses appearing in the Offering Plan, 60% or more of the gross income of the Association for each taxable year will consist solely of amounts received as membership dues, fees or assessments and 90% or more of its expenditures each taxable year will be for the acquisition, construction, management, maintenance, and care of Association property, the Association will qualify as a tax-exempt homeowners organization described in section 528 of the Internal Revenue Code of 1986, as amended. However, such an organization is exempt only to the extent of its exempt function income, defined by section 528(d)(3) to mean any amounts received as membership dues, fees, or assessments from owners of real

property within the Association. Net income of other types as described in section 528(d)(1) and subject to the modifications set forth in section 528(d)(2), will be taxable at a flat rate of 30% pursuant to section 528(b).

4. Section 277 of the Internal Revenue Code applies only to organizations which are not exempt from taxation and will not apply to the Association if it qualifies under section 528, as described above.

5. All Association property and the lots sold in conjunction with the Association will conform to applicable zoning ordinances and statutes.

6. Even if it qualifies under section 528 of the Internal Revenue Code as described above, the Association will not be exempt from New York State and local sales taxes.

7. Even if it qualifies under section 528 of the Internal Revenue Code as described above, the Association will not be exempt from New York State corporate franchise taxes. The Association's franchise tax liability will be determined by making several alternative calculations, with the one producing the highest tax controlling. However, federal taxable income as determined under section 528(d) of the Internal Revenue Code will be used in making the alternative franchise tax calculations based on the net income or taxable income of the Association. Thus, those computations will exclude from franchise taxes the exempt function income the Association derives from membership dues, fees and assessments. Moreover, if, in a particular taxable year, the Association has no taxable income as determined under section 528(d) of the Internal Revenue Code, the Association will not be subject to the fixed dollar minimum corporate franchise tax that would otherwise apply.

We express no opinion with respect to any matters not expressly set forth herein, and our opinion is based solely on the facts and documents referred to above. Although we have assisted in the preparation of the Offering Plan and the Exhibits referred to therein and attached thereto, we have not independently verified the accuracy, completeness and fairness of the factual information contained therein, and, accordingly, we express no opinion as to whether the Association has made any untrue statement of a material fact or omitted to state any material fact necessary in order to make any statements made, in light of the circumstances under which they are made, not misleading.

No warranties are made that the laws, regulations, rulings or judicial decisions upon which we have based our opinion will not change. In no event will the sponsor, the sponsor's counsel, the Association, the Association's counsel, the selling agent or any other person be liable if, by reason of future changes in fact or applicable law, regulations, rulings or judicial decisions, the status of, or the rules governing, the Association shall cease to be as opined above.

Very truly yours,

HARRIS BEACH PLLC

By: s/KLO

Kevin L. Overton

LOCAL GOVERNMENT APPROVAL

On January 10, 2017 the Town of Henrietta Planning Board granted Final Subdivision Approval for the project (68 lots) to allow the development of this project. A copy of the Subdivision Plan for the project has been filed in the Monroe County Clerk's Office and a copy will be provided to the HOA.

RESERVE FUND

The Board of Directors shall establish a General Reserve Fund primarily for maintenance activities associated with the road, fencing, drainage (detention ponds), street lights and mailboxes. As shown on the proposed budget the General Reserve Fund will be \$220.40 per lot per year. There will be no initial contribution from the Sponsor, although the Sponsor will contribute on an ongoing basis so long as it owns at least one (1) lot or unit. It is estimated that sufficient funds will be available for road, fence, drainage, street light and mailbox maintenance. If additional funds are needed the Association's Board of Directors is empowered to levy special assessments subject to a two thirds (2/3) vote of approval by the membership. While the Sponsor is in control of the Board of Directors, the General Reserve fund shall not be used to reduce projected maintenance charges or to fulfill Sponsor's obligation to pay a deficit. Neither the Department of Law nor any other government agency has passed on the adequacy of the General Reserve fund.

WORKING CAPITAL FUND

There will be no Working Capital Fund. The HOA Board of Directors may, in its discretion, establish such a fund at some future time.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Initially, Sponsor has retained Realty Performance Group, Inc. (the "Management Company") for the management of the Association. This will be under a three (3) year agreement with an annual fee of Fifteen Thousand and 00/100 Dollars (\$15,000.00). The major duties will be the collection of Association assessments, payment of bills for services rendered, purchase supplies, bookkeeping, provide budgets and operating statement and employ contractors for common area maintenance services, trash removal, and driveway plowing.

The Association will be liable for reimbursement of any expenses incurred by the Management Company under the agreement and will indemnify the Management Company against liability for any acts properly performed by it under the agreement.

The management agreement is not assignable by the Management Company to any other party except in connection with the sale of its entire business. The Board of Directors and/or the Management Company may terminate the management agreement under limited circumstances as set forth in the Agreement.

There are no other contracts or leases which bind the HOA.

IDENTITY OF PARTIES

The Sponsor, The Marrano/Marc-Equity Corporation, is a Florida corporation formed in May 1983 and is duly authorized to conduct business in the State of New York and the Secretary of State is designated as Agent for service of process upon the corporation. The principals of the Sponsor are Patrick A. Marrano, James P. Marrano and David A. DePaolo. The principal office of the corporation is at 2730 Transit Road, West Seneca, New York 14224. Neither the Sponsor, nor any of its principals have any prior felony convictions or any prior bankruptcies, convictions, injunctions or judgments that may be material to this offering or an offering of securities generally and that have occurred within the past 15 years.

The Sponsor and its principals have been involved in the following prior offerings within the State of New York within the last five (5) years:

- A. Central Square Villas Condominium (File No. CD 09-0122)
339 Pleasant View Drive, Lancaster, Erie County, New York 14086, as Sponsor
- B. Greythorne by Marrano Condominium (File No. CD 07-0577)
6330-6350 Main Street, Amherst, Erie County, New York 14221, as Sponsor
- C. Hickory Grove Village Condominium (File No. CD 06-0258)
211 French Road, Cheektowaga, Erie County, New York 14227, as Sponsor
- D. Springbrook Shores Homeowners Association, Inc. (File No. H 05-0018)
Rice Road, Elma, Erie County, New York 14059, as Sponsor
- E. Summerfield Farms Phase IV Homeowners Association (File No. HO 06-0054)
Avian Way, Lancaster, Erie County, New York 14086, as Sponsor
- F. The Courtyard at Pleasant Meadows Condominium (File No. CD 07-0185)
Pleasant View Drive and Juniper Boulevard, Lancaster, Erie County, New York 14086,
as Sponsor
- G. Woodstream Estates Homeowners Association, Inc. (File No. HO 05-0078)
Rogers Road, Hamburg, Erie County, Hamburg, New York 14075, as Sponsor
- H. Laurel Park Condominium (File No. CD 05-0491)
5831 Transit Road, Clarence, Erie County, New York 14032, as Sponsor
- I. Juniper Landing Condominium (CD160242)
Cherryfield Lane, Lancaster, New York 14086, as Sponsor
- J. Patios at Windstone Condominium (CD170029)
Northhill Drive, Williamsville, New York 14221, as Sponsor

K. Townhomes at Windstone Condominium (CD170251)
Northhill Drive and Old Tower Lane, Amherst, NY 14221, as Sponsor

L. Summerwind Condominium (CD170288)
Saybrook Drive, Lancaster, New York 14086, as Sponsor

The Sponsor is current with all of its financial obligations relating to the foregoing offerings. Neither the Sponsor, nor any of its principals have any prior felony convictions or any prior bankruptcies, convictions, injunctions or judgments that may be material to this offering or an offering of securities generally and that have occurred within the past 15 years.

1. Patrick A. Marrano, having a business address of 2730 Transit Road, West Seneca, New York, is the sole shareholder and director of The Marrano/Marc-Equity Corporation since August 5, 1983. As Western New York's leading, locally-owned home builder, The Marrano/Marc-Equity Corporation has more than 60 years of experience in the construction industry. Patrick has been the leader of the organization since 1983 and has helped the company to grow into one of the top 300 home builders in the United States, with just under 15,000 homes built and among the Buffalo area's top 100 privately held companies.

2. James P. Marrano, having a business address of 2730 Transit Road, West Seneca, New York, has been a director and officer of The Marrano/Marc-Equity Corporation since December 8, 2004. James is the executive vice president of Operations and a 20+ year employee of The Marrano/Marc-Equity Corporation who has worked in the Sales Department, Land Department and Custom Home Division.

3. David A. DePaolo, having a business address of 2730 Transit Road, West Seneca, New York, is an officer of The Marrano/Marc-Equity Corporation since October 5, 1995. David is an Executive Vice President responsible for land acquisition, project planning and approvals and site development for all single family subdivisions, town home and patio home communities in addition to diversified ventures outside western NY and has been with The Marrano/Marc-Equity Corporation since September 1995.

4. This Offering Plan has been prepared by Kevin L. Overton, a member of the law firm of Harris Beach PLLC, 99 Garnsey Road, Pittsford, New York 14534 which is the Sponsor's escrow agent and will be responsible for closings.

5. The Sponsor retained Passero Associates, 242 West Main Street, Suite 100, Rochester, NY 14614, to advise it with respect to all engineering municipal approval and architectural matters and to review, comment on and render the engineer's certification regarding the common areas. Founded in 1972, and with a staff of over 80 professionals Passero Associates provides high-quality, value-oriented planning, engineering, architectural design, surveying, sustainability, program management, design-build, construction administration and inspection services throughout the northeastern, midwestern and southeastern United States.

6. Realty Performance Group, Inc. has its principal office at 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, has been retained to be the property manager for the Project. Realty Performance Group, Inc. has over 28 years of experience in the management of homeowners associations, condominiums and commercial office and retail. Robert Marvin is a member of the Community Associations Institute (CAI) and holds designations as a Real Property Administrator and Facilities Manager Administrator from Building Owners and Managers Institute (BOMI) since 2001. Realty Performance Group currently is the managing agent for forty-five homeowners associations and condominiums, totaling over 3,700 living units. Neither the Mr. Marvin, nor any of its principals have any prior felony convictions or any prior bankruptcies, convictions, injunctions or judgments that may be material to this offering or an offering of securities generally and that have occurred within the past 15 years.

REPORTS TO MEMBERS

The Homeowners Association through its Board of Directors will have available for inspection by all members a financial statement prepared by a certified public accountant or a public accountant on an annual basis no later than one hundred twenty (120) days after the end of the Association's fiscal year. Such statement shall be a certified statement for so long as Sponsor is in control of the Board of Directors. In addition, all members will have notice at least thirty (30) days prior to the annual members meeting. A copy of the proposed annual budget of the HOA will be delivered to all unit owners at least five (5) days prior to date set for adoption of that budget by the Board of Directors.

DOCUMENTS ON FILE

The Sponsor shall retain copies of the Offering Plan and parts A, B and C of the Exhibits and documents referred to in the plan on file at 2730 Transit Road, West Seneca, New York 14224 for at least six (6) years after the closing of the first lot. These documents will be available for inspection and copying at a minimal charge during normal business hours. Sponsor shall deliver to the Board of Directors of the HOA a copy of all documents filed with the Monroe County Clerk at the time of closing for the first patio home unit.

GENERAL

There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the property, Sponsor's capacity to perform all of its obligations under the Plan or operation of the Homeowners Association.

The property offered under this Plan is not the subject of any prior offering and no preliminary nonbinding or binding agreements have been entered into, and no deposits or advances of funds have been accepted, nor money collected from prospective purchasers as of the date of this Plan.

The Sponsor and its agents will not discriminate against any person based on race, creed, color, sex, national origin or any other basis prohibited by state or federal civil rights laws.

If Sponsor files a material amendment to this Offering Plan which adversely affects the Purchasers, Sponsor will grant Purchasers a right of rescission to be exercised by Purchaser within fifteen (15) days of the date of delivery to Purchaser of the copy of the amendment the explanation of the right to exercise the right to rescind. If a contract is rescinded pursuant to this paragraph, the Sponsor will return any deposit or down payment to the Purchaser who rescinds.

No contracts or agreements have been entered into and no deposits or advances of funds have been accepted as of the date this Plan was accepted for filing with respect to this offering by the Sponsor.

Dated: February 22, 2018

THE MARRANO/MARC-EQUITY ORPORATION,
SPONSOR

By: s/PAM
Patrick A. Marrano,
Director

PART II
EXHIBITS

PURCHASE AGREEMENT
GLENBROOKE PATIO HOMES

THIS AGREEMENT ("Agreement" or "Contract") made the ____ day of _____, 20__ by and between **THE MARRANO/MARC-EQUITY CORPORATION**, a Florida corporation, having an office at 2730 Transit Road, West Seneca, New York, 14224, hereinafter called "**Seller**", "**Sponsor**" or "**Developer**", and _____ residing at _____ hereinafter called "**Purchaser**" (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, Purchaser is desirous of purchasing real property in the Town of Henrietta, County of Monroe and State of New York, specifically described as Subdivision Lot No. _____ as shown on the Map(s) filed in the Monroe County Clerk's Office in Liber 354 of Maps at pages 66 and 67, being approximately _____ feet in width and approximately _____ feet in depth and commonly known as _____, Town of Henrietta, County of Monroe, State of New York (hereinafter referred to as the "Premises"). The Premises is or will be improved with a residential dwelling ("Dwelling" or "Unit") built in accordance with Seller's plans and specifications for a/an _____ on file in the office of Seller, and which are incorporated into this Agreement by reference, except for those "Extras", changes or deletions, if any, set forth in any Addenda or Supplements attached hereto or executed by the Parties at a future date; and

WHEREAS, Purchaser has received, at least three (3) business days prior to the execution of this Agreement, and has read, the Offering Plan (the "Plan") containing the Declaration, By-Laws, Rules and Regulations, and Limited Warranty for the Glenbrooke Patio Homes Homeowner's Association ("HOA"), all of which are incorporated herein by reference and made a part of this Agreement with the same force and effect as if fully set forth herein. Purchaser acknowledges that Purchaser is purchasing an interest in said HOA and that, except as stated in this Agreement (and as set forth in the Declaration, By-Laws, Rules and Regulations, and Limited Warranty), Purchaser has not relied on any representations or other statements of any kind or nature made by

Seller. Purchaser hereby agrees to be bound by the Declaration, By-Laws and Rules and Regulations of the HOA as the same may be amended from time to time.

The Purchaser acknowledges and understands that the Premises is located in a development which includes membership in a Homeowners Association and which is managed by a Homeowners Association.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. Unit, Price, Payment. Seller hereby agrees to sell and Purchaser hereby agrees to purchase Subdivision Lot No. _____, commonly known as _____, _____, _____, State of New York, for the price of \$ _____, payable as follows:

The total deposit required is 15% of the purchase price ("Deposit"), payable by check, money order or other negotiable instrument made payable to the order of "Glenbrooke Patio Homes Homeowner's Association Escrow Account".

- a. Upon the signing of this Agreement: \$ 1,000.00
- b. Prior to start of construction: \$.00
(balance of 15% Deposit)
- c. Upon delivery of the deed as hereinafter provided, by certified or cashier's check, drawn on New York State bank(s), or cash (not to exceed \$500.00). **No Credit**
- Union checks without prior approval from Seller:** \$ BALANCE*

*In addition to the adjustments set forth in Paragraph 10, the "Balance" due to Seller at the time of Closing shall include the cost of any extras or up-grades. Purchaser shall be credited for any additional Deposits and any credit Supplements executed by the Parties.

- d. The Sponsor is responsible for complying with the Escrow and Trust fund provisions of Section 352-e (2-b) and 352-h of the New York General Business Law and The Attorney

General's regulations promulgated pursuant thereto, as same may be amended from time to time. The Escrow Agreement is attached hereto and made a part hereof.

- e. The law firm of Harris, Beach, PLLC, with an office address of 99 Garnsey Road, Pittsford, New York, 14534, telephone number 585-419-8800, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories on the escrow account: _____ . All designated signatories are admitted to the practice of law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.
- f. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance or release of the Deposit from escrow.
- g. The Escrow Agent has established the escrow account at _____, located at _____, Rochester, New York, _____, ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Glenbrooke Patio Homes Homeowner's Association Escrow Account" ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC up to the maximum amount of \$250,000 per deposit. Any Deposit in excess of \$250,000 will not be insured.
- h. All Deposits received from Purchaser shall be in the form of check, money order or other negotiable instrument, and shall be made payable to the order of "Glenbrooke Patio Homes Homeowner's Association Escrow Account".

- i. The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to the Purchaser within two (2) weeks after Closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.
- j. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Escrow Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of placing the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.
- k. The Escrow Agent is obligated to send notice to the Purchaser when the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY, 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

- l. All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.
- m. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e (2-b) and 352-h.
- n. The Escrow Agent shall release the Deposit if so directed:
 - (i) Pursuant to terms and conditions set forth in this Purchase Agreement upon closing of title to the Premises; or
 - (ii) In a subsequent writing signed by both Sponsor and Purchaser; or
 - (iii) By a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above and the Escrow Agent receives a request by either Party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both Parties informing them of said release. If the Escrow Agent receives a written notice from either Party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above.

Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Premises is located and shall give written notice to both Parties of such deposit.

The Sponsor shall not object to the release of the Deposit to:

- (i) A Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (ii) All Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

- o. Any provision of this Purchase Agreement, or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e (2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.
- p. Escrow Agent shall maintain the Escrow Account under its direct supervision and control.
- q. A fiduciary relationship shall exist between Escrow Agent and Purchaser. Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e (2-b) and 352-h.

- r. Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper Party or Parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.
- s. Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.
- t. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e (2-b) and 352-h and the New York State Department of Law's regulations.
- u. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and a copy of this Purchase Agreement.
- v. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.
- w. Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or

representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

- x. In accordance with Sections 352-e (2-b) and 352-h of the General Business Law, Seller will hold all monies received by it prior to the closing date through its agents or employees, except for monies paid under a lease agreement between Seller and Purchaser for which credit is given herein, in trust until actually employed in connection with the consummation of the transaction. Upon Closing, Purchaser agrees that deposits and advances held in trust may be released to the Seller.
- y. The Parties shall enter into a separate Escrow Agreement with the Escrow Agent in form shown on the attached Escrow Agreement, in accordance with the terms of this Agreement.

2. Mortgage Commitment.

_____ A. Purchaser agrees to promptly and in good faith apply for a mortgage loan in the amount of \$_____ at the prevailing interest rate. Should a mortgage commitment letter not be obtained by _____, either Party may cancel this Agreement by giving written notice of such cancellation to the other Party, in which event the Seller shall cause the Deposit to be returned to the Purchaser, with interest (if any), and this Agreement shall terminate and neither Party shall have a claim against the other. When Purchaser has received the mortgage commitment letter as specified herein, this contingency shall be deemed forever waived.

In the event the Purchaser requests the Seller to commence construction of the Dwelling prior to obtaining financing, the mortgage contingency contained herein must be waived in writing by the Purchaser prior to the start of construction.

OR

_____ B. Cash purchase. No financing required.

3. Changes. Seller reserves the right to make such changes and/or substitutions in the construction of the Dwelling as may be necessary because of the unavailability of materials or supplies through Seller's ordinary and usual sources of supply, as may be required by law or deemed necessary by the Seller's architect provided only that none of the changes shall materially diminish the size and quality of the Dwelling. Upon review and approval of final plans or drawings by the Purchaser, no structural changes will be permitted by the Seller. After approval of plans or drawings, only minor changes in construction of the Dwelling which were not previously included in the plans and specifications shall be made if agreed to in writing by Seller and Purchaser. Seller shall be entitled to payment, in addition to the sum set forth above, for the performance of any "extras" or changes not included in such plans and specifications. The cost of any such extras and changes shall be added to the Balance due at Closing.

The Seller shall have the right to determine the grading, elevation and design (including reversal of the Dwelling layout) of the plot and Dwelling to fit into the general pattern of the development.

4. Inspection. Purchaser and Seller shall jointly inspect the Dwelling prior to Closing ("Orientation"). When the Purchaser moves into the Dwelling or accepts the deed, the Seller's responsibility is limited to (a) completion of items shown on the list compiled by Seller's Project Manager and Purchaser during the Orientation ("Orientation List" a/k/a "punch list") in fulfillment of the terms of this Agreement, (b) conditions which may be shown on a Conditional or Temporary Certificate of Occupancy, if any, and required under the terms of this Agreement and (c) performance of warranty obligations under the provisions of the Limited Warranty as set forth in Paragraph 13 of this Agreement and contained in the Plan.
5. Possession. Seller shall have possession of all of the Premises throughout construction and may show the Dwelling until Closing. Purchaser shall have possession and occupancy of the Premises following payment in full to the Seller and transfer of title to the Purchaser ("Closing").

6. Search and Survey. At his own expense, the Seller shall furnish and deliver to the attorney for the Purchaser at least fifteen (15) business days prior to the date of Closing, a fully guaranteed tax and title search prepared in accordance with the Monroe County Bar Association title standards dated subsequent to the date of this Contract and with a local tax certificate where not covered by the Search.

Seller shall furnish Purchaser with a survey made by a land surveyor duly licensed by the State of New York and prepared in accordance with the Monroe County Bar Association standards, showing the location of the Premises being purchased and the location of all buildings, improvements and other structures affecting same. In the event that Seller has an existing survey dated prior to the date of this Agreement, Purchaser shall accept same with an Affidavit of No Change from the Seller, unless Purchaser's lender, if any, requires an updated survey.

7. Insurable Title. The Seller shall give, and Purchaser shall accept, such title as Chicago Title Insurance Company or any other member of the New York Board of Title Underwriters will approve and insure, subject only to those liens and encumbrances set forth in Paragraph 33 of this Agreement, the conditions of the standard title insurance policies written by such company, the Purchaser's mortgage, if any, the conditions set forth in this Purchase Agreement, and the provisions of the Declaration and By-Laws. Purchaser shall pay the title insurance premiums at Closing for any and all title insurance required. If requested, Seller shall provide the Purchaser a copy of the title insurance policy or policies insuring the title of the HOA to the common area(s) designed to afford access to the Premises and the Dwelling in such amount as substantially approximates the value of such common area(s).

If on the "Closing Date", (see Paragraph 22 of this Agreement) there are violation(s), matters relating to title or lien(s) of record with respect to the Premises such that the Seller's title does not conform to this Agreement, the Seller shall cure same prior to Closing, and the Seller 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 matter(s) will, according to reasonable expectation, require an aggregate expenditure of \$1,000.00 or more, the Seller may elect to cancel this Agreement and return the Purchaser's Deposit, with interest (if any),

in which event the Seller shall incur no further liability whatsoever to the Purchaser. Nothing herein contained shall require the Seller to bring any action or proceeding or incur any expense in order to cure such title matters and any attempt by the Seller to cure the same shall not be construed as an admission by the Seller that any objection is such that it would give the Purchaser the right to refuse delivery of the deed.

8. Insulation. Exterior walls of the Dwelling will be insulated with fiberglass to yield an R-value of 13. Ceilings of the Dwelling will be insulated with fiberglass to yield an R-value of 49 and cathedral ceilings, if any, will yield an R-value of 30. Exterior basement walls, except adjacent to the garage (unless required) will be insulated with fiberglass blanket insulation to basement floor to yield an R-value of 19.
9. Adjustments at Closing. There shall be prorated and adjusted as of the date of delivery of the deed: taxes computed on a fiscal year basis (including all items in the current county tax bill, except returned school taxes, delinquent taxes and any assessments for local improvements), Homeowner's Association assessments and water charges. The Purchaser will accept title subject to, and will pay all assessments and installments of assessments for local improvements which are not payable as of the date of delivery of the deed and which, if any, appear on the current tax rolls. The Seller warrants that the on-site improvements of sewer, water, curbs and streets will be installed and paid for and there are no special assessments for same. Seller will, at no cost to Purchaser, furnish Purchaser at Closing with a certification from the HOA management company or Board of Managers setting forth the payment status of the assessments for the Premises.
10. Building Permit and Costs.
 - (a) This Agreement is contingent upon Seller obtaining a Building Permit from the Town in which the Premises is located. Seller will apply for and pay for all permits, licenses and tap-in fees to comply with all laws, ordinances and regulations necessary for the performance of the work hereunder. In the event a building permit cannot be obtained or work is stopped by any public authority, municipality or government for a period of thirty (30) days or more

through no fault of either Party, this Contract may be terminated and the Seller paid for all work executed to date.

- (b) Purchaser shall pay for any fees incurred in recording of the deed and shall pay the cost of the required Real Estate Transfer Tax. Purchaser shall also be responsible for all costs and fees associated with obtaining a mortgage loan, including but not limited to: bank's attorney's fees, the cost of recording the Mortgage and any New York State Mortgage Tax incurred, the cost of any premium of any title insurance furnished for Purchaser or required by Purchaser's mortgagee, any inspection or re-inspection fees, all mortgage loan fees or points, application fees, etc. required for securing or extending the mortgage loan, if any. Purchaser shall reimburse Seller for any expense incurred by the Seller for any required surveyor certifications to lender, Purchaser or title company
- (c) Purchaser shall also, at the time of Closing, pay to the Sponsor, as reimbursement, the sum of \$100.00 for working capital.
- (d) Purchaser shall reimburse the Seller for additional expenses resulting from (i) additional requirements from municipalities or governing authorities (i.e. building code changes/foundation modifications mandated by soil testing) (ii) market price increases for construction materials (i.e. concrete, lumber or drywall), and (iii) subsurface lot conditions (i.e. extraordinary excavation, grading or additional lot costs resulting from ground terrain, rock, underground springs, soil stability, fill, drainage, tree removal and/or tree welling) determined upon foundation completion. Such additional expenses, if any, will be identified and agreed to in writing between the Parties hereto prior to the start of construction, up to a maximum of three (3%) percent of the selling price of the Dwelling as set forth in Paragraph 1 herein. If the Purchaser is unwilling to pay the additional expenses, either Party may cancel this Agreement by giving written notice of such cancellation to the other Party within five (5) business days. In the event either Party elects to cancel this Agreement, any deposits paid on account hereof shall be returned to the Purchaser and this Agreement shall become null and void and neither Party shall have a claim against the other.

11. Form of Deed. The deed shall be a Warranty Deed with lien covenant in proper statutory form for recording, conveying insurable title in fee simple, free and clear of any liens and encumbrances, except as otherwise provided herein.

12. Binding Effect of Declaration, By-Laws, Rules and Regulations. The Purchaser hereby agrees to be bound by the Declaration, the By-Laws and the Rules and Regulations of the HOA, as the same may be amended from time to time.

13. THE HOUSING MERCHANT IMPLIED WARRANTY, INCLUDED IN THE OFFERING PLAN AND INCORPORATED HEREIN BY REFERENCE, AS CONTAINED IN §777-a OF THE NEW YORK STATE GENERAL BUSINESS LAW, WILL APPLY TO THIS AGREEMENT EXCEPT AS LIMITED AND MODIFIED. SUCH LIMITS AND MODIFICATIONS ARE AS FOLLOWS:

- a. The Limited Warranty extends to the initial Purchaser only;
- b. The Limited Warranty requires that a court action be brought to enforce any term of the Limited Warranty or any right conferred on Purchaser by the giving of the Limited Warranty, which must be commenced in the time periods set forth in the Limited Warranty;
- c. The Limited Warranty provides a procedure which must be complied with when making any claim to Seller for repair and/or replacement. Failure to comply with this procedure will result in the loss of warranty coverage;
- d. The Limited Warranty provides Seller the right to inspect, test and repair any damage prior to the Purchaser being permitted to repair and/or replace the damage himself or by use of an independent contractor;
- e. The Limited Warranty excludes consequential and incidental damages;
- f. The Limited Warranty limits Seller's total liability under the warranty coverage provided. Seller's limit of liability shall be equal to the Purchase Price, plus the cost of all extras and up-grades, less credits and the cost of the land;

- g. The Limited Warranty provides for arbitration in the event of a dispute. However, any decision resulting from such arbitration will not be binding on any Party unless such Party has consented in writing to be bound by such arbitration.

NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE IN CONNECTION WITH THIS AGREEMENT. THE TERMS OF THE LIMITED WARRANTY, INCLUDED IN THE OFFERING PLAN, ARE HEREBY INCORPORATED INTO THIS AGREEMENT BY REFERENCE.

THE PURCHASER ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE LIMITED WARRANTY HAS BEEN PROVIDED FOR THE PURCHASER'S EXAMINATION PRIOR TO THE TIME OF THE PURCHASER'S EXECUTION OF THIS AGREEMENT.

14. Processing Delays. When all contingencies (if any) have been removed from the Contract and the Contract is released for construction, Purchaser shall have forty-five (45) days to complete selections necessary to proceed with completion of the plans and specifications. Purchaser will be provided with the date for completion of selections in the "Release for Construction" checklist on page 6 of the "Guide to Enjoying the Building Process". If Purchaser does not make the necessary selections within the allotted time frame, the Seller will notify the Purchaser of the next available delivery (Closing) date and may charge the Purchaser \$100/day for each day after the date required to complete selections as specified in the "Release for Construction" checklist. Such charges shall continue until all required selections are completed.
15. Certificate of Occupancy/Condition Precedent to Closing. The Parties acknowledge that the Closing is conditional upon the Seller obtaining a Certificate of Occupancy for the Dwelling from the Town in which the Premises is located. The Seller agrees that the Dwelling will be completed in a good and workmanlike manner and in accordance with, and satisfactory to all State, County and Town laws, ordinances and building codes, including public water supply

and Monroe County Health Department approval of non-public sewage disposal system. Subject to Paragraph 19 herein, Seller shall secure a Certificate of Occupancy ("CO") and deliver a copy of same to the Purchaser's Attorney as soon as practicable upon issuance of said CO. The Purchaser hereby agrees to close within five (5) business days of said CO being delivered (via either first class mail, facsimile or email) to Purchaser's Attorney. In the event the Purchaser fails to close within five (5) business days of the delivery of said CO, through no fault of the Seller, the Seller has the option to charge the Purchaser interest at a rate of eight percent (8%) per annum (on a per diem basis) on the unpaid balance due at Closing.

16. Insurance. The Seller will, at its own cost and expense, procure and maintain builders risk insurance, insuring the Premises against loss or damage until Closing. Purchaser will be responsible for purchasing homeowner's insurance for Closing on the Premises. Purchaser is responsible for purchasing flood insurance if required by Purchaser's lender, if any, should the Premises be located in a Flood Zone.

17. Completion of Construction. Seller shall endeavor to complete construction of the Unit for Closing of title by the date set forth in Paragraph 22 of this Agreement. Seller shall not be liable if it is unable to complete construction, or for any delays in completion of construction, occasioned by: (i) governmental restrictions on manufacture, sale, distribution and/or use of necessary materials, (ii) Seller's reasonable inability to obtain necessary labor or materials, (iii) the failure of necessary utilities to be installed to service the Premises, or (iv) governmental building moratorium, selections of Purchaser, strikes, lockout, weather, fires, floods, earthquakes or other Acts of God, military operation and requirements, natural or national emergencies or other similar events.

18. Grading, Trees, Drainage and Utilities.

Purchaser agrees to accept title to the Premises subject to easements, rights of way and restrictions of record or to be filed prior to Closing provided the same have not been violated, unless the enforcement has not been barred by Section 2001 of the Real Property Actions and Proceedings Law to include the restrictions of the Glenbrooke Patio Home Homeowner's Association and amendments, if applicable, and easements and rights of way for the installation of water lines, sanitary sewer, drainage, gas distribution

line and main, electrical, cable and telephone easements of record or to be filed provided said easements are and may be used to service the Unit and provided the improvements do not encroach upon the easements; and provided the same does not affect the use of the Premises as a single family residential dwelling.

- a. Finish Grading: Lot to be finish graded and landscaped in accordance with the approved landscaping plan for the development in which the Premises is located. Drainage is to be completed in accordance with approved site improvement plans on file with the municipality in which the Premises is located.
- b. Treed Lots: In the case of lots with many trees which require clearing and thinning prior to the start of construction, the following shall apply:
 - (i) Trees in driveway, utility easements and within approximately 15 feet of the house will be removed.
 - (ii) Up to a depth of 150 feet from the front property line, trees shall be thinned, leaving clusters approximately 10 feet apart. Thinned out areas shall be cleared of brush and debris, top-soiled and hand raked.
 - (iii) Beyond a depth of 150 feet from the front property line, area shall be left in its natural state, except as required for lot drainage, utilities, etc.
 - (iv) Due to construction activity, Seller cannot guarantee that some trees will not be damaged or removed during construction of the Dwelling, grading of the lot and installing drainage swales and/or pipes and top-soil. Care will be taken to save healthy trees.
 - (v) Seller shall not be responsible for trees which may die after Closing and removal will not be Seller's responsibility. Tree welling and tree pruning or other modifications or additions to the lot drainage system may be necessary at times for trees to remain healthy. Seller will not assume responsibility for these

tasks but recommend their performance after Closing. The terms of this Paragraph shall survive Closing.

- c. Surface Drainage: Until the lot has been finish graded, the Purchaser shall not install any obstacle. Purchaser is responsible for complying with restrictive covenants contained in the Plan. It is Purchaser's responsibility to insure that the proper course of surface drainage is not altered after the lot has been finish graded. This Paragraph shall survive Closing and not merge therein.
- d. Utilities: Purchaser acknowledges that the Seller has no control over the placement of utilities on the Premises (i.e. gas, electric, telephone, cable, sewer cap location or any other utilities which may be applicable), nor can the Seller change the location after the utilities are installed.

19. Escrow for Completion. In the event the exterior work (including, but not limited to: painting, concrete, driveway, grading and landscaping) cannot be completed prior to the Closing, such exterior work will be completed no later than August 31st following the Closing, or sooner, if weather conditions permit. It is understood that the non-completion of these items shall not constitute an objection to Closing provided a Temporary Certificate of Occupancy has been issued by the municipality in which the Premises is located. Should the lending institution granting Purchaser's mortgage issue an inspection report identifying uncompleted exterior work and require an escrow fund be established for the completion of same, said escrow funds shall be deposited by Seller with the lending institution if required under said report. The full amount of the escrow funds shall be paid by the lending institution or Escrow Agent directly to Seller upon Seller's receipt of an unconditional or final Certificate of Occupancy issued by the appropriate municipal authority and delivery of a copy of same to Purchaser's attorney or the mortgagee, if any, or when the mortgagee or Escrow Agent, in its sole discretion, deems the specific items for which the escrow is held have been completed. Purchaser shall be responsible for payment of any re-inspection fees. No escrow shall be held for completion of improvements on common areas owned by the HOA or for interior items. In the event the Purchaser is not financing the Premises and the

Parties agree upon the establishment of an escrow account for completion of exterior work, Harris, Beach, PLLC shall be the Escrow Agent. This Paragraph shall survive Closing.

20. Seller's Failure to Close. If title to the Premises does not close due to the default (willful or otherwise) of Seller or Seller's inability to convey title to the Premises in accordance with the terms of this Agreement, unless the Closing Date otherwise provided for herein is mutually adjourned in writing, Purchaser may cancel this Agreement upon written notice of cancellation to Seller, and upon such cancellation, Seller shall refund the Deposit(s), plus interest (if any), to Purchaser. Neither Party shall have any claim against the other and both Parties shall be released from all obligations hereunder.

21. Purchaser's Failure to Take Title. If Purchaser fails to close title to the Premises after receiving at least five (5) days' written notice to close from Seller, Purchaser fails to make prompt and proper application for the aforesaid mortgage or does not furnish Seller, within five (5) days after Seller's written request, with notice of whether such mortgage loan was granted or rejected, and unless the Closing Date set forth in Paragraph 22 is mutually adjourned in writing, the Seller shall send written notice to Purchaser affording Purchaser the opportunity to cure Purchaser's failure. Said written notice shall be by postage paid first class mail, facsimile or email. If delivery is by first class mail, delivery shall be deemed to be completed on the third business day following posting of the Notice with the United States Postal Service. If delivery is made by facsimile or email, delivery shall be deemed complete on the date the transmission is sent, provided that Seller receives confirmation that the facsimile was successfully sent or does not receive a notice that the email transmission failed or was not deliverable. If Purchaser does not cure such failure within thirty (30) days after receipt of such notice, Seller may cancel this Agreement and recover damages as follows:

- a. Seller and the Purchaser agree that the Seller would suffer damage by Purchaser's failure to take title and that such damages, other than the actual costs incurred by the Seller for any "extras", changes or modifications to the Dwelling which were contracted for by the Purchaser, would be difficult to prove or to arrive at accurately. For that reason, the Seller and the Purchaser agree that if the Purchaser fails to take title as hereinbefore

stated, the Seller shall be entitled to liquidated damages in an amount equal to 15% of the total net sale price of the Premises, excluding from the net sale price solely for the purpose of computing liquidated damages, the cost charged to the Purchaser for any “extras”, changes or modifications to the Dwelling which were contracted for by the Purchaser. The Seller shall be entitled to retain towards payment of the liquidated damages the Purchaser’s Deposit(s), provided that in no event shall the Seller be entitled to retain any amount in excess of the liquidated damages;

- b. Seller shall also be entitled to recover the actual costs incurred by the Seller for any “extras”, changes or modifications to the Dwelling which were contracted for by the Purchaser; and
- c. The actual costs incurred by the Seller for removal of such “extras”, changes or modifications and restoring the Dwelling in accordance with the original plans and specifications. If this Paragraph, or any application thereof, shall to any extent, be invalid or unenforceable, it shall, to the extent not found invalid or unenforceable, be valid and enforced as permitted by law.

22. Closing of Title. The Closing of title shall be held in the County Clerk’s Office in which the Premises is located or such other place as the Parties and/or their attorneys may agree upon:

_____ A. “On or about _____ (“Closing Date”). If the Dwelling shall not be ready for Closing on or about said date, the Closing may be postponed by Seller to a date to be set by Seller. Seller shall notify the Purchaser, or Purchaser’s attorney, of the postponed Closing Date either verbally or via email. In the event that such date is more than 120 days after the above Closing Date, Purchaser may cancel this Agreement by sending written notice to that effect to Seller, at Seller’s address as set forth above, within ten (10) days of the date on which the Purchaser or Purchaser’s attorney was notified of the postponement of the Closing Date. In that event this Agreement shall become null and void and both Parties shall be released from any liability hereunder, except that Seller shall refund to Purchaser, with interest (if any), the Deposit(s) paid to Seller. Seller shall not be responsible for any delay in

completing the Dwelling if such delay is caused by the unavailability of materials, labor or transportation, or by other causes beyond the control of Seller. The refund to Purchaser of the Deposit(s), or portion thereof, in accordance with this Agreement, shall discharge and release Seller from any liability arising out of or resulting from any delays.

OR

_____ B. Closing Date to be confirmed upon release of any and all contingencies contained herein.

It is understood that time is not of the essence with regard to this Contract and that Purchaser may not declare time of the essence unless the Closing Date has been extended by the Seller more than 120 days from the date specified herein ("Extended Closing Date"). In order to declare "Time of the Essence", either Party (the "Declaring Party") may, at any time after the Extended Closing Date has passed, notify the other Party, in writing ("Notice"), that time is of the essence to close. Said Notice shall specify a time and date for Closing on a business day (Monday through Friday, except legal holidays) that is on or after the tenth (10th) calendar day following receipt of the Notice by the other Party or such other Party's attorney or closing agent. The Declaring Party must have completed each obligation required by him/her pursuant to this Agreement and by the mortgage lender (if applicable). Delivery of the Notice shall be by postage paid first class mail and Certified Mail, return receipt requested; facsimile or email or any combination thereof. If delivery is by first class and/or Certified Mail, delivery shall be deemed to be completed on the third business day following posting of the Notice with the United States Postal Service. If delivery is made by facsimile or email, delivery shall be deemed to be completed on the date the transmission is sent provided that the email address or facsimile number of the recipient is their correct email address or facsimile number. . A facsimile transmission is deemed completed and received by the Party to whom the Notice is sent upon the Declaring Party's receipt of a confirmation of the transmission. An email address is deemed correct and the transmission completed and received by the Party to whom the Notice is sent if the Declaring Party does not receive a message that the transmission failed or was undeliverable

23. Unauthorized Work. The Purchaser is not authorized to perform or subcontract any services or work on the Premises. To comply with the Seller's insurance regulations, the Seller strictly prohibits any work be performed or material be provided or installed by any person or vendor not employed by or subcontracted for by the Seller. Any unauthorized services may invalidate portions of the Limited Warranty referenced herein.
24. Agreement May Not be Assigned. Except for an assignment by Seller as collateral security for construction financing (i) neither Purchaser nor Seller may assign this Agreement without prior written consent of the other, and (ii) any assignment by the Seller must be disclosed by a duly filed amendment to the Offering Plan. Any purported assignment in violation hereof shall be deemed null and void. Any purported assignment of this Agreement in violation hereof shall be deemed null and void.
25. Notices. Any notice to be given hereunder shall be in writing and sent by certified mail, return receipt requested, to the Purchaser at Purchaser's address set forth above and to the Seller at Seller's address set forth above, or at such other address as either Party may hereafter designate to the other in writing, unless otherwise specified in this Agreement. The date of mailing shall be deemed to be the date of the giving of the notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.
26. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person be named herein as the Purchaser, in which case their obligations shall be deemed joint and several. The term "interest" shall mean such interest as Seller is able to obtain on Purchaser's Deposit.
27. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine gender whenever the context so requires.
28. Other Agreements. This Agreement constitutes the entire agreement between the parties hereto relating to said sale and purchase of the Premise and supersedes any and all understandings and prior agreements between the Parties. No oral representations or statements shall be considered binding. However, in any conflict between this Agreement and the Offering Plan,

the Offering Plan, as same may be amended from time to time, shall control. Any changes to this Agreement must be in writing and signed by both Parties. All the terms, covenants, provisions, conditions and agreements herein above set forth or provided for shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, distributees, executors, administrators, successors and assigns.

29. Broker. Purchaser and Seller agree that _____ brought about this sale.

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

31. Disclaimer and Waiver. The Seller's responsibility as a home builder remains limited to circumstances under Seller's control. The Seller will repair or replace defects in construction ("defects" is defined as a failure to comply with reasonable standard of residential construction), as explained in Seller's written warranty, provided by separate instrument and incorporated herein by reference.

Experiencing mold growth depends largely on how the Purchaser manages the home, post-closing, relative to moisture and humidity. The Seller will not be responsible for any damage caused by mold, or by some other agent, that may be associated with defects in construction, including, but not limited to, consequential damages, property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value and adverse health effect, or any other effects. As relates to mold, any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, or an implied warranty of fitness for a particular use, are hereby waived and disclaimed.

32. Pets. Purchaser has the following pets as of the date of this Agreement and such pet(s) shall reside on the Premises.

Type (cat, dog, etc.)	Breed	Gender	Color
_____	_____	_____	_____

33. Liens, Encumbrances and Other Title Exceptions: The following exceptions, etc. shall appear in the commitment for title insurance and any subsequent title policy:

- a. The terms, conditions, covenants, easements and provisions of the Declaration and By-Laws of the HOA
- b. Zoning and other regulations and ordinances, and any amendments thereto, provided that neither the Dwellings nor their contemplated uses as primary residences, are prohibited.
- c. New York State franchise taxes of any corporation in the chain of title, provided that Chicago Title Insurance Company or any other member of the New York Board of Title Underwriters is willing to insure that such taxes will not be collected out of the Premises .
- d. Sewer, water, electric, plumbing, heating, natural gas, telephone, cable and other rights-of-way, easements and consents now or hereafter recorded, including the right to maintain and operate lines, wires, cables, pipes, conduits, poles and distribution boxes in, over, under and upon the Premises and the Dwellings.
- e. Water charges (Seller is obligated to pay all such charges through the day preceding the date the Premises is conveyed to Purchaser).
- f. Future installments of special assessments for improvements payable with County taxes.
- g. Rights and claims of parties in possession not shown of record.

34. Concrete Surfaces. Seller warrants that the concrete flatwork (walkways, porch, patio, stairs and driveway) installed on the Premises will not crumble, scale or spall “excessively” for one

(1) year from the date of installation. “Excessive” is defined as greater than 25% of the concrete surface has chipped or flaked off.

In the event of a surface failure of the concrete as defined above, Seller agrees to remove and replace any section that has “excessive” deterioration. Replacement is specifically limited to the affected “section” only. A “section” of concrete is defined as an area between the control joints of the concrete.

Due to normal variations in concrete, aging of the original concrete and differences in concrete sealers, the Purchasers understand that any replacement concrete will not be the same color as the original concrete.

The Purchaser agrees to install a final coat of ASTM approved concrete sealer (specification number C309) one month following the installation of the concrete or within one month of possession of the home (weather permitting). Purchaser will also maintain a record reflecting the purchase or installation of the concrete sealer. Failure to properly reseal the concrete flatwork will void this warranty.

This limited warranty excludes all other warranties, the materials and installation, both express and implied. There are no other warranties which extend beyond the face of this concrete warranty.

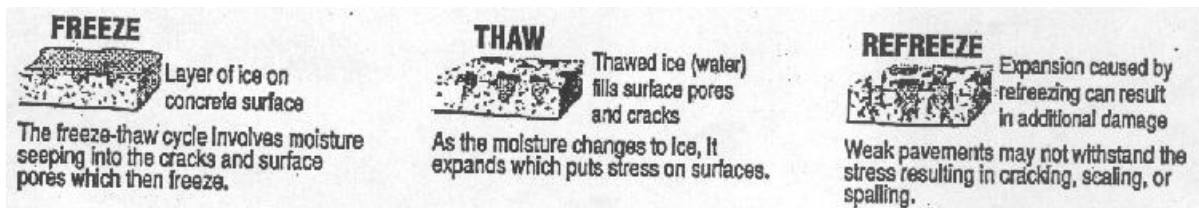
The Purchasers hereby acknowledge that they are aware of the potential problems involved with concrete flatwork and its limited warranty, and hereby acknowledge and accept the terms outlined herein.

Concrete is an excellent product, however it is not perfect. Please realize that due to the harsh winter weather in Buffalo, the concrete can spall, scale or crack even with Seller’s and Purchaser’s best efforts. To properly protect your new concrete it is essential for you to re-seal the driveway with a good quality concrete sealer (ASTM approved specification number C309) one month following installation of the driveway (weather permitting).

Please avoid using snow melting products on the driveway (particularly during the first year). For your reference please see below for a copy of the warning on a locally distributed snow melting product.

SALT OR SNOW MELTING AGENTS - USE PRECAUTIONS:

Do not use salt or snow melting agents on concrete that is less than one year old, chipped, cracked or porous concrete, pre-cast concrete steps, stone or brick masonry steps or walks, patio blocks, exposed aggregate, mortar joints or improperly cured concrete. A common misconception is that all ice melting products eat away at concrete surfaces. In actuality, surface damage results from a natural process called the freeze-thaw cycle. Good quality cold weather concrete is air entrained so that it is designed to withstand the damage associated with the naturally occurring freeze-thaw cycle.



The use of ALL ice melting agents increases the number of freeze-thaw cycles and is also controlled by the weather. As we are unable to control any of the above conditions, this product must be used at the consumer's risk. Purchaser assumes all risks of use, storage, and handling of ice melting products. Manufacturer makes no warranties, express or implied. In no event shall manufacturer be liable for damages of any kind.

35. Amendment of Agreement - No Oral Modification. This Agreement may not be amended except by a written instrument signed by both Parties, or by the duly authorized agent of each Party. No oral modifications of this Agreement will be honored or of any effect.
36. Attorney Approval. This Purchase Agreement is contingent upon the approval of the Purchaser's attorney within three (3) business days of Purchaser's attorney's receipt of a

fully executed copy of this Agreement. Delivery of the fully executed copy of this Agreement shall be by either (i) postage pre-paid first class mail or (ii) email. If delivery is by postage pre-paid first class mail, delivery is presumed to be made three (3) days after posting with the United States Postal Service. If delivery is made by email, delivery is presumed to be made on the day of transmission of the email to the Purchaser's attorney provided the Seller does not receive notice that the transmission failed or was not deliverable. . Unless Seller is notified to the contrary, in writing, within three (3) business days of delivery of a fully executed copy of this Agreement, this contingency is deemed waived.

_____	_____	_____
Purchaser	Social Security No.	Date

_____	_____	_____
Purchaser	Social Security No.	Date

THE MARRANO/MARC-EQUITY CORPORATION

_____	_____
By: John M. Manns, Executive Vice-President	Date

GLENBROOKE PATIO HOMES

EXTRAS, UPGRADES AND MODIFICATIONS

Dwelling to be the _____ to be built in accordance with Plans and Specifications on file in Seller's office and WILL include the following:

INSERT SCHEDULE A CUSTOM FEATURES HERE

Underground sump pump and downspouts

Driveway and concrete walkway to front entry

Sidewalks and Curbing per Subdivision specifications

Hand of House predetermined by Seller

Hung sewer

Underground electric and gas service on lot

Lot to be graded and completed in accordance with the Glenbrooke Patio Home landscaping package

Range and Refrigerator to be supplied by Purchaser unless purchased herein. It is understood that the Seller will install gas or electric lines within the home at standard appliance locations and will not be responsible for the dimensions and placement of appliances not supplied by the Seller. Should the Purchaser have specific requirements for appliance placement, it will be the Purchasers responsibility to mark the location of electrical or gas lines on site at the rough carpentry stage of construction, and the Seller will use their best efforts to accommodate their needs.

Purchaser will have a choice of the following, where applicable:

Ceramic tile, countertops, fixtures, carpeting, linoleum, siding, exterior and interior painting from the samples submitted by Seller, subject to availability at the time of installation.

Purchaser's initials _____

Seller's initials _____

Purchaser's initials _____

This Indenture,

made on the _____ day of _____, Two Thousand Seventeen

Between THE MARRANO/MARC-EQUITY CORPORATION, *a Florida corporation authorized to do business in the State of New York, having its office and principal place of business at 2730 Transit Road, West Seneca, New York, 14224,*

Party of the First Part, and

With an address of

Party of the Second Part,

WITNESSETH, *that the Party of the First Part, in consideration of One and More Dollars (\$1.00 and more), lawful money of the United States, paid by the said Party of the Second Part, does hereby grant and release unto the said Party of the Second Part, and assigns forever*

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Henrietta, County of Monroe and State of New York,.....

Subject to rights, easements, rights of way and restrictions of record, together with the benefit and subject to the burdens of Declaration of Restrictions recorded on _____ in Liber _____ of Deeds at Page _____ and all future amendments, if any, to said Declaration.

Together with an exclusive easement to the party of the Second Part to an area of land described as a ____ foot wide perimeter around the premises conveyed herein for purposes of access, maintenance, and landscaping of the Unit described herein, and together with an exclusive easement to the Party of the Second Part for the construction, use, maintenance and operation of a driveway and walkway servicing the premises conveyed herein.

TOGETHER WITH *the appurtenances and all the estate and rights of the said Party of the First Part in and to the said premises,*

TO HAVE AND TO HOLD the above granted premises unto the said Party of the Second Part and assigns forever,

AND the said Party of the First Part does covenant with the said Party of the Second Part as follows:

FIRST. – That the Party of the Second Party shall quietly enjoy the said premises.

SECOND. – That the said Party of the First Part will forever WARRANT the title to said premises.

THIRD. – Subject to the trust fund provisions of section thirteen of the lien law.

THAT THIS CONVEYANCE is not all or substantially all of the property of the Party of the First Part and is made in the regular course of business actually conducted by the Party of the First Part.

IN WITNESS WHEREOF, the Party of the First Part has caused its corporate seal to be hereunto affixed and these presents to be signed by its duly authorized officer the day and year first above written.

IN PRESENCE OF

THE MARRANO/MARC-EQUITY CORPORATION

_____(L.S.)

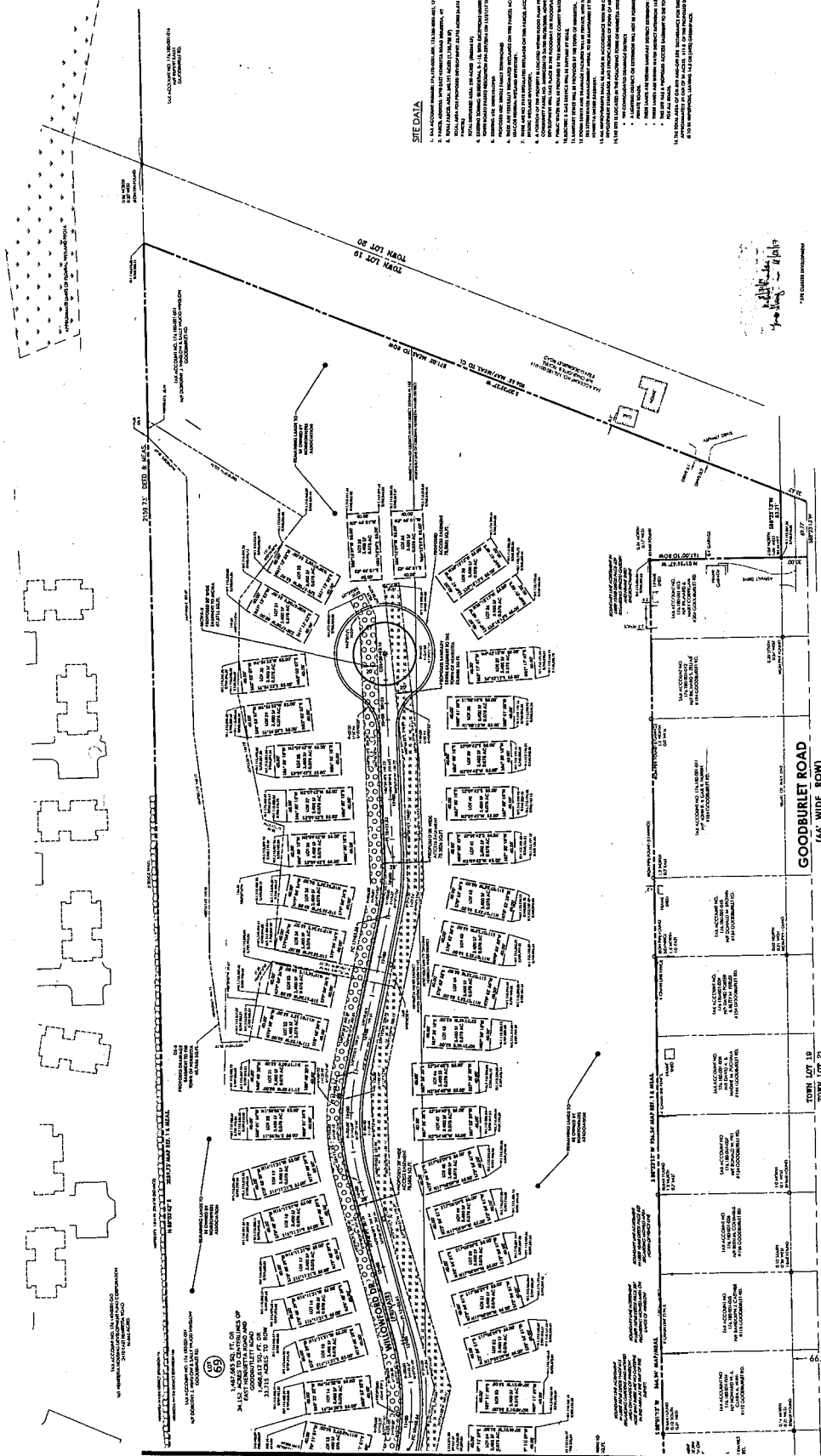
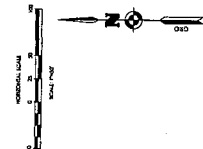
GLENBROOKE HOMEOWNERS ASSOCIATION INC.

_____(L.S.)

State of New York)
County of Erie) ss.:

On _____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within Instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the Instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the Instrument.





SITE DATA

- [illegible]

LOCATION SKETCH

343 West Main Street, Suite 100
Brockton, MA 01909
Tel: (617) 326-1000
Fax: (617) 326-1440

the Marrano/Marc Equity Group
730 Transit Road
West Seneca, NY 14224

Subdivision

len brooke. Patio Homes
 Northernly Side of Goodburket Road at
 Easterly Side of East Hennista Road

Tax Acct No. 176.18-001-001
Tax Acct No. 176.17-001-003
Tax Acct No. 176.17-001-009
Tax Acct No. 176.17-001-017

Project No. 20162268.0001

Drawing No.	Sheet No.
TS-2	2 of 2

1" = 50'
1/4/2017

1/4/2017
R. 354 maps: p. 67

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FBI LABORATORY OR THE ISSUING AGENCY. ALL INFORMATION IS UNCLASSIFIED
EXCEPT WHERE SHOWN OTHERWISE. DATE OF REVIEW 10/1/2010 BY SP-5
JANUARY 1971

1. MORRIS MILNOR

2. *John A. White*

CONFIDENTIAL - SECURITY INFORMATION

RECEIVED
FBI - NEW YORK
JAN 11 1971

	DATE	NAME	REMARKS
PROVED BY	<u>Feb 8 1975</u>		
PROVED BY	<u>Feb 10 1975</u>	<u>Robert M. Smith</u>	
PROVED BY	<u>Feb 11 1975</u>	<u>John J. Smith</u>	
PROVED BY	<u>Feb 12 1975</u>	<u>James E. Smith</u>	
PROVED BY	<u>Feb 13 1975</u>	<u>William H. Smith</u>	

[illegible]

STATE PLANE COORDINATES THESE MUST BE TRANSFERRED ACCORDING TO THE STATE PLANE COORDINATE SYSTEM. THE TRANSFORMATION USED HEREIN WILL BE BASED ON THE COORDINATE INFORMATION AS FURNISHED TO THE GEOGRAPHIC INFORMATION SYSTEM.

WELL HEADS AND COORDINATES SHOWN HEREON ARE SUBJECT TO CHANGES DUE TO AN ACCIDENT, CREATIVE CHANGE OR FIRE IN 10/20/11 10:00P.

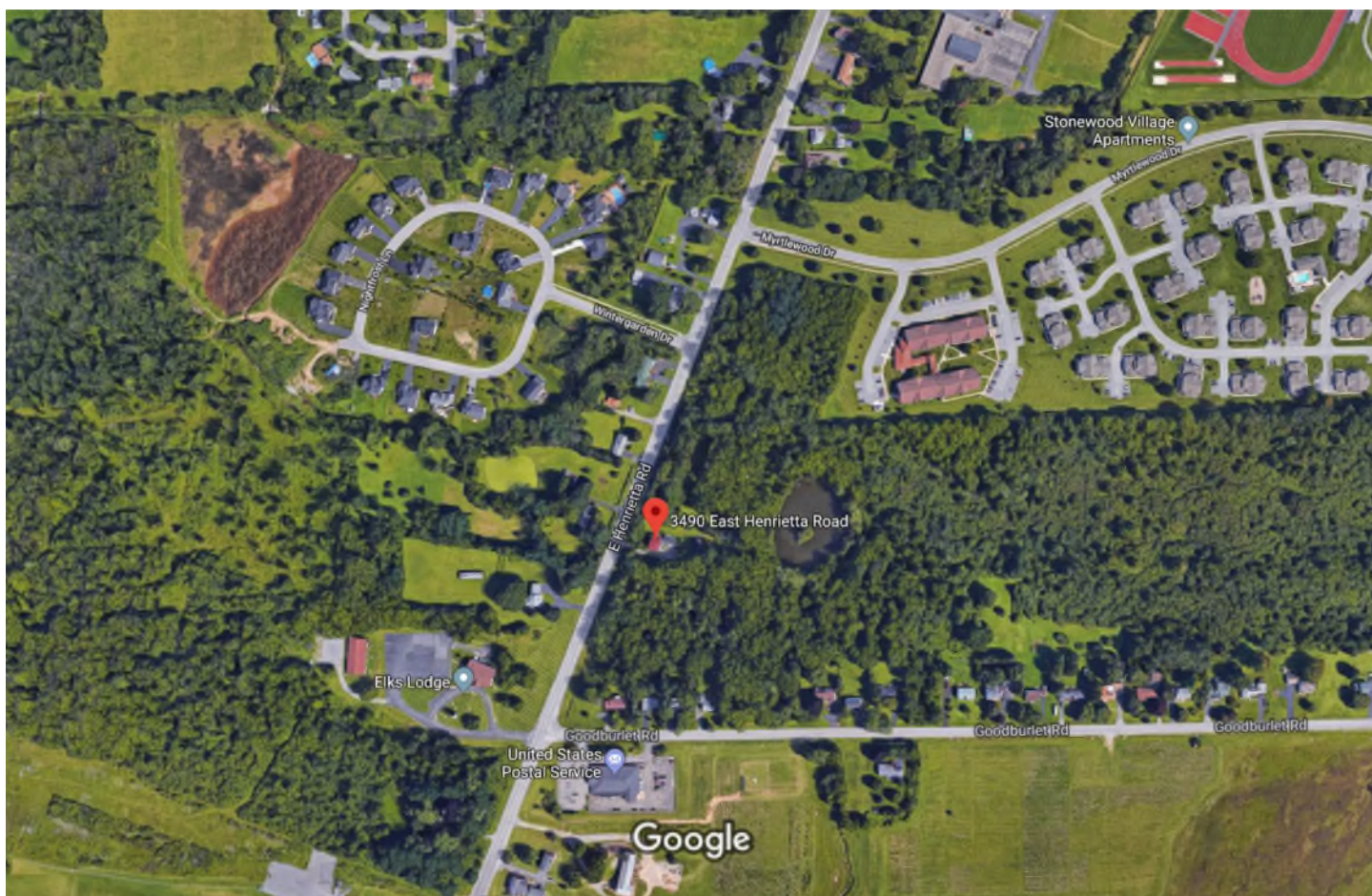
271.31 EATING 741.3443S BEV. 3041 AND 199

3041-1 BOUNDED 741.3432S BEV. 305 19-10-1997

URGENT TO LOCAL UNIT, ON 1911
INFORMATION OF A GAZETTE SURVEY
IN THE AREA OF COMMERCIAL
IN THE AREA OF COMMERCIAL.

1. The hypotheses related to the effect of the production and distribution of information on the decision-making process are:
2. Decision performance and decision quality are positively affected by the production and distribution of information.
3. The effect of the production and distribution of information on decision-making performance is mediated by the effect of the production and distribution of information on decision-making quality.
4. The effect of the production and distribution of information on decision-making quality is mediated by the effect of the production and distribution of information on decision-making performance.
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10. The effect of the production and distribution of information on decision-making quality is mediated by the effect of the production and distribution of information on decision-making performance.

Google Maps 3490 E Henrietta Rd



Imagery ©2018 Google, Map data ©2018 Google 200 ft

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

- GLENBROOKE PATIO HOMES -
ALL LANDS COVERED UNDER MAP
FILED IN LIBER 354 OF MAPS AT PAGE 66 ("MAP")

NAME: Glenbrooke Patio Homes Homeowners Association, Inc.

SPONSOR: The Marrano/Marc-Equity Corporation
2730 Transit Road
West Seneca, New York 14224

DATED: _____, 2018

RECORDED: _____, 2018 in the Monroe County Clerk's Office
in Liber _____ of Deeds at Page _____

**HARRIS BEACH, PLLC
Attorneys for The Sponsor
99 Garnsey Road
Pittsford, New York 14534**

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**DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
- Glenbrooke Patio Homes -**

(The Glenbrooke Patio Homes Declaration)

THIS DECLARATION is made this _____ day of ____, 2017, by The Marrano/Marc-Equity Corporation, a Florida corporation authorized to conduct business in New York, having an office at 2730 Transit Road, West Seneca, New York, being referred to hereinafter as the "Sponsor."

WITNESSETH:

WHEREAS, the Sponsor is the owner of the real property described in Article II of this Declaration which the Sponsor desires to develop as a residential community known or to be known as "Glenbrooke Patio Homes" with open spaces and other common facilities for the benefit of said community; and

WHEREAS, the Sponsor desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and other common facilities and to protect each Owner of a Unit in said community (as the aforesaid terms are hereinafter defined) from any use of any Lot or Unit in said community against depreciation in the value and aesthetic quality of such Units and to provide generally for the preservation of a residential community of the highest quality and character, all of the foregoing being purposes of this Declaration; and, to this end, desires to subject the real property described in Article II to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each present and future owner thereof; and

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

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

WHEREAS, the Sponsor has incorporated GLENBROOKE PATIO HOMES HOMEOWNERS ASSOCIATION, INC. under the Not-for-Profit Corporation Laws of the State of New York for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, the Sponsor, for itself, its successors and assigns, declares that the real property described in Section 2.01 hereof, and all Lots into which all or any part of the aforesaid property may be subdivided, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants, conditions and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

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

- A. "ASSOCIATION" shall mean and refer to GLENBROOKE PATIO HOMES HOMEOWNERS ASSOCIATION, INC.
- B. "ASSOCIATION PROPERTY" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by or in possession of the Association.
- C. "DECLARATION" shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens – GLENBROOKE PATIO HOMES, as it may from time to time be supplemented, extended or amended in the manner provided for herein.
- D. "LOT" shall mean and refer to any portion of the real property identified as a separate parcel on the tax records of the Town of Henrietta shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as heretofore defined, and shall be deemed to include, unless the context clearly requires otherwise, any Unit constructed thereon.
- E. "MEMBER" shall mean and refer to each holder of a membership interest in the Association; as such interests are set forth in Article III.

- F. "OWNER" shall mean and refer to the holder of record title, whether one, more than one person as joint tenants or tenants in common, or as a partnership, or other entity, of the fee interest in any Lot or Unit, whether or not such holder actually resides in such Unit or on such Lot.
- G. "PROPERTY" shall mean and refer to all property subject to this Declaration.
- H. "SPONSOR" shall mean and refer to The Marrano/Marc-Equity Corporation, its successors and assigns.
- I. "UNIT" shall mean and refer to each completed residential dwelling unit on a Lot.
- J. "MAINTENANCE ASSESSMENT" shall mean the annual assessments or charges (payable in equal monthly installments unless the Board of Directors determines otherwise) for the maintenance and operation of Association Property.
- K. "SPECIAL ASSESSMENTS" shall mean any special assessment made by the Board of Directors for capital improvements and repairs.
- L. "UNIT OWNER" shall mean the owner of a Unit on a Lot
- M. "LOT OWNER" shall mean the owner of an unimproved Lot.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

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

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

(a) **Lands added by Sponsor without consent of Owners.** The Sponsor may, without the consent of the Unit Owners, within ten (10) years of the date of recording of this Declaration, bring within the scope of this Declaration any other lands consisting of future phases of the Glenbrooke Patio Homes development, to be determined at such later dates in Sponsor's discretion.

(b) **Lands added with consent of Owners.** The owner of any adjacent lands who desires to add such adjacent lands to the scope of this Declaration and to subject them to the jurisdiction of the Association may do so upon (i) approval in writing of the Association pursuant to a vote of its Members as provided in its By-Laws and (ii) an amendment to this Declaration.

Such additional lands shall be added to the Declaration by the recording in the Monroe County Clerk's Office of a supplemental extending declaration which shall extend the scope of the covenants and restrictions of this Declaration to such Additional Property and thereby subject such additions to assessment for their fair share of the expenses of the Association and may also contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added adjacent properties and as are not inconsistent with the provisions of this Declaration.

ARTICLE III

GLENBROOKE PATIO HOMES HOMEOWNERS ASSOCIATION, INC. STRUCTURE, MEMBERSHIP, VOTING RIGHTS AND DIRECTORS

Section 3.01 Formation of Glenbrooke Patio Homes Homeowners Association, Inc. Pursuant to the Not-for-Profit Corporation Law of New York, the Sponsor has formed Glenbrooke Patio Homes Homeowners Association, Inc. (the "Association") to own, operate, and maintain the Association Property, enforce the covenants, conditions and restrictions set forth in this Declaration and to have such other rights, obligations, duties and functions as are set forth in this Declaration and in the Certificate of Incorporation and By-Laws of the Association, as the same may be amended from time to time. Subject to the additional limitations provided in this Declaration and the Certificate of Incorporation, the Association shall have all the rights and 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 and the Sponsor for so long as Sponsor holds title to a Lot or Unit. 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 definitions of the words "Owner" or "Sponsor" as found in Article I of this Declaration. In the case of any Lot or Unit owned by more than one person as joint tenants, tenants in common, partnership, or some similar combination, all of such persons as a group shall constitute one owner with respect to such Lot and/or Unit.

Section 3.03 Voting. Each Owner, including the Sponsor, shall be entitled to one (1) vote, per Unit except as otherwise provided in this Declaration.

Section 3.04 Ownership by More Than One Person or by Corporation. When any Lot or Unit is owned or held by parties as tenants by the entirety, in joint or common ownership or interest, or as partners, such Owners shall collectively be entitled to only one (1) vote for such Lot or Unit. Upon the recording of title in the name of multiple owners a document may be filed with the Association designating which of the Owners shall have the right to cast votes for the Unit. If such a document is not filed, the Board of Directors may in good faith adopt a rule or policy for making a determination as to which of the Owners may cast the vote for the Unit.

In the case of a corporate Owner, votes may be cast by any duly authorized officer of such corporation.

Section 3.05 Holder of Security Interest Not a Member. Any person or entity which holds an interest in a Lot or Unit merely as security for the performance of an obligation of an Owner shall not be a Member.

Section 3.06 Meeting and Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of this Declaration and the Certificate of Incorporation and By-Laws of the Association and the Not-for-Profit Corporation Law of the State of New York as it may deem advisable for any meeting of its Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures, and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.07 Selection, Powers and Duties of Directors. The nomination and election, powers and duties of the Board of Directors shall be governed by the By-Laws of the Association.

Section 3.08 Indemnification of Officers and Directors. Every director and officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, imposed upon or reasonably incurred by such director or officer in connection with any proceeding to which such officer or director may be a party, or in which such officer or director may become involved, by reason of being, or having been a director or officer of the Association, or, any settlement thereof, whether or not such person is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the board approves such settlement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each such director or each such officer may otherwise be entitled.

Section 3.09 Sponsor's Written Consent Necessary for Certain Actions Taken by Board of Directors. Notwithstanding anything to the contrary contained in this Declaration, for so long as the Sponsor owns any Lot or Unit or portion of the Property, the Board of Directors may not, without the Sponsor's written consent (i) make any addition, alteration, or improvement to the 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 reserves in the initial budget of estimated expenses for the Association bears to the total amount of such initial budget of estimated expenses for the Association; or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the Association, except as may be necessary to maintain the quantity or quality of services or maintenance; or (iv) enter into any service or maintenance contract for work not provided for in the initial budget of the Association, except for service or maintenance to facilities not in existence or not owned by the Association at the time of the first conveyance of a Lot; or (v) reduce the quantity or quality of services or maintenance of the Association Property; or (vi) borrow money on behalf of the Association; or (vii) make any change which adversely affects a substantial interest or right of the Sponsor. Notwithstanding the foregoing, the Association may make necessary repairs or repairs required by law to the Association Property without Sponsor's consent. So long as the Sponsor holds title to any Lot or portion of the Property, this Section shall not be amended without the written consent of the Sponsor.

The Sponsor shall not, so long as the Sponsor is in control of the Board of Directors of the Association, use its position of control to (i) reduce the level of services described in the offering plan filed with the New York State Department of Law pursuant to which the Sponsor offered Units for sale together with interests in the Association, (ii) prevent capital

repairs to the Association Property or (iii) prevent expenditures required to comply with applicable laws or regulations.

ARTICLE IV

PROPERTY RIGHTS AND EASEMENTS

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

Section 4.02 Federal Wetland Area. A portion of the Association Property contains an existing Federal Wetland area and is subject to certain restrictions and conditions, including installation of signage by Sponsor and maintenance of signage by the Association.

Section 4.03 Rights and Easements of Lot Owners. Subject to the rights and easements of the Association as set forth in Sections 4.04 and 4.05 herein, the rights and easements of the Sponsor as set forth in Section 4.06 herein, each Owner (and such Owner's guests, licensees, tenants and invitees) shall have the following rights and easements, provided such rights and easements shall not interfere with the use of any Unit as a dwelling:

- (a) The right to enjoy all Association Property in accordance with the Declaration and the rules and regulations promulgated by the Association;
- (b) A non-exclusive easement for vehicular and pedestrian ingress and egress in common with other Owners and the Sponsor over all roadways located on Association Property as described herein and on the filed map;
- (c) An exclusive easement to a Unit Owner for ingress and egress to and from said Unit, over the driveway and walkways servicing said Unit, from the roadway on which the Unit is situated;
- (d) An exclusive easement to a Unit Owner for purposes of maintenance and repair of said Owner's Unit and appurtenances which

easement area shall be defined as the land area contained within a three (3) foot perimeter of the Owner's Unit and any appurtenances;

(e) An easement for the installation, use, repair, maintenance and replacement of utility lines including water, electric, cable television, sanitary sewer, storm sewer and drainage servicing the Lot and/or Unit of such Owner.

(f) An easement for encroachments or projections. The Sponsor and Owners agree that if any Unit, deck, patio or other element servicing a Unit encroaches or projects upon or over any portion of the Association Property as a result of: (i) original construction by Sponsor; (ii) settling or shifting or (iii) replacement as a result of fire, condemnation, eminent domain proceedings or proceedings of similar import and effect; (iv) an addition thereto approved by the Board of Directors; such encroachments or projections shall be permitted and valid easements for such encroachments or projections and the maintenance thereof shall exist so long as such improvements shall stand. If such encroachment or projection occurs as a result of replacement, the encroachment or projection must be inadvertent in order for a valid easement to exist.

It shall be the responsibility of the Owner to repair and maintain any portion of said Owner's Unit, deck, patio, driveway, walkway, additional landscaping, etc. located within the easement area on Association Property.

These easements will be subject to the rights and easements of the Association as set forth in Section 4.04 herein, provided, however, that any conveyance or encumbrance referred to in Section 4.04(c) below shall be subject to the easements of the Owners as provided in this section above.

Section 4.04 Rights and Easements of Association. With respect to the Association Property owned, and in accordance with the Certificate of Incorporation and By-Laws of the Association, the Association shall have the right:

(a) to promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation of and maintain the value, aesthetic appearance, quality, character, and structural integrity of the Units in such manner as, in the discretion of the Association, shall serve to promote the best interests of the Owners;

(b) to grant easements or rights-of-way, with or without consideration, to any public or private utility corporation, cable television or

internet company, governmental agency or political subdivision; provided no such easement or right of way shall interfere with the occupancy of any Unit as a dwelling;

(c) to dedicate, sell, transfer, abandon, partition, or encumber (except for any transfer or encumbrance to a public utility or for other public purposes consistent with the intended use of such land by or for the benefit of the Members) all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of all Unit Owners other than the Sponsor.

(d) to enter into agreements, reciprocal or otherwise, with other homeowners' and residents' associations, condominiums and cooperatives for the use or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than ten (10) days nor more than fifty (50) days in advance of the date or initial date of the canvass thereof.

The Association (and its employees, contractors and agents) shall have a maintenance easement over each Lot or Unit for the purpose of carrying out all obligations of the Association, including, but not limited to, landscaping and lawn care maintenance and snow removal under this Declaration or pursuant to the authorized vote of the Members.

Section 4.05 Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank or other entity for the performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with other association, condominiums and cooperatives.

Section 4.06 Rights and Easements of Sponsor. With respect to Association Property and in addition to the rights reserved in Section 4.06 below, so long as the Sponsor holds title to any Lot or Unit on lands described in any Schedules to this Declaration (whether or not subject to this Declaration), the Sponsor shall have the right to:

(a) grant and reserve easements and rights-of-way for the installation, maintenance, repair, replacement and inspection of utility lines, wires, coaxial cables, pipes and conduits, including, but not necessarily limited to, water, gas, electric, cable television, telephone, internet and sewer to service the Property;

(b) connect with and make use of utility lines, wires, pipes, conduits and related facilities located on the Association Property for the benefit of the Property;

(c) use the Association Property for ingress and egress to the Property;

(d) operate a sales center, install and maintain signs, and to have prospective purchasers and others visit such sales center and use certain portions of Association Property, including, but not necessarily limited to, the parking spaces; and

(e) grant to itself or to others such other easements and rights-of-way as may be reasonably needed for the orderly development of the Property.

The easements, rights-of-way and other rights reserved herein shall run with the land and shall be binding upon and for the benefit of the Association, the Sponsor and their successors and assigns. With respect to its exercise of the above rights, the Sponsor agrees to repair any damages resulting from exercise thereof within a reasonable time after the completion of development or when such rights are no longer needed, whichever first occurs. So long as the Sponsor holds title to any portion of the Property, this Section shall not be amended without the written consent of the Sponsor, which consent shall not be unreasonably withheld.

Section 4.07 Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, and in particular the provisions of Articles VIII and XI herein, the Association and the Architectural Committee appointed by the Board of Directors shall consider the impact of any existing or proposed activities on the Property or any portion thereof and may, in its discretion, establish standards or guidelines aimed at reducing or eliminating any adverse impact of its activities or take affirmative action to improve the quality of the Property.

(a) The treeline/clearing limits depicted on the filed Map are conditions and covenants running with the land and shall bind all future owners of the Property. Any future clearing or removal shall require approval by the Town of Henrietta and issuance of the applicable permits.

(b) The Wetlands area depicted on the filed Map shall not be disturbed and shall contain signage stating "Do Not Disturb Vegetation Beyond This Point."

Section 4.08 Access easement to Town of Henrietta. The Town of Henrietta is granted a non-exclusive easement over the roadways on the Property for purposes of ingress, egress and/or any valid municipal purpose.

Section 4.09 Notice of Condemnation of Association Property and Resolution of Dispute as to Allocation of Award. The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceedings affecting Association Property to all Owners and to those lending institution first mortgagees of Lots and Units whose names appear on the books or records of the Association.

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

ARTICLE V

ASSESSMENTS AND RIGHT OF ASSOCIATION TO BORROW

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

(a) annual assessments or charges for the maintenance and operation of Association Property, or other property which the Association is obligated to maintain, which are to be paid in equal monthly installments, unless otherwise specified by the Board of Directors ("Maintenance Assessments"); and

(b) special assessments for capital improvements to Association Property, or property which the Association is obligated to maintain, and unbudgeted or extraordinary expenses of the Association ("Special Assessments");

together hereinafter being referred to as "Assessments".

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

Unless otherwise agreed upon between parties to the transfer, upon the transfer of a Unit, Maintenance Assessments and any Special Assessments which (i) may be payable in installments or (ii) are specifically applicable to a defined period of time which has not expired, shall be adjusted between the grantor and grantee, with the grantor being entitled to reimbursement from the grantee for the portion of any payment made by the grantor which is applicable to the remainder of the period in which the transfer occurred or to a subsequent period, and the grantee being entitled to a credit from the grantor for the portion of any unpaid payment assumed by the grantee which is applicable to the expired portion of the period in which the transfer occurred or to any prior period. Unless otherwise provided by the Board of Directors of the Association in its adoption, (i) a Special Assessment payable in installments shall be adjusted as if the installment payments apply to a period following the date due, the length of which shall be equal to the interim period between installation due dates and (ii) a Special Assessment payable in a single installment shall be the sole responsibility of the Owner of the Unit on the date which such Assessment is initially due.

Section 5.02 Purpose of Maintenance Assessment. The purpose of the Maintenance Assessment shall be to fund the maintenance, preservation, operation and improvement of the Association Property and the promotion of the safety and welfare of the Members of the Association, including but not limited to, the payment of taxes on Association Property, any utility services to the Property which are commonly metered or billed, all casualty, liability and other insurance covering the Association Property, and the Association's officers, directors, Members and employees obtained pursuant to Article X of this Declaration, for the maintenance, repair and replacement of all facilities commonly servicing the Members, whether on or off the Lots, such as roadways and landscaped areas, and the cost of labor, equipment, materials, management and supervision thereof, and for such other needs as may arise. Funding of expenses as herein described, and determination of the Maintenance Assessment therefor, may be on a current basis, or by establishing such reserve accounts as the Board of Directors in its judgment deems appropriate, or a combination thereof.

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

Section 5.04 Assessments for Specific Units. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Unit subject to this Declaration shall be liable for the payment of full Maintenance Assessments, and Special Assessments, if any, except that the Sponsor will only be obligated for the lesser of (i) the difference between the actual Association expenses (including budgeted amounts for reserves) and the aggregate amount of assessments levied on Owners who have closed title to their Units; or (ii) Maintenance Assessments and Special Assessments on all unsold Units.

Section 5.05 Basis for Maintenance Assessment. Subject to a lesser amount payable by the Sponsor as permitted by Section 5.04 above, the annual Maintenance Assessment shall be the same for all Units subject to this Declaration so that the number of assessed Units divided into the total amount which the Board of Directors shall deem to be necessary to fully fund the current budget of estimated expenses and reserves (and any operating deficits previously sustained) shall determine the annual Maintenance Assessment for each Unit.

Section 5.06 Change in Basis of Assessments. The Association may change the basis of determining the Maintenance Assessment by obtaining the written consent of not less than two-thirds (2/3) of the total votes of all Unit Owners, excluding the Sponsor, voting in person or by proxy, written notice of which change shall be sent to all Unit Owners and lending institution first mortgagees of Units whose names appear on the records of the Association at least forty (40) days in advance of the date or the initial date set for voting thereon, except that: (i) so long as the Sponsor holds title to any portion of the Property, any change in the basis of Assessments which adversely affects a substantial interest or right of the Sponsor with respect to unsold dwelling units shall require the specific consent of the Sponsor in writing, and (ii) no such change shall be made if lending institutions which together are first mortgagees of 33-1/3% or more of the Units advise the Association in writing, prior to the date or initial date set for voting on the proposed change, that they are opposed to such change, which opposition must not be unreasonable. A written certification of any such change shall be executed by the Board of Directors and recorded in the Monroe County Clerk's Office.

Any change in the basis of Assessments shall be equitable and nondiscriminatory within the following classifications: (i) Units paying full Maintenance Assessments and (ii) Units paying less than full Maintenance Assessments pursuant to Section 5.04 above.

Section 5.07 Special Assessments for Capital Improvements. In addition to the annual Maintenance Assessment, the Association may levy in any assessment year a Special Assessment, payable in that year and/or the following year only, for the purpose of defraying, in whole or in part, the cost of (i) any construction, reconstruction or replacement of or repair of the Association Property or to any other property which the

Association has the responsibility to maintain, and (ii) any unbudgeted, unanticipated or extraordinary expense, claim against or liability of the Association. Any Special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, requires the consent of a majority of the total votes of Unit Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Unit Owners at least thirty (30) days in advance, setting forth the purpose of the meeting. The Association shall establish one or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least thirty (30) days prior to the first such due date.

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

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

If the Assessment or any installment thereof, is not paid within thirty (30) days after the due date, (i) the Assessment shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed the maximum rate of interest then permitted by law, (ii) the Board of Directors may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner and (iii) the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the Unit of such Owner, and the cost of such proceedings, including reasonable attorneys' fees shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

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

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

Section 5.09 Notice of Default. The Association when giving notice to a Unit Owner of a default in paying Assessments, may, if its officers so determine, or shall, at the request of a mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address appears on the Association's records. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of said Assessments.

Section 5.10 Right to Maintain Surplus. The Association shall not be obligated in any calendar year to spend all the sums collected in such year by way of Maintenance Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Maintenance Assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.11 Assessment Certificates. Upon written demand of an Owner, mortgagee or lessee with respect to a Unit which he or she owns or leases, (or any prospective purchaser, lessee, occupant, mortgagee or title insurer of such Lot), the Association shall, within a reasonable period of time, issue and furnish a certificate in writing signed by an officer or designee of the Association setting forth with respect to such Lot as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; 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. 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, lessee or title insurer of, or mortgagee of the Lot or Unit on which such certificate has been furnished.

Section 5.12 Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage of record now or hereafter placed upon any Unit subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which shall have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of

foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the Owner from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

Section 5.13 Right to Borrow and Mortgage. In order to fulfill the purposes set forth herein, the Association may borrow funds from any recognized lending institution, and in conjunction therewith mortgage its properties. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with lenders shall be subject solely to the discretion of the Board of Directors, except that (i) any member of the Board of Directors of the Association who has been elected or appointed by the Sponsor shall not be permitted to vote affirmatively for any borrowing and the quorum of the Board of Directors in any such vote shall be a majority of those Directors not elected or appointed by the Sponsor, and (ii) any consent of the Sponsor as required by Section 3.12 of this Declaration must be obtained.

Section 5.14 Repayment of Monies Borrowed. In order to secure the repayment of any and all sums borrowed from time to time, the Association is hereby granted the right and power:

- (a) to assign and pledge all revenues received and to be received by it under any provision of this Declaration including, but not limited to, the proceeds of the Maintenance Assessments and Special Assessments hereunder;
- (b) to enter into agreements with lenders with respect to the collection and disbursement of funds, including, but not limited to, agreements wherein the Association covenants to:
 - (i) assess the Maintenance Assessments on a given day in each year and, subject to the limitation on amount specified in Section 5.04 hereunder, to assess the same at a particular rate or rates;
 - (ii) establish sinking funds and/or other security deposits;
 - (iii) apply all funds received by it first to the payment of all principal and interest on such loans, when due, or in the Board's discretion to apply the same to such purpose after providing for costs of collection;
 - (iv) establish such collection, payment and lien enforcement procedures as may be required by the lenders;

(v) provide for the custody and safeguarding of all funds received by it.

ARTICLE VI

MAINTENANCE BY THE ASSOCIATION

Section 6.01 Maintenance and Repair by the Association. Except as specifically otherwise provided in this Section 6.01 and Section 6.02, all maintenance and repair of and replacements to improvements on Association Property, including the maintenance, repair and replacement of all roadways and street lighting on the Association Property and snow removal from all driveways on the Property shall be the responsibility of, and at the cost and expense of the Association. Maintenance, repair and replacement of pipes, wires, conduits and public utility lines servicing more than one Unit and for which a utility company or other entity is not responsible (whether or not such lines and facilities are on Association Property) shall also be the responsibility of, and at the expense of, the Association. Notwithstanding the foregoing provision, the Association shall own and maintain the storm sewer lines. Sanitary sewers, gas, electric and water lines shall be public. The Association shall not be responsible for cleaning or unclogging sewer lateral lines servicing a specific Unit, which shall be the responsibility of the Owner of the Unit served by such sewer lateral.

The Association shall be responsible for the maintenance of all grassed areas and shrubbery and other plantings installed by or at the direction of the Sponsor or the Association on the Association Property, and on the Lots, only if shrubbery and plantings on the Lots is installed by or at the direction of the Sponsor or the Association, but not for the replacement of any dead or diseased shrubbery or plantings or for shrubbery, flower beds or other plantings installed by or at the direction of any Lot Owner or Unit Owner or occupant.

The Association may increase (or decrease) its maintenance responsibilities, provided (i) such increase or decrease is approved in writing by two-thirds (2/3) of all Owners other than the Sponsor and (ii) if such increase or decrease is proposed while the Sponsor holds title to any portion of the Property or Additional Property, (whether or not subject to this Declaration) the written consent of the Sponsor will be required.

Subject to the provisions of Section 6.02 below, the cost of all maintenance performed by the Association shall be funded from Maintenance Assessments.

The Association shall have an easement and right of access for maintenance and repairs as set forth in Section 4.04 of this Declaration.

Section 6.02 Repairs and Maintenance Which Are Not the Responsibility of the Association.

Units. With respect to the Units, the Owner shall be responsible for all maintenance and repairs necessary to the interior and exterior thereof. All Units shall be maintained in a uniform fashion by the Owner thereof, with any color, structural or design changes subject to written approval from the Architectural Committee of the Board of Directors.

Lot Improvements. With respect to the improvements on the Lots, the Owner shall be responsible for the maintenance, repair or replacement of decks, balconies, concrete patios or paved walkways attached or adjacent to the Units and for the repair and replacement of driveways on the Lots, but shall not be responsible for snow removal from the driveways.

Any maintenance, repair or replacement necessary to preserve the appearance, aesthetic quality, character, structural integrity and value of the Property or any improvement thereon made pursuant to Section 6.01 above but which is occasioned by a negligent or willful or intentional act or omission of an Owner (including (a) any family member, tenant, guest or invitee of such Owner; (b) any family member, guest or invitee of the tenant of such Owner; and (c) any guest or invitee of (i) any member of such Owner's family, or (ii) any family member of the tenant of such Owner), or the Sponsor shall be made at the cost and expense of such Owner or the Sponsor as the case may be. If such maintenance, repair or replacement is performed by the Association, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Unit and such cost shall be added to that Owner's Maintenance Assessment and, as part of that Assessment, shall constitute a lien on the Unit, as the case may be, to secure the payment thereof.

Maintenance, repair and replacement of pipes, wires, conduits and public utility lines servicing only one (1) Unit and for which a utility company or other entity is not responsible (whether or not such lines and facilities are on Association Property) shall be the responsibility of, and at the expense of, the Owner of the Unit so serviced. The Owner of the Unit served by the water or sewer lateral shall be responsible for cleaning or unclogging.

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 aesthetic quality, character, structural integrity and appearance and value of the property. The Association may establish reasonable schedules and regulations for maintenance, repair and replacement of Property which it is obligated to maintain, repair or replace pursuant to Section 6.01, which schedules and regulations shall take into account the useful life of any paint and exterior materials and the enhancement and preservation of the aesthetic quality, character, structural integrity and value of the Property. The Association may adopt regulations relating to matters such as color of paint, quality of materials, prohibitions against painting of any designs on doorways or the exteriors of any Units, or such other items as it may deem desirable to maintain consistency and uniformity in design and quality throughout the Glenbrooke Patio Homes development. The Association shall also be permitted to alter or make additions to its regular maintenance schedule to deal with unexpected damage or emergency situations.

Section 6.04 Access for Repairs. The Association (and its employees, contractors and agents) shall, upon reasonable notice to the Owners, have the right to enter upon any portion of the Property at any reasonable hour to carry out its functions as provided for in this Article, except that in an emergency, the Association shall have the right, with reasonable notice only if possible in the circumstances, to enter upon any portion of the Property to make necessary repairs or to prevent damage to any Unit or any portion of the Property. The repair of any damage caused in gaining access shall be at the expense of the Association (unless the cause for repair is something for which a Unit Owner is liable, in which event the Unit Owner shall also bear the cost of such repairs).

ARTICLE VII

[Reserved]

ARTICLE VIII

ARCHITECTURAL CONTROLS

Section 8.01 Control by Association. After the initial transfer of title by the Sponsor of a Unit or other property subject to the Declaration, enforcement of those provisions of the Declaration pertaining to exterior appearance and aesthetic quality, character, structural integrity and value of the Property and the Units thereon, and control over any change in use or any additions, modifications or alterations to any exterior improvement on said Unit or other portion of the Property shall be the responsibility of (i) the Association, acting through the Board of Directors; and (ii) the Sponsor, so long as the

Sponsor holds title to any portion of the Property or Additional Property. Notwithstanding the foregoing provisions, any improvement, addition, modification or alteration made as part of the original contract of sale or improvement that was not completed prior to the transfer of title by Sponsor, but was provided for in a contract or referenced in the building plans and permits for said Unit or portion of Property, shall not be deemed an addition, modification or alteration requiring approval of the Board of Directors.

Section 8.02 Submission of Plans to Board of Directors. Except as provided in Section 8.01, no exterior addition, modification or alteration, including change of color, shall be made on or to such Lot or Unit or other portion of the Property, or to the improvements located thereon, unless and until a plan or plans therefor, in such form and detail as the Board of Directors requires, have been submitted to, and reviewed and approved by, (i) the Board of Directors; and (ii) the Sponsor, so long as the Sponsor holds title to any portion of the Property or Additional Property.

Section 8.03 Written Notification of Approval. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 8.02 above, the Board of Directors shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record (together with such qualifications or 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 relating to any Unit or portion of the Property shall be final as to such Lot or Unit or portion of the Property and such approval may not be revoked or rescinded thereafter provided: (i) the improvement or uses approved are not substantially changed or altered; (ii) that the improvements or uses shown or described in or on such plans do not violate any protective covenants, conditions or restrictions set forth in this Declaration which benefit or encumber the Lot or portion of the Property, and (iii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Property shall not be deemed a waiver of the right of the Board of Directors to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or portion of the Property.

Section 8.04 Written Notification of Disapproval. In any case where the Board of Directors disapproves any plans submitted hereunder, the Board of Directors shall so notify the applicant in writing together with a statement of the grounds upon which such action was based. In any such case, the Board of Directors shall, if requested and if

possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 8.05 Architectural Certificate. Upon written request of any Owner, mortgagee, lessee or occupant (or any prospective Owner, lessee, mortgagee, or title insurer) of a Unit or other portion of the Property, title to which has been previously transferred from the Sponsor, the Board of Directors shall, within a reasonable period of time, issue and furnish to the person or entity making the request a certificate in writing ("Architectural Certificate") signed by a member of 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, as determined by the Board of Directors, may be imposed for issuance of such Architectural Certificate. Any such Architectural 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.

ARTICLE IX

[Reserved]

ARTICLE X

INSURANCE AND RECONSTRUCTION

Section 10.01 Insurance to be Carried. To the extent reasonably obtainable and to the extent obtainable at a reasonable cost, and in such amounts as the Board of Directors of the Association shall determine to be appropriate unless otherwise required herein, the Board of Directors of the Association shall obtain and maintain (i) comprehensive general liability coverage on Association Property and all Property for which the Association needs to maintain, (ii) workers compensation covering Association employees, (iii) umbrella liability covering claims in excess of coverage provided under general liability (iv) directors' and officers' liability insurance covering negligent or wrongful acts or omissions of officers and directors of the Association, and (v) fidelity bond covering those who handle association funds.

Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense; provided however, that the Board of Directors of the Association may assess any deductible amount necessitated by the negligent, malicious

or wrongful act or omission of an Owner against such Owner. The Association may pay the deductible portion for which such Owner is responsible, and the amount so paid, together with interest and costs of collection (including attorney's fees), shall be a charge and continuing lien upon the Unit involved, shall constitute a personal obligation of such Owner, and shall be collectible in the same manner as assessments under Article V of this Declaration.

Section 10.02 Insurance Carried by Unit Owners. Each Owner has the right, at such Owner's expense, to obtain insurance for such Owner's benefit, including (1) fire, casualty and theft coverage for Owner's personal property, (2) coverage for such Owner's personal liability within the Owner's Unit and on such Owner's Lot and (3) fire and casualty insurance coverage for "improvements and betterments" to such Owner's Unit or Lot.

ARTICLE XI

GENERAL COVENANTS AND RESTRICTIONS

Section 11.01 Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development, lease or sale of Lots or Units, no additional sign or other advertising device of any nature shall be placed for display to the public view on any Lot or Unit or other portion of Property including rights-of-way (including temporary signs advertising property for sale or rent). This section shall not be amended or modified without the written consent of Sponsor, so long as Sponsor holds title to any Lot, Unit or other portion of the Property or Additional Property.

Section 11.02 Pets. Owners shall be permitted to keep no more than two (2) pets within their Unit, except with the consent of the Board of Directors of the Association. Any pets so owned shall be properly controlled and shall not be permitted to run loose or to be chained outdoors so as to constitute a nuisance to other Owners. Owners must accompany their pets and have their pets leashed at all time when on Association Property, and shall clean up after their pets. Owners must also comply with any local leash laws relative to their pets.

Section 11.03 Protective Screening and Fences. Any screen planting, fence enclosures or walls initially developed on a Lot or other portion of the Property shall not be removed or replaced with other than a similar type of planting, fence or wall except with the permission of the Board of Directors. Except for the foregoing, no fence, wall, or screen planting of any kind shall be planted, installed or erected upon said parcel or other portion

of the Property unless approved by the Board of Directors. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

Section 11.04 Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (all of which are referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pick-up to provide access to persons making such pick-up.

Section 11.05 No Nuisance. No nuisance or noxious or offensive activity shall be carried out upon any portion of the Property, nor shall any use or practice be allowed which is or may become a source of annoyance or nuisance to residents or which interferes with the peaceful possession and proper use of the Property by its Members, Owners and occupants.

Section 11.06 Dwelling in Other Than Residential Units. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be erected or transported onto any portion of the Property except with the consent of the Architectural Committee. This restriction shall not apply to the Sponsor during the course of construction.

Section 11.07 Residential Use Only. Except as provided in Section 11.08 below, the Property shall be used only for residential purposes and purposes incidental and accessory thereto except that, prior to transfer of title by the Sponsor to all of the Property, the Sponsor may use one or more Lots, Units or other portions of the Property for model homes and/or real estate office.

Section 11.08 Commercial and Professional Activity on Property. No wholesale, retail, or any other business of any kind whatsoever, including any salon, studio, laboratory, home industry or medical or dental office, shall be conducted in or on any Lot or Unit or other portion of the Property without the consent of the Board of Directors, except (i) by the Sponsor in conjunction with the initial construction, development, lease and sale of Lots and Units and (ii) the conducting of business by telephone.

Section 11.09 Outdoor Repair Work. With respect to a Unit or other portion of the Property to which title has been transferred by the Sponsor, no extensive work on any motor vehicles, boats or machines of any kind shall be permitted outdoors on such Lot or portion thereof.

Section 11.10 Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Units by the Sponsor, or maintenance of the Property, or unless otherwise consented to by the Board of Directors, the following shall not be permitted to remain on the Property:

- (a) commercial vehicles of a weight of two (2) tons or more;
- (b) unlicensed motor vehicles of any type;
- (c) oversized vehicles (which will not fit into a garage);
- (d) recreational vehicles;
- (e) camper bodies, boats or trailers.

Section 11.11 Parking on Private Road. The Board of Directors may impose parking restrictions based on weather conditions and maintenance schedules.

Section 11.12 Lease of Unit. An Owner shall not be permitted to lease less than an entire Unit, and no lease of a Unit shall be for a term of less than twelve (12) months. Notwithstanding the foregoing, at any given time, only five percent (5%) of the total units (or four (4) Units) shall be available for lease. Unit Owners must obtain the approval of the Board of Directors prior to leasing a Unit.

Section 11.13 Snowmobiles. No snowmobile, motor bike, all-terrain vehicles or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Board of Directors of the Association.

ARTICLE XII

ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 12.01 Declaration Runs With the Land. Each person or entity acquiring an interest in a Lot, Unit or other portion of the Property or otherwise occupying any portion of the Property (whether or not the deed, lease or any other instrument incorporates or refers to this Declaration) covenants and agrees for him, her, or itself, and for his, her or its heirs, successors and assigns, to observe, perform and be bound by the provisions of this Declaration including personal

responsibility for the payment of all charges that may become liens against his, her or its property and which become due while he, she or it is the Owner or occupant thereof, and also covenants to incorporate this Declaration by reference in any deed, lease or other instrument transferring an interest in such Lot, Unit or other portion of the Property.

Section 12.02 Enforceability.

a) Actions at Law or Suits in Equity. The provisions of this Declaration shall bind the Property and shall be construed as running with the land and shall inure to the benefit of and be enforceable by the Sponsor and the Association (being hereby deemed the agent for all of its Members), and by any Member or Owner, their respective legal representatives, heirs, successors and assigns, by actions at law or by suits in equity. Before an individual Owner may take any action to enforce this Declaration, written demand must be made on the Board of Directors of the Association to take such action as contemplated by the Owner. The Board of Directors shall have thirty (30) days in which to proceed or permit the Owner to proceed. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of this Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

(b) Penalties and Fines. In addition or as an alternative to an action at law or suit in equity, the Board of Directors of the Association may, with respect to any violation of this Declaration or of the By-Laws or rules and regulations of the Association or any committee of the Association, and after affording the alleged violator a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and/or severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other person. Monetary penalties imposed against a Unit Owner or Unit occupant shall be deemed a Special Assessment against the Unit and Lot of such Owner or on which the Unit occupied by such occupant is located and, as such, shall be a charge and continuing lien upon such Unit, shall constitute a personal obligation of the Unit Owner and such occupant if other than the Owner, and shall be collectible in the same manner as Assessments under Article V of this Declaration.

Section 12.03 No Waiver by Failure to Enforce. The failure of any beneficiary hereof to enforce any provision of this Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or any

other violation occurring prior or subsequent thereto. No liability shall attach to the Sponsor, the Association (or any officer, director, employee, Member, agent, committee or committee member) or to any other person or organization for failure to enforce the provisions of this Declaration.

Section 12.04 Obligation and Lien for Cost of Enforcement by Association. If the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration, or the rules and regulations promulgated pursuant hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (1) the Owner, or (2) any family member, tenant, guest or invitee of the Owner, or (3) a family member or guest or invitee of the tenant of the Owner, or (4) a guest or invitee of (i) any member of such Owner's family or (ii) any family member of the tenant of such Owner, such costs shall also be a lien upon the Unit or other portion of the Property owned by such Owner.

Section 12.05 Inspection and Entry Rights. Any agent of the Association may at any reasonable time or times, upon not less than 24 hours' notice to the Owner or occupant, enter upon a Lot or 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 rules and regulations issued pursuant hereto. Neither the Association nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

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

Section 12.06 Notification to Association of Mortgagees and Default Notice to be Sent to Mortgagees. The Association shall be notified by each Unit Owner or such Unit Owner's mortgagee of the name and address of the mortgagee of any mortgage on such Owner's Lot. Upon receipt of such notice, the Association shall thereafter provide such mortgagee with a duplicate copy of any notice of default sent to such Owner with regard to the violation, by such Owner, of any provision of this Declaration.

Section 12.07 Amending or Rescinding. The Sponsor, during the time the Sponsor owns any Lots, Units or portion of the Property, may make amendments to this Declaration to correct clerical omissions or errors, or make changes necessary to effectuate the development and sale of the units, without the consent of the Unit Owners provided that said amendments shall not adversely affect the rights of any Unit Owner. All other amendments or a rescission of this Declaration, unless otherwise specifically provided for herein, may be made by obtaining the consent in writing of the Owners of not less than two-thirds (2/3) of all Units which are subject to this Declaration, not including those Units owned by the Sponsor. In addition, and notwithstanding the above, so long as the Sponsor holds title to any Lot or Unit on lands described in any Schedules to this Declaration (whether or not subject to this Declaration), the written consent of the Sponsor will be required for any amendment which adversely affects a substantial interest or right of the Sponsor, as determined by Sponsor, which consent may be withheld by Sponsor in its sole discretion.

In voting for such amendment or rescission, Owners shall have one (1) vote each regardless of the number of Units owned.

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

In addition to the approval of the Owners and Sponsor as provided for herein, no amendment or rescission which substantially affects the interest of any lending institution shall be effective if lending institutions which together are first mortgagees on 51% or more of the Units advise the Association in writing, prior to the date or initial date set for voting on the proposed amendment, that they are opposed to such amendment, which opposition must not be unreasonable. Written notice of any proposed amendment or rescission which substantially affects the interest of any lending institution first mortgagee shall be sent to all such lending institution first mortgagees whose names appear on the records of the Association at least thirty (30) days prior to the date or initial date set for voting on the proposed amendment or rescission.

No amendment shall terminate, extinguish or adversely modify any easement granted in this Declaration which benefits Lots or Units except with respect to those Lots or Units to which Owners specifically consent in writing to such termination, extinguishment or modification.

Section 12.08 Owner Responsible for Tenants. Any lease of a Unit shall provide and specify in writing that the tenant shall comply in all respects with the terms of this Declaration, and the By-Laws, rules and regulations, if any, of the Association. If a tenant

or guest of tenant of an Owner is in violation of such Declaration, By-Laws or rules and regulations, the Board of Directors shall so notify the Owner of the Unit which such tenant occupies in writing by certified mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, and diligently pursued thereafter, the Board of Directors may pursue any remedies which it may have pursuant to Section 12.02 of this Declaration.

Section 12.09 When Amendment or Rescission Becomes Effective. Any amendment or rescission to this Declaration shall not become effective until the instrument evidencing such change has been duly recorded in the Monroe County Clerk's Office. Such instrument need not contain the written consent of the required number of Owners but shall contain a certification by the Board of Directors of the Association that the consents required for such amendment have been given in writing or by vote duly taken at a meeting of the Association.

Section 12.10 Duration. The provisions of this Declaration shall, unless amended or rescinded as hereinbefore provided, continue with full force and effect against both the Property and the Owners thereof perpetually, unless terminated or its duration shortened by affirmative vote of not less than 80% of Owners after a hearing is held to discuss same.

Section 12.11 Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the provisions hereof.

Any conflict in construction or interpretation between the Association and any other person or entity claiming any right to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association. The Association may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations, and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interests of the Owners and residents of the Property to the end that the Property shall be preserved and maintained as a high quality residential community.

In granting any permit, authorization, or approval as herein provided, the Association may impose any conditions or limitations thereon as it shall deem advisable

under the circumstances in each case in light of the considerations set forth in the immediately preceding paragraph hereof.

Section 12.12 Conflict with Municipal Laws. The protective covenants, conditions and restrictions set forth herein shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease.

Section 12.13 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 12.14 Invalidity of Declaration. The determination by any court that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE XIII

GENERAL

Section 13.01 Headings and Captions. The headings and captions contained in this Declaration are for convenience only and shall not affect the meaning or interpretations of the content thereof.

Section 13.02 Right Reserved to Sponsor to Impose Additional Protective Covenants. The Sponsor reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 13.03 Notice. Any notice required to be sent to the Sponsor or to any Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Sponsor, Owner or mortgagee on the records of the Association at the time of such mailing.

Section 13.04 Right of Association to Transfer Interest. Notwithstanding any other provision herein to the contrary, the Association and its successors, shall at all times have the absolute right to fully transfer, convey and assign its right, title and interest under this Declaration to any successor not-for-profit corporation or trust and, upon such assignment, the successor corporation or trust shall have all the rights and be subject to all the duties of said Association as set forth in this Declaration and shall be deemed to have agreed to be bound by all provisions hereof, to the same extent as if the successor

corporation or trust had been an original party and all references herein to the Board of Directors shall refer to the Board of Directors (or Trustees) of such successor corporation or trust. Any such assignment shall be accepted by the successor corporation or trust under a written agreement pursuant to which the successor corporation or trust expressly assumes all the duties and obligations of the Association. If, for any reason, the Association shall cease to exist without having first assigned its rights hereunder to a successor corporation or trust, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue and any Owner may petition the court of competent jurisdiction to appoint a trustee for the purpose of organizing a not-for-profit corporation or trust to take over the duties and responsibilities of the entity to exist, subject to the conditions provided for herein with respect to an assignment and delegation to a successor corporation or trust.

Section 13.05 Right of Association to Transfer Functions. Unless otherwise specifically prohibited herein or within the Certificate of Incorporation or By-Laws of the Association, any and all functions of the Association shall be fully transferable in whole or in part to any other homeowners' or residents' association or similar entity.

THE MARRANO/MARC-EQUITY CORPORATION

By: _____
James P. Marrano, Executive Vice President

STATE OF NEW YORK)
COUNTY OF ERIE) ss:

On the ____ day of _____, in the year 2017, before me, the undersigned, a Notary Public in and for the State, personally appeared James P. Marrano, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

Consent of Lender/Mortgagee

Five Star Bank, as holder of a mortgage recorded in Liber ____ of Mortgages at page ____ in the Office of the Monroe County Clerk, and covering the premises described on attached Schedule A, ("Mortgage") hereby consents to the filing of this Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges And Liens ("Declaration") and agrees that the Mortgage is hereby made subordinate and subject to the Declaration.

Five Star Bank

By:_____

Name:

Title:

STATE OF NEW YORK)
COUNTY OF ERIE) ss:

On the day of _____, in the year 2017, before me, the undersigned, a Notary Public in and for the State, personally appeared_____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE A

**LEGAL DESCRIPTION OF PROPERTY SUBJECT TO
DECLARATION**

FILING RECEIPT

=====

ENTITY NAME: GLENBROOKE PATIO HOMES HOMEOWNERS' ASSOCIATION, INC.

DOCUMENT TYPE: INCORPORATION (NOT-FOR-PROFIT)

TYPE: N COUNTY: ERIE

=====

FILED:02/28/2018 DURATION:PERPETUAL CASH#:180228000682 FILM #:180228000623

FILER:

EXIST DATE

HARRIS BEACH PLLC
99 GARNSEY ROAD

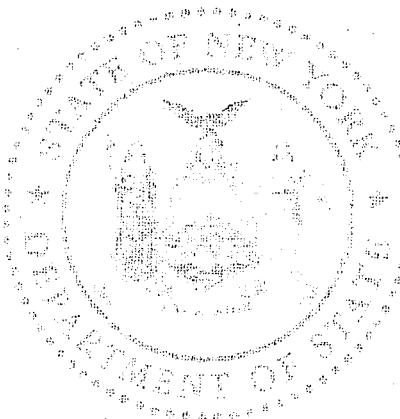
02/28/2018

PITTSFORD, NY 14534

ADDRESS FOR PROCESS:

C/O THE MARRANO/MARC-EQUITY CORPORATION
2730 TRANSIT ROAD
WEST SENECA, NY 14224

REGISTERED AGENT:



=====

SERVICE COMPANY: LIBERTY CORPORATE SERVICES, INC. - AL SERVICE CODE: AL

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STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on March 1, 2018.

A handwritten signature in dark ink, appearing to read "B. Fitzgerald", with a long horizontal flourish extending to the right.

Brendan W. Fitzgerald
Executive Deputy Secretary of State

180228000 623

CERTIFICATE OF INCORPORATION
OF
GLENBROOKE PATIO HOMES HOMEOWNERS' ASSOCIATION, INC.

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

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the Not-for-Profit Corporation Law, does hereby certify:

1. The name of the corporation is Glenbrooke Patio Homes Homeowners' Association, Inc. (the "Corporation").
2. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
3. The purposes for which this Corporation is formed are as follows:
 - (a) To promote and protect the interests of the residents of Glenbrooke Patio Homes, particularly the health, safety and welfare of the community; to acquire, own, improve, lease and transfer real and personal property; to build, maintain and operate facilities for recreational, cultural and community use in general; and to enforce any and all covenants, easements, restrictions and agreements applicable to Glenbrooke Patio Homes, including the collection of all charges and assessments.
 - (b) To do any other act or thing incidental to or connected with the above purposes or in their advancement, but not for the pecuniary profit or financial gain of its members, directors or officers except as permitted under Article 5 of the Not-for-Profit Corporation Law.
4. The Corporation is a non-charitable corporation under Section 201 of the Not-for-Profit Corporation Law.

5. The Corporation is not formed to engage in any activity or for any purpose requiring consent or approval of any State official, department, board, agency or other body, and no such consent or approval is required.

6. The office of the Corporation shall be located in the County of Erie, State of New York.

7. The names and addresses of the initial directors of the Corporation are as follows:

David A. DePaolo 2730 Transit Road
West Seneca, New York 14224

James Marrano 2730 Transit Road
West Seneca, New York 14224

John Manns 2730 Transit Road
West Seneca, New York 14224

8. The Secretary of State of the State of New York is hereby designated as the agent of the Corporation upon whom process in any action or proceeding against it may be served and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the Corporation which may be served upon him is c/o The Marrano/Marc-Equity Corporation, 2730 Transit Road, West Seneca, NY 14224.

IN WITNESS WHEREOF, I have signed this Certificate this 20th day of September, 2017.

/s/ Carla J. Penazek
Carla J. Penazek
Incorporator
99 Garnsey Road
Pittsford, New York 14534

623

CERTIFICATE OF INCORPORATION

OF

GLENBROOKE PATIO HOMES HOMEOWNERS' ASSOCIATION, INC.

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

STATE OF NEW YORK
DEPARTMENT OF STATE

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Pittsford, New York 14534

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BY-LAWS
OF
GLENBROOKE PATIO HOMES
HOMEOWNERS ASSOCIATION, INC.

NAME: Glenbrooke Patio Homes Homeowners Association, Inc.

SPONSOR: The Marrano/Marc-Equity Corporation
2730 Transit Road
West Seneca, New York 14224

DATED: _____, 2018

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BY-LAWS OF
GLENBROOKE HOMEOWNERS ASSOCIATION, INC.

**ARTICLE I
NAME AND LOCATION**

Section 1.01 The name of the corporation is Glenbrooke Patio Homes Homeowners Association, Inc., hereinafter referred to as the “Association”. The principal office of the corporation shall be located in the Town of Henrietta, County of Monroe and State of New York.

**ARTICLE II
DEFINITIONS**

Section 2.01 As used in these By-Laws, the following words, phrases or terms shall be defined as:

A. “Declaration” shall mean and refer to the document entitled “Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens – Glenbrooke Patio Homes” imposed by the Sponsor, as defined below, as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

B. “Lot” shall mean and refer to any portion of the Property identified as a separate parcel on the tax records of the Town of Henrietta or shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as defined in the Declaration.

C. “Member” shall mean and refer to the Owner of a Lot or Unit subject to the Declaration whether the holder of record title of the fee interest in the Lot or Unit or the record holder of any leasehold estate, whether or not such holder actually resides on the part of the Property.

D. “Owner” shall mean and refer to the holder of record title, whether one or more persons or entities, of the fee interest in any Lot or Unit, whether or not such holder actually resides in such Unit or on such Lot.

E. “Property” shall mean and refer to all property and lands which are subject to the Declaration.

F. “Sponsor” shall mean and refer to The Marrano/Marc-Equity Corporation, its successors and assigns.

G. “Unit” shall mean and refer to any completed living Unit situated upon the Property or any dwelling unit on the Property which has been occupied as a residence.

ARTICLE III MEMBERS

Section 3.01 Membership in the Association. The Members of the Association shall be the Owners of Lots and Units on the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. Sponsor shall be a member for so long as Sponsor shall hold title to any Lot or Unit on the Property or Additional Property as defined in the Declaration.

Section 3.02 Right of Sponsor to Assign. The Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Memberships in the Association shall not otherwise be transferable or assignable.

Section 3.03 Voting Rights. Owners shall have one (1) vote for each Lot or Unit owned. Any Member who is in violation of the Declaration, as determined by the Board of Directors of the Association, shall not be entitled to vote during any period in which such violation continues provided that in no event may an Owner's voting rights be suspended for nonpayment of Assessments to the Association.

Section 3.04 Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws, and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.05 Corporate Members. Any votes of a corporate member may be cast by duly authorized officer of such corporation.

Section 3.06 Joint or Common Ownership. When any Lot or Unit is owned or held by more than one person as tenants by the entirety, in joint or common ownership or interest, such owners shall collectively be entitled to only one (1) vote. Any one joint or common owner of the Unit or Lot shall be entitled to cast the vote with respect to the Unit or Lot so owned; however, if such owners cannot jointly agree as to how that vote shall be cast, no vote shall be allowed.

Section 3.07 Absentee Ballots. On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Member intends to vote and that the Member votes for or against the same. Members unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot if so provided by the Board of Directors or may vote by a proxy which shall be in writing and shall be filed with the secretary of the Association prior to the meeting.

ARTICLE IV MEETINGS OF MEMBERS

Section 4.01 First Annual Meeting. The Sponsor will have control of the Board of Directors until 50% of the Units have been sold or for five (5) years after the transfer of title to the first Unit, whichever first occurs. After 50% of the Units have sold or the termination of said five (5) year period, the Sponsor or managing agent shall notify all Owners that the first annual meeting of Members shall be held within 30 days thereafter. At such meeting all Owners, including the Sponsor, shall elect a new Board of Directors which shall consist of five (5) members. The Owners may transact such other business at such meeting as may properly come before them.

Section 4.02 Annual Meetings. There shall be an Annual Meeting of the Members on the anniversary of the first meeting or at such other date and time and at such place convenient to the Members as shall be designated by the Board of Directors, which meeting shall be for the purpose of electing Directors in accordance with the requirements of these By-Laws and for the transaction of such other business as may come before the meeting. If the date fixed for the Annual Meeting shall be a legal holiday, the meeting shall be held on the first day following, which is not a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 4.03 Special Meetings. Special Meetings of the Members may be called at any time by the President or the Board of Directors, or at the request in writing of Members of the Association holding not less than one-third (1/3) of the votes entitled to be cast at the meeting.

Section 4.04 Notice of Meetings. Not less than ten (10) days or more than thirty (30) days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member entitled to vote at such meeting, written or printed notice stating the time and place of the meeting, and, in the case of a Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail, electronic mail or by presenting it to the Member personally, or by leaving it at such Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the Member at his or her post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person, shall be deemed equivalent to the giving of such notice to such persons. The waiver may be signed by any reasonable means, including facsimile signature. All such waivers, consents, and approvals shall be filed with the secretary of the Association or made a part of the minutes of the meetings. Waivers may be written or electronic. If electronic, the transmission of the waiver must be sent by electronic mail and set forth or be submitted with information from which it can reasonably be determined that the transmission was authorized by the person granting the waiver. Any meeting of Members, Annual or Special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 4.05 Quorum. Members holding not less than one-half ($\frac{1}{2}$) of the total votes of the membership shall constitute a quorum at any meeting. If a quorum is not present at any

meeting of Members, a majority of the Members present may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present or be represented. The act of a majority of the Members present at a meeting at which a quorum was present shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Certificate of Incorporation of the Association, the Declaration, or these By-Laws.

Section 4.06 Waiver and Consent. Wherever the vote of the membership is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 4.07 Order of Business at Meeting. The order of business at all regular meetings of members of the Association shall be as follows:

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

ARTICLE V BOARD OF DIRECTORS

Section 5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5) except that an initial Board of three (3) Directors shall be designated by the Sponsor to serve until the first Annual Meeting of the Association after 50% of the Units have been transferred to purchasers for occupancy, or five (5) years after the date of transfer of title to the first Unit, whichever first occurs.

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

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

Section 5.03 Election. At the first Annual Meeting, after 50% of the Units have been sold or five (5) years after transfer of title to the first Unit, whichever first occurs, the members shall elect three (3) Directors for a term of two (2) years, two (2) Directors for a term of one (1) year. At each Annual Meeting thereafter, the Members shall replace those Directors whose terms have expired and elect such successor Directors for a term of two (2) years. So long as Sponsor holds title to at least one (1) Lot or Unit or Addition Property (as defined in the Declaration), it shall have the right to appoint one (1) member of the Board of Directors. If such member is appointed, the Sponsor may not cast its votes to elect the remaining four (4) members of the Board. Voting shall be by secret written ballot which shall:

- (a) set forth the number of vacancies to be filled;
- (b) set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- (c) contain space for a write-in for each vacancy.

The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

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

Section 5.05 Removal. At any meeting of Members, duly called at which a quorum is present, the Members may remove any Director or Directors elected by the Members from office, (i) without cause, by the affirmative vote of not less than a majority of all Members other than the Sponsor, or (ii) with cause, by the affirmative vote of not less than a majority of all Members other than the Sponsor, and may elect the successor or successors to fill any resulting vacancies for the unexpired term or terms of the removed Director or Directors. Any member of the Board of Directors whose removal has been proposed by the Members shall be given the opportunity to be heard at the meeting. Any Director appointed by the Sponsor may be removed without cause only by Sponsor, but may be removed for cause in the same manner as a member of the Board of Directors elected by the Owners may be removed for cause - such removed Director shall be replaced by another Director appointed by Sponsor. In addition the other Directors may, by the affirmative vote of not less than a majority of the other Directors, declare the position of the Director vacant in the event the person filling such position shall be absent from three (3) consecutive meetings.

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

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

Section 5.08 Special Meetings. Special Meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors after not less than two (2) days' notice to each Director. The person or persons authorized to call such Special Meeting of the Board may fix any place convenient to the Directors as a place for holding such Special Meeting. Any Director may, in writing, signed by such Director, before or after the time of the Special Meeting stated therein, waive notice of any Special Meeting. The attendance of a Director at any Special Meeting shall constitute a waiver of notice of such Special Meeting. Neither the business to be transacted at, nor the purpose of, any Special Meeting, need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Certificate of Incorporation of the Association or by these By-Laws.

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

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

Section 5.11 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 or by the Certificate of Incorporation or the By-Laws. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to the following:

- a) To determine, levy and collect the assessments and common charges as provided for in the Declaration.
- b) To use and expend the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association as permitted by the Declaration.
- c) To procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees on such of the Association's real and personal properties as it deems appropriate.

- d) To repair, restore or alter the properties of the Association after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
- e) To adopt and publish rules and regulations governing the use of Association Property and facilities, and the personal conduct of the members and other guests thereon, and establish penalties for infractions thereof.
- f) To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the provisions of the Declaration or of any rules or regulations of the Association.
- g) To pay all taxes owing by the Association.
- h) Maintain, repair and replace, as necessary, all properties and facilities owned by the Association or for which the Association has maintenance responsibilities under the Declaration.
- i) To declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors.
- j) To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and to present a statement thereof to the Members at the annual meeting of Members, or at any special meeting of Members when such a statement is requested in writing by not less than one-third (1/3) of the Members entitled to vote.
- k) To issue, or cause to be issued, upon demand by any person an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Unit.
- l) To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration.

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 or more Vice Presidents, (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Two 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 or her successor shall have been duly elected, unless he or she shall sooner resign, or shall be removed or otherwise be disqualified to serve. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

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

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

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

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

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

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

ARTICLE VII COMMITTEES

Section 7.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association provided, however, that no such committee shall have the authority of the Board

of Directors to approve an amendment to the Certificate of Incorporation of the Association or to the By-Laws or a plan or merger or consolidation.

All actions by any such committee shall be reported to the Board of Directors at its meeting next succeeding such actions. Such actions shall be subject to control, revision, alteration and approval by the Board of Directors.

Section 7.02 Committees of Members. The Association shall have such committees as the Board of Directors shall deem desirable. Each committee shall consist of a chairman and two (2) or more members and shall include a member of the Board of Directors.

Section 7.03 Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. Each committee shall keep regular minutes of its proceedings and shall report such proceedings to the Board of Directors as required by the Board.

ARTICLE VIII FINANCE

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

Section 8.02 Fiscal Year. The fiscal year of the Association shall be the twelve (12) calendar months, ending December 31st of each year, unless otherwise provided by the Board of Directors.

Section 8.03 Annual Reports. There shall be a full and correct statement of the financial affairs of the Association including an annual review of operation for the preceding fiscal year prepared by a certified public accountant and including a certification signed by the certified public accountant to the effect that the financial statements present fairly the financial position of the Association and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with the that of the preceding period except as specified therein. Such report shall be submitted at the Annual Meeting of the Members and filed within twenty (20) days thereafter at the principal office of the Association.

ARTICLE IX BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, Lot Owner, title insurer and mortgagee. The Declaration, Certificate of Incorporation and the By-Laws of the Association shall be available for inspection by any of the foregoing parties at the principal office of the Association.

ARTICLE X CORPORATE SEAL

If so determined by the Board of Directors, the Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

ARTICLE XI AMENDMENTS

Section 11.01 Alteration, Repeal or Amendment. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of two thirds majority of all Members of the Association, so long as the Association has received in writing the consent of at least 51% of mortgage holders of record.

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

ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 20____, by and among _____ ("PURCHASER"), The Marrano/Marc-Equity Corporation ("SPONSOR"), as sponsor of the Glenbrooke Patio Homes Homeowners Association offering plan ("Plan") and Harris Beach PLLC ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale homeowners association ownership interests at the premises located at _____ Henrietta, New York, subject to the terms and conditions set forth in the Plan; and

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

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of membership interest and Unit (the "Purchase Agreement") at _____ located at _____, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Glenbrooke Patio Homes Homeowners Association Escrow Account ("Escrow Account"). The account number is _____.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: _____. All designated signatories are admitted to practice law in the State of New York.

All of the signatories on the Escrow Account have an address of _____, and a telephone number of _____.

1.3. ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Glenbrooke Patio Homes Homeowners Association Escrow Account, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the Unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the Unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

3.4 Sponsor shall not object to the release of the Deposit to:

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT, and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

5.3 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to

PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

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

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT:

HARRIS BEACH PLLC

By: _____

Name: _____

Title: _____

The Marrano/Marc-Equity Corporation

By: _____

Name: _____

Title: _____

Purchaser:

By: _____

By: _____

By: _____

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS

RE: Glenbrooke Patio Homes, Henrietta, New York

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

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

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

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (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 HOA, the plan will be amended to include a certification by an engineer or architect (who must be registered as an architect or be licensed to practice as a professional engineer in the jurisdiction where the HOA is located) stating that the roads and/or sewers, and/or water lines have, in fact, been constructed in accordance with local government specifications (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 HOA, a bond will be posted, funds will be escrowed, or other adequate security will be provided in an amount to be determined by an engineer licensed to practice as a professional engineer in the jurisdiction where the HOA is located which amount shall not be less than the amount required to complete such construction to the required specifications.

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

Dated: April 18, 2018

THE MARRANO/MARC-EQUITY CORPORATION

By: David A. DePaolo
David A. DePaolo, Executive Vice President

Principals of Sponsor

David A. DePaolo
David A. DePaolo

Patrick A. Marrano
Patrick A. Marrano

James P. Marrano
James P. Marrano

STATE OF NEW YORK)
COUNTY OF ERIE) ss

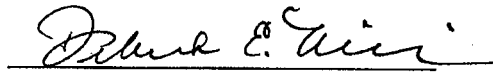
On the 18th day of April, 2018, before me, the undersigned, personally appeared PATRICK A. MARRANO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

DEBORAH E. NICOSIA
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Feb. 28, 20 22

STATE OF NEW YORK)
COUNTY OF ERIE) ss

On the 11th day of April, 2018, before me, the undersigned, personally appeared JAMES P. MARRANO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

DEBORAH E. NICOSIA
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Feb. 28, 20 22

STATE OF NEW YORK)
COUNTY OF ERIE) ss

On the 11th day of April, 2018, before me, the undersigned, personally appeared DAVID A. DEPAOLO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

DEBORAH E. NICOSIA
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Feb. 28, 20 22



♦ OFFICE ♦ RETAIL ♦ CONDOS ♦ HOA's ♦

ADEQUACY OF BUDGET CERTIFICATION
RE: Glenbrooke Patio Homes, Henrietta, New York

The sponsor of the homeowners association offering plan for the captioned property retained our firm to prepare Schedule A containing projections of income and expenses for the first year of operation as a homeowners association. Our experience in this field includes:

Over Twenty-eight (28) years experience in the management of homeowners associations, condominiums and commercial office and retail. I am a member of the Community Associations Institute (CAI) and hold designations as a Real Property Administrator and Facilities Manager Administrator from Building Owners and Managers Institute (BOMI) since 2001.

Realty Performance Group currently is the managing agent for forty-five homeowners associations and condominiums, totaling over 3,700 living units.

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

We have prepared 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. We also have relied on our experience in managing residential property.

We certify the projections in Schedule A appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of operation as a homeowners association.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of HOA operation;

(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

We: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that I am/we are not owned or controlled by the sponsor.

We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of operation as a homeowners association.

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.

REALTY PERFORMANCE GROUP, INC.

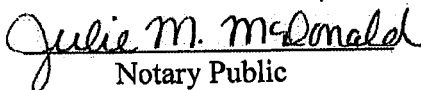
By:


Name: Robert F. Marvin, RPA, FMA

Title: President

Sworn to before me this

8 day of February, 2018


Notary Public

JULIE M. MCDONALD
Notary Public, State of New York
No. 01MC6076701
Qualified in Ontario County
Commission Expires July 1, 2018

PROPERTY MANAGEMENT PROPOSAL

Presented To:

GLENBROOKE PATIO HOMES HOMEOWNERS ASSOCIATION, INC.

**C/o David DePaolo
2730 Transit Road
West Seneca, NY 14224**



Prepared By:

REALTY PERFORMANCE GROUP, INC.

1800 Hudson Avenue, Suite 100

Rochester, New York 14617

Telephone: (585) 225-7440

Fax: (585) 225-7630

realtyperformancegroup.com

Dated: April 28, 2017



April 28, 2017

Glenbrooke Patio Homes Homeowners Association, Inc.
C/o David DePaolo
2730 Transit Road
West Seneca, NY 14224

Re: Property Management Proposal

Dear David:

We appreciate this opportunity to submit our management proposal to you and are excited about the possibility of serving as the managing agent for your association in the future. We are confident that Realty Performance Group would provide your association with the most efficient and responsive property management services available in the marketplace.

Realty Performance Group is a full service real estate company providing property management and maintenance services to real estate owners in the Rochester area, specializing in homeowner associations and condominiums. Our community association management program results in a high level of homeowner satisfaction, minimized operating expenses and thus lower monthly homeowner assessments, and ultimately increased property values for our clients.

COMMUNITY ASSOCIATION MANAGEMENT PHILOSOPHY:

Realty Performance Group manages each property in our portfolio as if it was our own. This entrepreneurial spirit is developed in all staff members and results in more efficient and responsive service to our clients. We develop both short and long term management plans and budgets, based on the goals and expectations of our clients, and take great pride in being able to provide the highest level of service possible, consistent with that budget.

We believe that Board members should only *need* to perform oversight responsibilities for their community association. Our management program is designed so that Board members do not have to spend a significant amount of time on association functions, do not have to receive complaint calls from homeowners, do not have to conduct their own replacement reserve studies or obtain their own quotes or supervise association subcontractors. It is our goal to be the best management company in the Rochester area!

All of our clients now receive a level of service that is significantly better than they were experiencing prior to our involvement, usually with reduced operating expenses. We would like an opportunity to do the same for Glenbrooke Patio Homes!

MANAGEMENT TEAM:

A management company is only as good as its staff, and we have always been committed to establishing a team of the highest caliber employees that are available in the market place. We also assure that our staff has the time necessary to perform their responsibilities to the highest standard and will not spread employees so thin that they cannot possibly perform to the expectations of clients. Our extensive knowledge usually eliminates the need for retaining expensive specialists such as architects, engineers, attorneys, or other consultants for major projects and legal questions.

The following are the key members of our management team:

Robert Marvin, FMA, RPA, President, has more than 28 years of successful leadership and management experience in real estate development, construction, and property management. Before forming RFM Services in 2005 with Nick Harris, Marvin held management positions at the Widewaters Group, Grubb & Ellis Real Estate Services, and Rochester Management. While at Grubb & Ellis, he played a major role in the construction and management of Bausch & Lomb's state of the art world headquarters in downtown Rochester. Marvin's background includes extensive experience in the skilled trades, and he is a master electrician and is licensed in backflow prevention. He earned his associates degree in applied science in HVAC technology and has earned the Real Property Administrator and the Facilities Management Administrator designations from BOMI International. Marvin is also a licensed New York state real estate broker and soon expects to obtain his CPM (Certified Property Manager) designation from the Institute of Real Estate Management (IREM).

Nicholas J. Harris, Jr., CPM, PCAM, Vice President, has been in the property management business for over 25 years. Prior to forming RFM Services, Harris was a portfolio manager for over six years with the Cabot Group, managing thirteen community associations totaling 1,500 units. In 1998, he joined the Widewaters Group where he was responsible for managing all aspects of a portfolio encompassing 1.7 million square feet of class A office space and prime retail space. Harris has earned the prestigious CPM (Certified Property Manager) designation of the Institute of Real Estate Management (IREM), as well as the PCAM (Professional Community Association Manager) of the Community Associations Institute (CAI). He currently serves as Regional Vice President of IREM responsible for Chapters in New York, New Jersey, Delaware and Pennsylvania. He earned his bachelor's degree in accounting at the Rochester Institute of Technology and is a licensed New York State real estate broker.

Chad T. Fetterman, CMCA, AMS, Vice President and Secretary, has more than 14 years of experience in the property management field as a multi-site manager of condominiums and homeowners associations. He has been awarded the CMCA (Certified Manager of Community Associations) designation of the National Board of Certification of Community Association Managers (NBC-CAM). Fetterman was previously employed as a landscape maintenance foreman, where he gained extensive knowledge on plant identification, proper pruning techniques, and identification and treatment of plant insects and diseases, experience which has proven very valuable to Realty Performance Group customers. He has also worked on large renovation projects for residential and commercial properties. He studied Architectural Technology at Pennsylvania College of Technology, a branch campus of Penn State University

Carolyn Walker, Vice President and Treasurer, has been with Realty Performance Group for more than 20 years, and oversees all bookkeeping and office functions and staffing. She has extensive experience in all aspects of the bookkeeping and clerical functions required in community association management and does an excellent job managing our office staff. Prior to joining Realty Performance Group, she was club manager for a large community association in the Rochester area.

Catherine Barnum, MBA, RPA, Property Manager, has 13 years of successful leadership and management experience in property management. Catherine was Property Manager at Finger Lakes College Suites student housing and Park Point at RIT. Catherine also worked as a community manager for Mark VI construction. Catherine also held a position in the Facilities Department with ESL Federal Credit Union. She is a licensed New York State real estate agent who received her MBA (Masters in Business Administration) from the University of Phoenix and her BA (Bachelors of Art) from SUNY Geneseo. Catherine has earned the RPA (Real Property Administrator) designation from BOMI International. Catherine has extensive experience in customer service and mediation training.

Michelle A. Stark, Property Manager, has been in the Property Management field for over 9 years primarily in Private Student Housing at Finger Lakes College Suites, Brockport College Suites and also Mixed-Use Facilities at Park Point at RIT. Prior to the inaugural opening of Park Point at RIT, Michelle had an integral part in establishing the 100% leased rate for over 900 beds. Before her career in Property Management, Michelle was an Adjunct Professor at Finger Lakes Community College. Michelle is a native of Western New York, spending most of her life in the Rochester area. Her undergraduate studies were completed at Monroe Community College and SUNY Brockport and she also earned her Masters of Education from SUNY Brockport.

Julie McDonald, Assistant Property Manager, has been in the property management field for over 11 years primarily in Private Student Housing at Finger Lakes College Suites as the on-site Property Management. Julie specialized in leasing and resident retention, often maintaining 100% occupancy rate each semester for over 350 beds in the two years she spent at Finger Lakes College Suites. Prior to student housing she worked for The Widewaters Group as the administrative assistant for over 1.7 million square feet of Class A office and retail space. Julie is a native of Western New York and has received her Masters in education from St. John Fisher College.

John Standing, Construction and Maintenance Manager, has over 14 years experience in the property management and construction fields. He has worked in student housing, facilities operations, condominiums and home owners association. His extensive experience in the trades for several new builds allows him to address issues of a more technical nature which reduce the number of outside vendors needed to perform services for our clients.

Our team approach to managing each of the properties in our portfolio is extremely effective. The members of our management team all develop a thorough knowledge of each development that we manage, which results in a higher level of service and support than is offered by most other management companies. Our clients can always reach at least one member of our management team.

To further our education in property management, Realty Performance Group maintains memberships in both the Community Associations Institute (CAI) and the Institute of Real Estate Management (IREM). Their periodicals, *Common Ground* and the *Journal of Property Management*, are extremely helpful in keeping us informed of the latest techniques and innovations in the property management field.

FISCAL MANAGEMENT:

Retaining a management company of our size has many advantages. Realty Performance Group is large enough to command significant economies of scale in purchasing materials and negotiating contracts, and we have consistently been able to negotiate new contracts with better terms for our new clients, without sacrificing quality of service.

Our state-of-the-art computerized bookkeeping software program (Yardi Voyager 7S) provides online access and easy to understand financial reports, which are able to be accessed for view only by our clients. **We also distribute to our clients on the first or second business day of each month hard copies of the monthly financials along with a narrative report explaining the financial status of the association.** Our standard monthly reports include a balance sheet, budget comparison report (comparing actual to budgeted amounts, showing any budget variances in both dollars and percentages for both the current month and year to date, and showing the annual budget for the current fiscal year), homeowner assessment roll (listing each homeowner and known tenant by unit number), expense register (listing every disbursement for the reporting period), aged delinquency report, and reconciled bank statements and investment account statements. Our system has the flexibility to add as many income and expense categories as our clients may wish. Enclosed for your reference is a copy of a sample monthly financial statement that we provide to our clients. There are many schedules and reports that are available other than those enclosed, including interim financial statements at any time.

Realty Performance Group prepares a detailed annual budget for each association managed, broken down on a monthly basis by individual income and expense category, including reserve allocations and projected reserve expenditures. The budget process is commenced approximately ninety days prior to the beginning of the next fiscal year for each association. A first draft of our budget proposal is sent to Board members several days before an upcoming Board meeting so that they will have a chance to review it before that meeting. Any changes requested by the Board are entered into the budget and a final draft is distributed for final review. Our budget format is designed to provide sufficient detail without being overwhelming. Also, our format can be revised to reflect the idiosyncrasies of any individual association. Our budget package includes a summary budget page; a reserve funds analysis which details each reserve fund by projected beginning balance, projected reserve allocations during the budget year, projected investment earnings, anticipated reserve expenditures, and projected ending balance; a budget comparison which compares the proposed budget both to the current year's budget and to actuals for prior fiscal years; a list of budget assumptions; several pages of detailed information on each income and expense category; and a monthly breakdown of the budget.

Realty Performance Group is a strong believer in long range planning. As part of this planning process, we complete a detailed long range replacement reserve study for each association that we manage to assure our clients that their reserve allocations are sufficient to cover future capital expenditures without the need for special assessments. We have purchased a computer software package designed specifically for this purpose. There is no additional charge for our time to complete these studies. These detailed studies are typically updated at least biannually, to make sure that they reflect any cost or other changes that inevitably occur over time.

Realty Performance Group has a strong banking relationship with M&T Bank, where we maintain the operating accounts for all of our clients and most of our investment accounts. Our relationship with M&T is so strong that we are able to command higher yields for the reserve fund investments of our clients than they would be able to obtain on their own at M&T Bank. This can make a significant difference in the rate at which an association's investments grow. Of course, we are certainly willing to utilize any reserve fund investment vehicles that may be preferred by any of our clients.

Our collection procedures minimize delinquency problems. At least one collections notice is sent to delinquent homeowners each month. Once a homeowner is into the second or third month of delinquency (timing is a Board decision), we send a five day demand letter. In the absence of payment or a schedule to tender payment within that five day period, we refer such delinquent accounts to the association attorney for commencement of legal action, who initially is instructed to send an attorney demand letter and file a lien. In the rare instance that the delinquency continues after that, the association attorney is directed to obtain a judgment against the delinquent homeowner and/or to commence foreclosure proceedings against the homeowner's unit.

Realty Performance Group pays approved bills on a weekly basis to assure that we take advantage of all discounts available to our clients.

PHYSICAL MANAGEMENT:

Realty Performance Group maintains the association property according to the highest standards achievable, consistent with the overall plan and budget of each association managed. We are proactive, not reactive.

Homeowner maintenance requests are called into our central management office, except where there is a full time on-site maintenance employee in which case maintenance requests are typically called to the site. In either case, a service request form is completed for each maintenance request. Once the service is completed, the completed form is filed in the individual file for that unit so that a complete history is maintained for each address in the property. Homeowners are notified that the service was completed, and not at home at the time, door knob hangers are left. If a homeowner request cannot be completed within three days or so for some reason (parts on order, weather problems, etc.), the homeowner is notified of that fact, as well.

In order to keep our customers informed about the work orders received from homeowners, we provide a periodic report which lists each maintenance request, the date received, a description of the request, who completed the work, what was done, and the date completed (sample report enclosed). The frequency of this computerized report is generally determined by the Board meeting schedule for each property.

In early spring each year, we conduct a thorough inspection of each property in our portfolio and develop a detailed work list for that year. These work lists include, as applicable, pavement work, sidewalk repairs or replacements, painting or staining work needed, areas that may need backfilling and seeding, wood replacement where needed (siding, porches, fences, decks, etc.), shrub replacements, and any other work that may be recommended. The work list is submitted to Board members for review and approval, after which the jobs are scheduled.

We develop detailed specifications, secure competitive bids, make recommendations to the Board, and execute contracts for all of the subcontracted services utilized at the property, such as trash removal, lawn mowing, lawn fertilization, tree and shrub fertilization, shrub bed edging and mulching, shrub and tree trimming, common hallway janitorial services and carpet shampooing, snow plowing, snow shoveling, pavement sealing and repairs, exterior painting and staining, siding and roof replacements, etc. For routine services needed every year, such as landscaping services and/or snow plowing services, contract negotiations are completed well in advance of the need for the service. Our landscaping contracts are typically signed in January or February, and our snow removal contracts are typically executed in August or September. In addition, our contracts specify the dates by which the work must be performed. For example, shrub bed edging and mulching must be completed by May 15th (weather permitting), with all work done during normal business hours (unless previously approved due to unusually bad weather, etc.).

The performance of subcontractors is monitored closely, and all of our contractors are required to carry cellular telephones so that we are able to contact them immediately if there is a problem at one of the sites.

Our in-house Building Services Department provides fast and efficient service for minor plumbing problems, electrical repairs, HVAC service, roofing repairs, siding, gutter problems, swimming pool maintenance, etc. In addition, we have hourly personnel who clean gutters, replace dead trees and shrubs, and many other services which are periodically needed at community associations. Members of our maintenance staff are what we call "generalists" in that they have basic knowledge of all of the various maintenance disciplines. Of course, each has more experience in certain areas than others. For example, one of our mechanics has many years experience in roofing, one has extensive experience in multi-site maintenance responsibilities for a portfolio of day care centers, another has extensive carpentry experience, etc. As a result of this multi-faceted experience, outside specialized contractors are seldom needed for repairs at the properties which we manage.

Our charge rates for our floating year around maintenance mechanics are considerably less than the hourly rates charged by specialized service companies, and we are confident that our rates are also less than that which is charged by most, if not all of the other management companies in town. Some management companies charge one flat rate, no matter which maintenance employee completes a job (we are told that one local company charges \$50 per hour and another management company charges \$52 per hour). We do not think that is fair to our clients. The rates for our full time permanent maintenance mechanics currently range from \$47 per hour to \$49 per hour. During the summer months, we often hire additional laborers which are charged out at between \$38 per hour and \$42 per hour. These rates include all payroll taxes, mandatory insurance coverages, and employee benefits, and are considerably less than the hourly rates charged by specialized service companies. As an additional service, we also offer the services of our maintenance staff at the same hourly charges to individual homeowners who may need work completed inside their unit. Any on-site maintenance employees devoted entirely to one particular property are charged back to that property at cost.

The property manager conducts weekly inspections of the property, checking the general condition of the common areas, performance of the association's subcontractors and site employees, violations of association rules and regulations, etc.

Realty Performance Group maintains an after hours emergency answering service. Homeowners merely call our office telephone number (no need to remember a separate number) at any time, night or day. If the call is a non-emergency, the homeowner can leave a message on our voice mail. In case of an emergency, homeowners merely dial zero when prompted, and they are immediately connected to an operator who records the emergency information and immediately pages it out to our on-call maintenance mechanic. The answering service has a list of emergency contacts in the unlikely event that the on-call mechanic does not respond for some reason. Our on-call employee contacts the homeowner and makes arrangements directly with him or her to correct the emergency situation. All Realty Performance Group maintenance mechanics carry cellular telephones. Back-up assistance is, therefore, always available if an emergency situation requires more than one person to resolve it. Emergency repairs that involve danger to life or property, or that are immediately necessary to assure the preservation and safety of the property, or that are required to avoid the suspension of any necessary services to the property, are completed immediately. Serious situations are reported to the President of the Board immediately.

John Standing (the Construction and Maintenance Manager of our Building Services Department) and our property managers meet daily to discuss what is going on at each site that day. We discuss the entire maintenance operation to make sure that subcontractors and maintenance personnel alike are performing to our expectations. This constant monitoring results in more timely service and more satisfied clients.

COMMUNICATIONS:

Realty Performance Group firmly believes that good communications is one of the key ingredients for any successful property management program. Our regular office hours are 8:00 AM to 5:00 PM weekdays, except holidays. During normal business hours, you will never call our office and have to go through a long menu of options before you get through to a person. A person will always answer the phone. If the person called is unavailable for some reason, messages are returned *promptly*, regardless of whether the calling party is a Board member or an individual homeowner.

Homeowners can also visit our website at www.realtyperformancegroup.com. Our web site includes a page devoted to each community association which we manage, providing information to owners about governance of the association, assessment payments, insurance coverage, trash removal, snow removal, and landscaping services, and other useful information, as well as links to a variance request form and a maintenance request form. Also, Board members, committee members, homeowners, and tenants can email our property manager, or any other member of our management team, from a link on our website. Pictures of each property are also included (there is no additional charge for this service).

When a unit is sold, a welcome letter is sent to the new homeowner, including pertinent information on such things as maintenance requests, emergency service, assessment payment information, variance request procedures, trash removal service, insurance coverage, a listing of Board members, and any other information and enclosures that are specific to a particular association (e.g., swimming pool rules, rules and regulations pamphlets, etc.).

All correspondence for rules and By-Laws enforcement is in writing, with a copy to the Board President (and other Board members if so directed by the Board).

We develop a variance request application form for each property, so there is a formal procedure for handling such inquiries from individual homeowners.

When the nature of any homeowner or tenant request is controversial in nature, or whenever the cost to make a repair requested by a homeowner or tenant is beyond our spending limit, the property manager will contact the Board president or other person designated by the Board before proceeding. If the cost of a job is substantial, specifications will be prepared and multiple bids will be obtained. Likewise, we typically do not assess fines against a homeowner without Board authorization. We will report violations and efforts to correct the violations to the Board for review.

Homeowners also need to be kept informed regarding matters related to the governance of the association. This can be accomplished by a newsletter. In our experience, the most effective community newsletters are ones in which homeowners and Board members contribute. We recommend that a newsletter committee be established, if one is not already in place at Glenbrooke Patio Homes Homeowners Association. Committee input with human interest articles, calendar of association social activities, and other interesting activities and news events at the property help make the newsletter more than just a series of reminders about rules and regulations. Board members may wish to write articles for the newsletter, and our property manager will also write articles that address current issues. Realty Performance Group will assemble the various articles for each newsletter, print it, duplicate it, and mail it to homeowners.

The annual calendar that we prepare for each association that we manage is an extremely effective management tool. It is utilized to schedule ahead of time each item which is included in that property's management plan for the year, including the bidding process, subcontracted services, certificate of deposit maturity dates, and other responsibilities of the management company and maintenance staff. This

calendar not only helps us deliver timely service to our clients, but it also makes it easy for Board members to monitor our performance.

MANAGEMENT PLAN:

Realty Performance Group always develops a management plan for each property managed. During the transition period from between the date we are notified that we have been awarded the management contract until actually taking over the management of the association, we would spend a lot of time reviewing the association governing documents, reviewing the current budget in detail, and reviewing recent financial reports, existing contracts, insurance policies, Board meeting minutes, etc., presumably most of this information will be obtained from Board members. An interim management plan will be established at that time so we will have a program in place as of the date we assume management responsibilities. Of course, this interim plan may be revised after we have been managing the association for a while, based on our experience dealing with the day to day responsibilities at the property.

During this advance transition period, we would also spend time at the property, making inspections of the grounds, building exteriors, recreational facilities, etc. We would contact the associations' contractors and insurance agent, and meet with them to discuss their contracts. We would meet with the Board, if needed to discuss the transition and any questions that may arise during the transition.

Our property manager, our construction manager, and our office manager will all be actively involved in managing the transition, and we will not charge for our time involvement in this transition process.

Realty Performance Group is currently staffed so that we are in a position to be able to absorb several additional properties without straining our property manager staff. It should also be noted that several of the associations which we manage are relatively small, and a few do not entail any maintenance responsibilities for the buildings. The property manager's time requirement for such associations is obviously significantly less than for the larger associations.

REFERENCES:

Realty Performance Group currently manages over 42 community associations in Rochester, totaling over 3,800 units, including; Hillsboro Cove Homeowners Association, 156 unit townhome development in Webster; The Hedges Homeowners Association, a 41 unit townhome and patio home development in Webster; Woodbury Commons Homeowners Association, a 39 unit townhome development in Perinton; Brittany Commons Homeowners Association, a 100 unit townhome development in Brighton; Westfall Professional Park Condominium, a 15 unit office condominium in Brighton; Tobey Court Homeowners Association, a 93 unit townhome development in Pittsford; Park Square Homeowners Association, a 45 unit townhome and patio home development in Pittsford; Oakmonte Homeowners Association, a 23 unit townhome development in Penfield (growing to 28 units); Surrey Hill Condominium, a 194 unit condominium in Henrietta; Sutton Park Condominium, a 99 unit condominium on East Avenue in Rochester; Scarborough House Condominium, a 57 unit condominium on East Avenue in Rochester; Victoria Woods Phases I & II Homeowners Association, a 137 unit townhome development in Victor; Victoria Woods Phase III Homeowners Association, a 210 unit townhome development in Victor; Villager Condominium, a 70 unit townhome development in Honeoye Falls; English Station Homeowners Association, a 56 unit patio home development in Greece; Brookview Homeowners Association, an 82 unit townhome development in Greece; Amberwood Homeowners Association, a 64 unit townhome development in Greece; Hickory Hollow Homeowners Association, a 77 unit patio home development for seniors in Spencerport; Maplehurst Commons Homeowners Association, a 36 unit townhome development in Spencerport; Pumpkin Hill Homeowners Association, a 172 unit townhome development in Chili; Kimberly Condominium Estates, a 94 unit townhome development in Chili; College Greene

Homeowner Association, a 140 unit patio home development for seniors in Chili; Mayflower Village Homeowners Association, a 124 unit townhome and patio home development in Chili (growing to 180 units); Lakewood Condominiums Association, a 60 unit condominium development in Greece; Gardens Of Fieldstone Association, a 14 unit townhome development (growing to 54 units); Roundtree Homeowners Association, a 178 home development in Fairport; Wells Landing Homeowners Association, a 81 unit townhome development in Perinton; Concord Square Homes Association, a 110 unit townhome development in Penfield; Churchville Greene Homeowners Association, a 212 unit townhome development in Churchville; and Silverton Glenn Homeowners Association, a 68 unit patio home development in Victor.

You can also visit our website at www.realtyperformancegroup.com, which provides more details on our company and the services that we offer. Our web site also includes a page devoted to each association which we manage, providing information to owners about governance of the association, assessment payments, insurance coverage, trash removal, snow removal, and landscaping services, and other useful information, as well as links to variance request forms and maintenance request forms and pictures of each property.

In summary, we believe that our experience in all types of property management, maintenance, and construction is unparalleled in this market. Our responsive community association property management program is designed to make the job of Board members as easy as possible and to provide homeowners with the quality, maintenance free living that they were looking for when they purchased a home at Glenbrooke Patio Homes Homeowners Association.

MANAGEMENT PROPOSAL:

The base management fee that we would charge Glenbrooke Patio Homes Homeowners Association for our full service property management program, assuming a minimum Three year contract will be as follows:

0-19 units: Management fee of \$525.00 per month.
20-42 units: Management fee of \$875.00 per month.
43-68 units: Management fee of \$1,250.00 per month.

The total management fee payable in one month would never be lower than the total management fee in a prior month. The above fees would increase annually by an amount equal to the greater of the increase in the CPI or by three percent.

The above fee proposal assumes that the Realty Performance Group property manager assigned to Glenbrooke Patio Homes would attend up to six meetings per year at Glenbrooke, whether they be normal monthly Board meetings, the annual meeting, or other meetings open to homeowners. Any meeting requiring our attendance in addition to the six will be at the rate of \$50.00 per hour.

In addition to our base management fee, we charge a supervision and administration fee of up to ten percent of the claim amount for any insurance claim submission. The amount of the fee will be discussed with the Board in advance. This administration fee is included as a reimbursable expense in the loss claim, so it is usually not a cost incurred by the association. Insurance claim administration is an extra because it is impossible to predict in advance how many insurance claims will have to be submitted, and, therefore, cannot be factored into the base management fee with any certainty.

We also receive reimbursement for out-of-pocket expenses such as postage, association stationery and envelopes, assessment payment coupon book preparation (if utilized by the association), and photocopies at \$0.10 per copy for black and white and \$0.15 for colored copies.

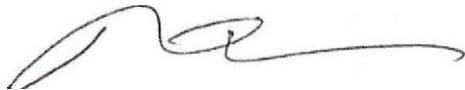
Realty Performance Group typically does not charge a fee for supervision of large capital improvement programs based on a percentage of the total improvement cost as is done by other management companies. We merely charge \$55.00 per hour for the time which John Standing, our Construction and Maintenance Manager, spends at the site overseeing the project. The frequency of these visits is discussed with the Board of Managers in advance so that the amount of any fee is generally known before the project commences. This arrangement *always* saves the association significant amounts of money compared to the percentage fee arrangement.

We look forward to discussing our management proposal with you in more detail. In the meantime, if you have any questions or if you need any additional information, please feel free to give me a call.

We assure you that we do not make empty promises. As our name says, we perform!

Sincerely,

REALTY PERFORMANCE GROUP, INC.

A handwritten signature in black ink, appearing to read 'Robert F. Marvin', with a stylized, flowing script.

Robert F. Marvin, RPA, FMA
President