

A HOMEOWNERS ASSOCIATION OFFERING PLAN

PIPER MEADOWS ASSOCIATION, INC.

CASSIDY COURT

TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK

THIS OFFERING WILL BE MADE IN ONE PHASE. THE TOTAL NUMBER OF TOWNHOMES IS 20, AND THE VALUE OF THE COMMON AREA AND AMENITIES IS \$26,400.00, WHICH IS THE TOTAL VALUE OF THE FULLY IMPROVED COMMON PROPERTY TO BE OWNED AND MAINTAINED BY THE PIPER MEADOWS ASSOCIATION, INC.

NAME AND ADDRESS OF SPONSOR AND SELLING AGENT IS S&J MORRELL, INC., 1501 PITTSFORD VICTOR ROAD, SUITE 100, VICTOR, NY 14564 (585) 249-1330.

THE DATE OF ACCEPTANCE FOR FILING IS September 18, 2020.

THIS PLAN MAY NOT BE USED AFTER September 17, 2021, UNLESS EXTENDED OR AMENDED.

SEE PAGE ONE FOR SPECIAL RISKS TO PURCHASERS.

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE HOWMEOWNERS (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.

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. PURCHASE OF A LOT INCLUDES AUTOMATIC MEMBERSHIP IN THE HOMEOWNERS ASSOCIATION.

YOUR OBLIGATIONS AS A TOWNHOME OWNER ARE INCLUDED IN THIS PLAN. THIS PLAN IS PREPARED AND ISSUED BY THE SPONSOR OF THIS SUBDIVISION. THIS PLAN HAS BEEN FILED WITH ATTORNEY GENERAL OF THE STATE OF NEW YORK, DEPARTMENT OF LAW, REAL ESTATE FINANCE BUREAU, 28 LIBERTY ST., NEW YORK, NY 10005.

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DEFINITIONS

The following terms used with this Offering Plan shall have the following meanings:

Piper Meadows	Piper Meadows Subdivision, Section 2, located in Victor, Ontario County, New York upon which Piper Meadows Townhomes will be built.
Piper Meadows Townhomes	The 20 townhome building lots comprising Piper Meadows Subdivision, Section 2.
Assessments	Collectively, the Maintenance Assessments and Special Assessments.
Association	Piper Meadows Association, Inc.
Association Property	The common area owned by the Association.
Bank	M&T Bank, First Federal Plaza, Rochester, New York 14614, which is the institution where the Escrow Account will be opened and maintained.
Declaration	The Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens to be filed in the Ontario County Clerk's Office prior to the first Lot sale creating the Association.
Escrow Agent	Lacy Katzen LLP, as attorneys.
Escrow Account	The non- interest bearing escrow account where the deposits of Purchasers are held pending closing of the purchase contract. The account is titled the Piper Meadows Escrow Account
IOLA	An Interest-On-Lawyer's-Account authorized pursuant to Judiciary Law Section 497.
Lot	Any portion of Piper Meadows subdivision identified as a separate parcel on the tax records of the municipality, or shown as a separate lot upon any recorded or filed subdivision map.
Maintenance Assessments	Annual assessments or charges for the maintenance and operation of Association Property
Owner Repair	Any maintenance, repair or replacement necessary to preserve the appearance and value of the Association Property, which is occasioned by a negligent or willful act or omission of a Townhome Owner.
Marathon	Marathon Engineering, 39 Cascade Drive, Rochester, New York 14614.
Projected Schedule of Receipts and Expenses	The Schedule A Projected Schedule of Receipts and Expenses establishing the Maintenance Assessments for the first year of operation as set forth budget section of the plan.
Purchaser or Owner	The buyer who enters into an agreement with the Sponsor for the purchase and construction of a Townhome on a Lot.
Residential Construction Performance Guidelines	The performance guidelines published by the Rochester Home Builders Association establishing minimum standards of construction.
Seller/Sponsor	S&J Morrell, Inc.

Special Assessments

An assessment for capital improvements or for repairs which may become necessary as a result of a casualty loss caused by nature, not otherwise covered by insurance and creating a budget deficit for the fiscal year

Townhome

The residential dwelling (attached to another dwelling by at least one party wall) and the Lot upon which the dwelling is constructed.

SPECIAL RISKS

1. The Sponsor intends to improve the 20 Lots known as Piper Meadows with a Townhome dwelling. Construction of the development commenced in the Spring of 2020 and is anticipated to be completed by December 2025, with all 20 Townhomes and Common Area completed. The first Townhome is expected to be completed by January 1, 2021, weather permitting. The Sponsor will complete the subdivision improvements (that is the right of way, water service, sanitary and storm sewers and drainage ponds) servicing any Townhome Lot prior to the sale of such Townhome Lot. The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvement of Lots or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as the landscaping for an individual townhome and the driveway serving an individual townhome, which will be completed as construction of townhomes progresses, and as weather permits. The incomplete items *will be completed* by the Sponsor, which is estimated to be December 2025.

Because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as the number of people willing to purchase a home in the development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that each Lot will be improved with a dwelling, and the Lots may remain vacant for an extended period of time. The Sponsor will construct homes as purchasers enter into binding purchase agreements. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control. See the section entitled Development and Description of Common Areas, page 9, and Piper Meadows Association, Inc. Estimate of Operating Expenses and Reserves.

2. **IN THIS OFFERING THE SPONSOR WILL CONTROL THE ASSOCIATION UNTIL THE EARLIER OF ALL LOTS OWNED BY THE SPONSOR ARE SOLD TO PURCHASERS OR 15 YEARS AFTER THE RECORDING OF THE DECLARATION. DURING SPONSOR'S CONTROL, PURCHASERS WILL NOT HAVE THE RIGHT TO VOTE ON MATTERS INVOLVING THE ASSOCIATION. AS DEFINED IN THE DECLARATION, THE SPONSOR AND ALL TOWNHOME OWNERS SHALL AUTOMATICALLY BE MEMBERS OF THE ASSOCIATION (SEE SECTION 3.02 OF THE DECLARATION SET FORTH IN PART II OF THIS PLAN). THERE SHALL BE TWO (2) CLASSES OF MEMBERSHIP. ALL OWNERS, WITH THE EXCEPTION OF THE SPONSOR, SHALL BE CLASS A MEMBERS. THE SPONSOR SHALL BE A CLASS B MEMBER. UNTIL ALL LOTS OWNED BY SPONSOR ARE TRANSFERRED, OR UNTIL 15 YEARS FOLLOWING THE RECORDING OF THE DECLARATION, WHICHEVER SHALL FIRST OCCUR, THE CLASS B MEMBERSHIP SHALL BE THE ONLY CLASS OF MEMBERSHIP ENTITLED TO VOTE. THEREAFTER, THE SPONSOR'S CLASS B MEMBERSHIP SHALL BE CONVERTED INTO A CLASS A MEMBERSHIP, AND ALL MEMBERS SHALL VOTE EQUALLY, I.E., ONE (1) MEMBER ONE (1) VOTE. THERE IS NO OTHER DIFFERENCE BETWEEN THE CLASS A AND CLASS B MEMBERSHIP. SEE THE SECTION ENTITLED CONTROL BY SPONSOR.**

3. If Purchaser fails to fulfill Purchaser's duties and obligations according to the terms of the Purchase Agreement, all deposits made by the Purchaser may be retained by the Sponsor. In addition, the Purchaser shall pay Sponsor the full cost of all extras, upgrades and change orders that were commenced or ordered prior to the date of closing. Retention of any deposit shall not limit Sponsor from commencing an action for damages or seeking any other remedies allowed in law or in equity. Sponsor must make written demand for payment after a purchaser's default at least 30 days before forfeiture of any deposit may be declared. **If the Sponsor commences litigation to enforce its rights, and if the Sponsor is successful, Purchaser could forfeit all deposits and also be obligated to pay Sponsor an additional sum as awarded by the Court.** See Procedure to Purchase and Section 13 of the Purchase Agreement. If the Sponsor abandons the plan, Purchase will receive a full refund of the deposit, including upgrades and extras.

4. The Sponsor has or will be providing the Town of Victor with irrevocable Letters of Credit to secure the completion of public improvements, to wit: the right of way, water mains, storm and sanitary sewers, all of which will be dedicated to the Town of Victor upon their completion. The Sponsor will complete that portion of the public improvements servicing any Lot prior to the conveyance of said Lot as required by the Town of Victor. See the sections entitled Development and Description of Common Areas, page 9, and Obligations of Sponsor.

5. The Sponsor is offering an express Limited Warranty in connection with the sale of Lots in Piper Meadows. The Limited Warranty is in the amount of \$100,000.00 and is extended to the first owner of the home. The Sponsor has adopted the "Residential Construction Performance Guidelines" published by the Rochester Home Builders Association, which Guidelines are attached to the Limited Warranty. The complete terms of the Limited Warranty are set forth in Part II of this Plan as part of the form of Purchase Agreement for Individual Lots. The Limited Warranty complies with the requirements of the Housing Merchant Implied Warranty.

6. Individual Townhome Owners are responsible for watering the lawn and garden surrounding their townhome. See Section entitled Introduction.

7. The Sponsor does not intend to lease Townhomes since Townhomes will be built as contracts are obtained. However, Sponsor will construct model Townhomes and complete Townhome buildings and it is possible that a Townhome will be leased prior to sale to an Owner occupant. The Sponsor agrees that any sale of a townhome unit will be made free of any rights of prior tenants, and that the prior lease of the unit will be terminated in accordance with its terms prior to the transfer of title. The Sponsor does not intend to enter into "interim leases" or to enter into leases with options to purchase. See Section entitled Interim Leases.

8. The Association will be responsible for maintenance asphalt driveways, roofing, exterior painting/staining of trim materials (not wrapped in aluminum) and front doors, for which replacement reserves have been established. All other Townhome components are the responsibility of the Townhome Owner, including but not limited to vinyl siding, vinyl clad windows, insulated metal doors, overhead garage doors, aluminum gutters and downspouts, masonry windows, skylights, window panes, doors, garage doors, storm doors, decks, or maintain, repair or replace porches, stone pavers or stoops, patios or concrete walks. The Association shall not be responsible for the removal of snow from roofs. See Section entitled Introduction.

The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years. Routine maintenance is covered in the operations portion of the budget. See Budget.

Provision has been made for real estate taxes on the Association Property; the tax assessor has advised the Sponsor that the assessed value of the Association Property will be nominal and reflect the limited market value of Association Property. Should there be an increased assessment of the Association Property, nominal or otherwise, the Maintenance Assessments will necessarily be increased to fund the resulting taxes. See Budget for detailed information.

9. Insurance carried by the Association for fire and all risk building coverage does not insure the personal property or dwelling contents of individual Townhome Owners. Townhome Owners are advised to obtain property insurance for personal property and dwelling contents, including upgrades installed by Sponsor or any other party, as well as liability coverage for accidents occurring in and about their dwelling. See Budget.

10. The Sponsor will retain Realty Performance Group ("Realty Performance") to act as Managing Agent of the Association. There is no affiliation between Realty Performance and Sponsor. For its services, Realty Performance will receive a fee of \$27.50 per Lot per month, which amount is a reasonable market rate (subject to renewal and increases in fees). In addition, Realty Performance will receive reimbursement for all out-of-pocket expenditures. The form of Management Agreement is set forth as an exhibit to this Offering Plan. If the Sponsor opts to renew the Management

Agreement, the Management Agreement may be binding on the Association for up to 15 years, which is the maximum period of Sponsor control. See Budget and Management Agreement.

The Association will indemnify and defend Realty Performance as Managing Agent against all suits brought in connection with the Association and from liability for loss of person or property. The Association will also pay all expenses of Realty Performance as Managing Agent in defending against such suits. See Section entitled Management Agreement.

11. If a Townhome Owner fails to maintain his home in good repair, the Association may perform maintenance not performed by the Townhome Owner at the Townhome Owner's expense, the cost of said maintenance or restoration to be assessed against the defaulting Townhome Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such. Good repair means a condition which not only meets minimum standards of health and safety, but which results in continued structural soundness and usefulness of its intended purpose. See Introduction.

12. The Common Area, owned and maintained by the Association, will include the following improvements: driveways serving the individual townhomes; entrance monument; drainage ponds, open space and landscaped areas. The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvement of Lots or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as landscaping and the asphalt paved areas. The incomplete items will be completed by the Sponsor, but are not secured by any letter of credit or completion bond. The Sponsor is obligated to build and complete the improvements to the Association property in accordance with the building plans and specifications identified in the plan. Construction commenced in the spring of 2020 and is anticipated to be completed by December 2025. See Introduction.

As set forth in Special Risk #8, the Association will be responsible for maintenance of asphalt driveways, roofing, exterior painting/staining of trim materials (not wrapped in aluminum) and front doors, for which replacement reserves have been established. All other Townhome components are the responsibility of the Townhome Owner, including but not limited to vinyl siding, vinyl clad windows, insulated metal doors, overhead garage doors, aluminum gutters and downspouts, masonry windows, skylights, window panes, doors, garage doors, storm doors, decks, porches, stone pavers, stoops, patios or concrete walks. The Association shall not be responsible for the removal of snow from roofs.

13. A purchaser may purchase his home with mortgage financing, but the obligations and conditions of the commitment are the responsibility of the purchaser, and are not contingencies of the contract between the Sponsor and purchaser. Additionally, the purchaser is responsible to obtain a commitment which expires on or after the closing date set forth in the Purchase Agreement with the Sponsor. If the commitment expires before closing, it is the purchaser's obligation to have the commitment extended. The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. See Procedure to Purchase.

14. No bond or other security has been posted by the Sponsor to secure the completion of construction of any building or the performance of its obligations set forth in this Offering Plan, except as set forth in special risk #3 at page 1. The Sponsor nevertheless has the financial ability to complete the project and meet its obligations as set forth in this Offering Plan. See Rights and Obligations of Sponsor.

15. Townhome Owners may NOT make any exterior modifications or improvements to their home or the Lot, including but not limited to landscaping or foundation plantings, without Architectural Committee written approval. An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing

certain provisions of the Declaration and controlling any change in use or any additions, modifications or alterations to any improvement within the Piper Meadows within guidelines and/or policies established by the Board of Directors. In this offering the Sponsor will control the Association until the earlier of all lots owned by the Sponsor are sold to Purchasers or 15 years after the recording of the Declaration. During Sponsor's control, Purchasers will not have the right to vote on matters involving the Association. See Control by Sponsor.

16. During Sponsor control (see Special Risk number 3), the Sponsor will not exercise veto power over the expenses in the Projected Schedule of Receipts and Expenses, nor over expenses required to (1) comply with applicable law or regulation; (2) remedy and notice of violation; (3) remedy any work order issued by an insurer; or (4) ensure the health and safety of the occupants of the building, provided such maintenance action is otherwise the obligation of the Association. During Sponsor control, Sponsor may exercise veto power over expenses other than those listed above in compliance with the terms and conditions of the Declaration. See Rights and Obligations of Sponsor.

17. The Sponsor will comply with the Escrow Trust Fund provisions establish by the Attorney General. Deposits will be held in trust by the Sponsor's attorney. The name of the account is PIPER MEADOWS ESCROW ACCOUNT, located at Manufacturers and Traders Trust Company, First Federal Plaza Office, Rochester, New York. This bank is covered by federal bank deposit insurance. The maximum amount of insurance is \$250,000.00 per account. If deposits in the aggregate are in excess of then applicable maximum amount, such deposits will not be federally insured in excess of the then applicable maximum amount. See Procedure to Purchase.

18. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert. See Opinion of Counsel.

19. This Plan does not have a working capital fund. If capital improvements are required, a special assessment will be necessary. See Budget.

20. The Purchase Agreement contains the following language regarding Purchaser's not working with Buyer's Brokers: Buyer represents that no broker has been contracted or engaged by Buyer in connection with the procurement of this Contract except as otherwise set forth herein. Should this representation be contrary to fact, Buyer shall pay any commission due and hold the Seller harmless from any claim or liability therefor arising out of the acts or inactions of the Buyer. This representation shall survive the closing and delivery of the deed to Buyer. See Purchase Agreement.

21. The offering plan discloses that operating expenses are based upon the cost of operating the project with 20 townhomes transferred to third party purchasers where each is assessed 1/20th of the total costs of operations. However, during development and construction, income and expenses (services provided) will be based on townhomes completed, and therefore income and expenses incurred will be less than the amount as set forth in the budget until all homes are built. With respect to reserves, until a townhome is built, no common charges are collected, including the amount for reserves; and therefore the amount collected for reserves will reflect the number of homes built. Accordingly, the total amount collected for reserves until all homes are built will be less than reflected in the budget.

INTRODUCTION

The purpose of this Offering Plan is to set forth all the material terms of the offer of membership in the Piper Meadows Association, Inc. ("Association"). The Sponsor may amend the Offering Plan from time to time by filing an amendment with the New York State Department of Law. All amendments shall be served upon all offerees, as defined by 13 N.Y.C.R.R. Section 22.1(d) ("Offerees"). A copy of this Offering Plan and all exhibits delivered to the Department of Law at the time this plan was filed are available for inspection, without charge to prospective purchasers and their attorneys, at the Sponsor's office.

S&J Morrell, Inc., (hereinafter referred to as "Sponsor"), is a New York corporation, with an office and principal place of business at 1501 Pittsford Victor Road, Victor, New York. The Sponsor acquired fee ownership of approximately 41.872± acres of land located in Victor, Ontario County, New York, by deeds recorded in the Ontario County Clerk's Office on January 10, 2020 in Liber 1443 of Deeds, at page 852, and on February 20, 2020 in Liber 1446 of Deeds, at page 365. This land is referred to in this Offering Plan as Piper Meadows Subdivision. Piper Meadows Subdivision is composed of two sections. Piper Meadows Subdivision, Section 2 ("Piper Meadows"), is the subject of this Offering Plan. Piper Meadows Subdivision, Section 1, is not part of this Offering Plan. Piper Meadows Subdivision, Section 1, will be improved by 21 single family lots, inclusive of two existing homes. Except as set forth in this paragraph, neither the Sponsor, nor any of its principals, owns in whole or in part, or has an option to acquire, any other adjoining areas which are not fully developed.

Piper Meadows consists of 20 townhome building lots in one phase, together with open space. There will be 20 townhomes in ten buildings, that is two townhomes per building. The townhome building lots are offered in connection with the Association. The property is referred to in this Offering Plan as "Piper Meadows." The property comprising Piper Meadows is bounded on the north by the 21 single family home sites in Piper Meadows Subdivision, Section 1, on the east by the Victor Central School District Campus, with multiple school buildings and athletic fields, on the west by commercial business properties, and the south by residential properties and St. Pats Cemetery. The immediate area surrounding Piper Meadows is devoted to residential use, education, retail and commercial uses. Piper Meadows is located in the northern portion of the Town of Victor, and is within 4± miles of one of Ontario County's major retail areas, Eastview Mall and surrounding retail outlets.

The Sponsor plans to improve Piper Meadows with 20 single family Townhomes on separate Lots. The Sponsor gives no assurance that all lots will be improved with a dwelling. A "Townhome" shall mean and refer to a residential dwelling constructed upon a given Lot and attached to at least one other Townhome by means of a party wall. A "Lot" shall mean and refer to any portion of Piper Meadows identified as a separate parcel on the tax records of the municipality, or shown as a separate lot upon any recorded or filed subdivision map. Purchasers of Townhomes within Piper Meadows are purchasing the Lot and the improvement constructed on it. All areas of Piper Meadows not contained within the perimeter of the building lots will be common areas and conveyed to the Association prior to the sale of the first Lot.

The Piper Meadows will have access to High Street via the right-of-way known as Cassidy Court, which will be dedicated to, owned and maintained by, the Town of Victor. Construction of Cassidy Court began on June 1, 2020 and is projected to be completed on September 1, 2020, weather permitting. Cassidy Court will consist of a 60-foot wide right of way. The sanitary and storm drainage sewers will be dedicated to, owned and maintained by, the Town of Victor. Cassidy Court and the sanitary and storm drainage sewers will be constructed in accordance with plans and specifications required by and approved by the Town of Victor. Lot Owners will have access to Cassidy Court directly from their individual driveways. A letter of credit has been posted with the Town of Victor for the completion of Cassidy Court and all work within the right-of-way.

The Common Area, owned and maintained by the Association, will include the following improvements: driveways serving the individual townhomes; entrance monument; drainage ponds; open space and landscaped areas.

The Association is solely responsible for the maintenance of the Common Area and the improvements within the area, including but not limited to the above items, in accordance with maintenance plans on file with the Association and the Town of Victor.

Regarding parking, in addition to the attached garage for each Townhome, each Townhome will have a driveway approximately 16 feet wide for additional parking for two cars. No additional parking is located within the common area. If additional parking is required in the future, subject to Town approval, it will be located along the rights of way. See the Site Plan on page 69.

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

The purchase price of a Lot in Piper Meadows includes the Townhome constructed on it, the exclusive right to use the improvements, walk and driveway associated with the Townhome, and the cost of the Association property. Purchasers are advised that purchase prices are set by the Sponsor and are not subject to review or approval by the New York State Department of Law or any other governmental agency.

As defined in the Declaration, the Sponsor and all Townhome Owners shall automatically be Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including any and all additional lots which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote. There is no other difference between the Class A and Class B membership. See the section entitled Piper Meadows Association, Inc., Membership and Voting Rights. At the first annual meeting following the conversion of Sponsor's Class B Membership to a Class A Membership, the Members shall elect a new Board of Directors unrelated to the Sponsor.

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

1. The operation and maintenance of the Association property.
2. With respect to the Townhomes, including garages, the Association will be responsible for maintenance of asphalt driveways, roofing, exterior painting/staining of trim materials (not wrapped in aluminum) and front doors, for which replacement reserves have been established. All other Townhome components are the responsibility of the Townhome Owner, including but not limited to vinyl siding, vinyl clad windows, insulated metal doors, overhead garage doors, aluminum gutters and downspouts, masonry windows, skylights, window panes, doors, garage doors, storm doors,

decks, or maintain, repair or replace porches, stone pavers or stoops, patios or concrete walks. The Association shall not be responsible for the removal of snow from roofs. If an Owner is concerned with removal of snow from roofs, the Owner is responsible for such removal.

3. Fire and casualty insurance covering the Townhomes, Association property, if appropriate, and liability insurance for the Association.

4. The creation of such reserves for contingencies as the Board of Directors may deem proper.

5. Maintenance, including repair and replacement, as necessary, of the common properties of the Association, including the driveways, entrance monuments, walks, and those portions of sewer, water, and utility laterals servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity, and landscaping as installed by Sponsor. As set forth in Operating Expenses, driveways will be plowed of snow as set forth in Footnote 8, and sealed and resurfaced as set forth in Footnote 17.

6. Plowing of snow from the paved areas. The Townhome Owner shall be responsible for shoveling of snow from walks. The Association shall not be responsible for ice control or removal. The Townhome Owner may take steps to control or remove ice, but may not use salt or any other corrosive material or chemical that may harm or degrade the walk over time.

7. Maintenance of landscaping and lawns within Piper Meadows originally installed by Sponsor. Townhome Owners are responsible for watering their lawns following initial planting/seeding, and thereafter as weather dictates.

See page 30 for further discussion of Maintenance by the Association.

Except as set forth above, individual Townhome Owners are responsible for the interior and exterior maintenance of their Townhomes. Townhome Owners are responsible for watering their lawns following initial planting/seeding, and thereafter as weather dictates. They may decorate their dwellings as they desire, subject only to such rules and regulations regarding the exterior appearance of the dwellings as may be promulgated from time to time by the Association's Architectural Committee (see Section 7.08 of the Declaration set forth in Part II of this Plan). No Townhome Owner shall alter or change the exterior color of the improvements on his Lot without the prior written consent of the Association. In this offering the Sponsor will control the Association until the earlier of all lots owned by the Sponsor are sold to Purchasers or 15 years after the recording of the Declaration. During Sponsor's control, Purchasers will not have the right to vote on matters involving the Association. The Association may perform maintenance not performed by the Townhome Owner at the Townhome Owners expense, the cost of said maintenance or restoration to be assessed against the defaulting Townhome Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such.

Townhome Owners may improve their deck or patio area with the Sponsor's written consent, upon uniform standards consistently applied, and thereafter when the Sponsor is no longer in control of the Association, the Association's consent. The specific area of the improvement, and the nature of the improvement and the materials used shall all be reviewed and approved before construction begins. The improvements shall not be attached to an adjoining Townhome Owner's property, and the adjoining Townhome Owner and Association shall not be obstructed from performing repairs and maintenance on the adjoining Townhome. The Townhome Owner shall maintain the improvements in a good repair. Good repair means a condition which not only meets minimum standards of health and safety, but which results in continued structural soundness and usefulness of its intended purpose. Upon the Townhome Owner's failure to maintain, the Association may maintain the area or remove the improvement and restore the area to its original condition at the defaulting Townhome Owner's expense, the cost of said maintenance or restoration to be assessed against the defaulting Townhome Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such.

Owners of Lots, excluding the Sponsor, are responsible for the payment of monthly maintenance assessments to the Association. At the time they purchase their Lot, purchasers are advised to obtain a certificate from the Association (see Section 5.10 of Declaration set forth in Part II of this Plan) certifying to the status of payment of assessments. This statement will be provided to first time purchasers by the Sponsor at closing. The estimated charges for the first year that Piper Meadows is completed and operating are set forth immediately following this Section. A certification by an expert concerning the adequacy of such charges is set forth in Part II of this Plan. The Association may place a lien on Lots for unpaid maintenance assessments. This could result in foreclosure. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan.

The Ontario County Sheriff Department will provide police protection. The Victor Volunteer Fire Department will provide fire protection. The Town of Victor pursuant to a lease agreement with the Monroe County Water Authority (475 Norris Drive Rochester, New York 14610- 0999 T (585) 442-2000 F (585) 442-0220) will provide water service. The Town of Victor Highway Department will provide sanitary and storm sewer service. Rochester Gas and Electric Company will provide electricity and gas. The cost of police and fire protection, sewer services and maintenance of dedicated improvements will be included in the Townhome Owners real property tax. Electric, gas and water usage and pure waters service will be separately billed on the basis of consumption. Snow removal from paved areas and maintenance services are provided by the Association as discussed on the preceding page.

Owners of Lots may sell or mortgage their Lots to anyone without restriction. Each Lot is separate and not subject to mortgages of other Lots. Owners of Lots in Piper Meadows should be aware that, if they resell their Lot, those who purchase from them will automatically become Members of the Association, assuming all rights and obligations (see Section 3.02 of the Declaration set forth in Part II of this Plan).

In the event of the dissolution or liquidation of the Sponsor or the transfer of three or more homes or lots to a purchaser who is not purchasing for occupancy, the principals of 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 home or lots under the offering plan, applicable laws or regulations. If the Sponsor is dissolved or liquidated, the principals of the original Sponsor will guarantee the obligations of the new sponsor.

The Offering Plan as presented contains all of the detailed terms of the transaction as it relates to the Association. Copies of the Offering Plan and all Exhibits submitted to the Office of the Attorney General will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the property site whenever the on-site sales office is open, at the office of the Sponsor during normal business hours, and the office of the NYS Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, NY 10005, during normal business hours.

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

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DEVELOPMENT AND DESCRIPTION OF PIPER MEADOWS COMMON AREAS

The Sponsor plans to improve 20 Lots with Townhomes to be known as Piper Meadows. Piper Meadows consists of a dedicated right of way known as Cassidy Court, the townhome driveways and landscaped areas to be owned by the Association, and the townhome dwellings to be owned by individual purchasers. The Piper Meadows consists of 25.45± acres in total, which includes 21.94± acres of Common Area to be managed and maintained by the Association. The Common Area consists of driveways serving the individual townhomes; entrance monument; drainage ponds; open space and landscaped areas. The landscaped areas will be hydro seeded with grass seed. See Engineer's Description of species details. Open space areas will consist of natural grasses, both current and newly installed site landscaping (see Engineer's Description for species details), and will be managed and maintained by the Association, and subject to a conservation easement with the Town of Victor. The conservation easement requires that the area subject to the conservation easement remain in its natural state. The conservation easement does not impose any financial obligations upon the Association. Other than an entrance monument and driveways serving Townhomes, the common area is not improved by any structure or building. Construction on Piper Meadows, the Townhomes and Association common area commenced in the spring of 2020 and is anticipated to be completed by December 2025. A site plan showing the details of the proposed development is set forth in Part II of this Plan. The Sponsor will complete the subdivision improvements, that is the right of way, water service, storm and sanitary sewers before the first lot sale projected to be January 1, 2021, however, because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as market acceptance of the development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that each Lot will be improved with a dwelling. The Sponsor will construct homes as purchasers enter into binding purchase agreements, and the Lots may remain vacant for an extended period of time. The Sponsor has not established a fixed or predetermined timetable.

In addition to the attached garage for each Townhome, each Townhome will have a driveway approximately 16 feet wide for additional parking of two cars. No additional parking is located within the common area. If additional parking is required in the future, subject to Town approval, it will be located along the rights of way. Driveways will consist of #2 Stone Crusher Run on average 7 inch thickness, followed by #1 Stone Crusher Run on average 1 inch thickness, followed by Blacktop Binder Driveway on average 2.5 inch thickness compacted to 2 inches. See Engineer's Description at page 62.

The construction time table for the completion of the first Townhome is estimated to be January 1, 2021; the remaining townhomes will be completed as contracts for sale are entered into. The Sponsor does not intend to, but may in its sole discretion, complete townhomes on speculation or without contracts of sale with purchasers. Assuming normal demand by prospective purchasers, the Sponsor anticipates being done with the development in December 2025. However, no guarantee can be made by the Sponsor.

All areas which are not contained within the perimeter of a Subdivision Lot will be known as common areas, and will be conveyed to the Association prior to the closing of title to the first Lot. The common area improvements will be completed prior to the transfer of the common area to the Association and the sale of the first Townhome, estimated to be January 1, 2021. Construction of the development commenced in the Spring of 2020 and is anticipated to be completed by December 2025, with all 20 Townhomes and Common Area completed. The first Townhome is expected to be completed by January 1, 2021, weather permitting. The Sponsor will complete the subdivision improvements (that is the right of way, water service, sanitary and storm sewers and drainage ponds) servicing any Townhome Lot prior to the sale of such Townhome Lot. The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvement of Lots or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as the landscaping for an individual townhome and the driveway serving an individual townhome, which will be completed as construction of townhomes progresses, and as weather permits. The incomplete items *will be completed* by the Sponsor, which is estimated to be December 2025, but are not secured by any letter of credit or completion bond. No bond or letter of credit has been posted securing the completion of the driveways or storm water management system.

The Common Area, owned and maintained by the Association, will include the following improvements:

1. Driveways serving the individual townhomes;
2. Entrance monument;
3. Drainage ponds, open space and landscaped areas.

The Association is solely responsible for the maintenance of the Common Area and the improvements within the area, including but not limited to the above items, in accordance with maintenance plans on file with the Association and the Town of Victor.

The Piper Meadows will have access to High Street via the right-of-way known as Cassidy Court, which will be dedicated to, owned and maintained by, the Town of Victor. Cassidy Court will consist of a 60-foot wide right of way. The sanitary and storm drainage sewers will be dedicated to, owned and maintained by, the Town of Victor. Cassidy Court and the sanitary and storm drainage sewers will be constructed in accordance with plans and specifications required by and approved by the Town of Victor. Lot Owners will have access to Cassidy Court directly from their individual driveways. A letter of credit has been posted with the Town of Victor for the completion of work within the right-of-way. The water mains, hydrants, valves, and all other appurtenances within the right-of-way or dedicated easement shall be owned and maintained by the Town of Ontario. Water mains will be constructed in accordance with plans and specifications required by the Town of Ontario.

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

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

The Sponsor will provide and pay for a title insurance policy to cover the common property conveyed to the Association. The policy will be in the amount of the offering.

The Sponsor will construct all improvements in accordance with the Town Zoning and Building Ordinances.

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SCHEDULE A
ESTIMATE OF OPERATING EXPENSES AND RESERVES
FOR THE FIRST YEAR OF OPERATION COMMENCING
APPROXIMATELY JANUARY 1, 2021 AND ENDING DECEMBER 31, 2021

This estimate is prepared as of January 1, 2021, which date is a reasonable projection of when the first closing is to occur. This estimate of operating expenses and reserves has been made by the Sponsor and is based upon quotations obtained by Sponsor. This estimate cannot be construed as an assurance of actual expenses and is based merely upon information available to the Sponsor at the time of preparation.

The Sponsor intends to improve the 20 Lots known as Piper Meadows with a Townhome dwelling. Construction commenced in the Spring of 2020 and is anticipated to be completed by December 2025. The first Townhome is expected to be completed by January 1, 2021, weather permitting. The Sponsor will complete the subdivision improvements (that is the right of way, water service, sanitary and storm sewers and drainage ponds) servicing any Townhome Lot prior to the sale of such Townhome Lot. However, because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as the number of people willing to purchase a home in the development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that each Lot will be improved with a dwelling, and the Lots may remain vacant for an extended period of time. The Sponsor will construct homes as purchasers enter into binding purchase agreements. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control.

Provision has been made for real estate taxes on the Association Property; the tax assessor has advised the Sponsor that the assessed value of the Association Property will be nominal and reflect the limited market value of Association Property. See Budget Footnote 15 on page 15. Should there be an increased assessment of the Association Property, nominal or otherwise, the Maintenance Assessments will necessarily be increased to fund the resulting taxes.

The estimated first year of operating expense is \$291.97/ unit / month. These operating expenses are based upon the cost of operating the project with 20 Townhomes transferred to third party purchasers. Each Townhome transferred by the Sponsor is assessed 1/20th of the total costs of operations, that is the Association charges do not vary between the townhomes as they are each assessed equally. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of ownership and control (see following paragraph).

As set forth above, operating expenses are based upon the cost of operating the project with 20 townhomes transferred to third party purchasers where each is assessed 1/20th of the total costs of operations. However, during development and construction, income and expenses (services provided) will be based on townhomes completed, and therefore income and expenses incurred will be less than the amount as set forth in the budget until all homes are built. With respect to reserves, until a townhome is built, no common charges are collected, including the amount for reserves; and therefore the amount collected for reserves will reflect the number of homes built. Accordingly, the total amount collected for reserves until all homes are built will be less than reflected in the budget.

The maintenance assessments on Townhomes owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Townhomes. For those Townhomes owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy, which amount shall be include in the deficit paid by the Sponsor. By way of example, the yearly reserve contribution per Lot is \$342.60, or \$28.55 per month. Thus if the Sponsor completed a Townhome on July 1st, but did not transfer it to a third party Owner until October 31st, the Sponsor would contribute four months towards reserves in the amount of \$114.20 (\$28.55 per month x 4). In no event, however, will the Sponsor be required to make a deficiency

contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Townhome. See Article V of the Declaration set forth in Part II of this Plan.

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

If the projected commencement date of the budget year for the projected schedule of receipts and expenses differs by six (6) months or more from the anticipated date of closing of the first home or Townhome, this Offering Plan will be amended to include a revised budget disclosing current projections. The amendment will be completed prior to closing the first home or Townhome. If the amended projections exceed the original projections by 25% or more, the Sponsor will offer all purchasers the right, for a reasonable period of time not less than 15 days from the date of presentation, to rescind their offer to purchase and to have their deposits refunded with interest, if any. The Sponsor's guarantee of the budget in this Offering Plan will not avoid an offer of rescission.

Schedule A
Piper Meadows
Projected Schedule of Receipts and Expenses
for First Year of Operations Commencing January 1, 2021 and ending December 31, 2021

	Full Project (20 Units)	Notes
PROJECTED INCOME		
MAINTENANCE CHARGES		
\$291.97/ unit / month based on 20 units	\$70,072	1
PROJECTED EXPENSES		
ADMINISTRATIVE		
Legal	250	2
Labor	0	2
Audit	1,500	3
Office Exp.	250	4
Insurance	9,100	5
Management	6,600	6
CONTRACTED SERVICES		
Landscape/Grounds	25,000	7
Snow plowing	6,450	8
Refuse	5,712	9
Lawn Fertilization and Weed Control Program	1,099	10
Stormwater & Swale Management	3,500	11
REPAIRS AND MAINTENANCE		
Buildings	600	12
Grounds	600	13
Supplies	500	14
TAXES		
Property taxes	842.49	15
Federal/State income taxes	50	16
RESERVE FUND		
Driveway Sealing	347	17
Driveways Resurfacing	715	17
Roofing	5,040	18
Painting/Staining	750	19
Stormwater & Swale Management	1167	20
TOTAL	\$70,072	

Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense, which estimate was certified by the budget expert. This estimate is based upon the first twelve-(12) months of operation of the Association commencing on or about January 01, 2021. This estimate is based on the project consisting of 20 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time. This estimate is prepared as of January 01, 2021, which date is a reasonable projection of when the first closing is to occur. The projected completion for the project is approximately December 01, 2025.
2. Routine legal expenses are for occasional advice and for the annual audit certification letter by retained Association counsel. It is assumed that any collection fees expensed for delinquent accounts will be passed on to the unit owner per the Declaration and therefore will be reimbursed to the Association. This estimate is provided by Woods Oviatt Gilman LLP, 700 Crossroads Bldg., 2 State Street, Rochester, New York 14614, 585-987-2800.

The Association has no employees. Independent contractors performing work for the Association will comply with applicable housing and labor laws.
3. Audit fees for annual audit as projected by Bonn, Dioguardi & Ray LLP (Michael Boychuck) 70 Linden Oaks Office Park, Rochester, NY 14625, 585-381-9660. Fee includes the full audit, published audit statements to the Board of Directors, Owners, and preparation of all tax returns.
4. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.
5. Insurance is based on estimates by SDN (Joshua Watkins) with an address of 300 Spindrift Drive, Amherst, NY 14221, 716-817-5150. Included is a blanket building limit of \$6,640,000 for the project, 10 buildings with a total of 20 units. A property deductible of \$1,000.00, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000. This is an estimated limit and will be adjusted to actual with each unit upon closing.

The annual premium estimated for this exposure is as follows:

Estimate of Values & Premium	Full Project
Annual Estimated Premium:	\$9,100.00
Building	\$4,400,000.00
Liability per Occurrence	\$1,000,000.00
Liability Aggregate	\$2,000,000.00
Non-Owned/Hired Auto	\$1,000,000.00
Directors & Officers Liability	\$1,000,000.00
Employee Dishonesty	\$250,000.00
Property Enhancement Endorsement	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,000.00

Coverage would be 100% Co-Insurance, Replacement Cost, Agreed Value, Special Form Perils, Ice Damming Deductible would be \$1,000.00 per unit.

The insurance policy provides that:

- a. Each homeowner is an additional insured party;
- b. There will be no cancellation without notice to the Board of Directors;
- c. A waiver of subrogation is included;
- d. A waiver of invalidity due to acts of the insured and homeowners, and
- e. A waiver of pro-rata reduction if homeowners obtain additional coverage.

Homeowners are reminded to obtain additional insurance, at their own expense, to cover fire and casualty losses to contents of the home, and liability coverage for accidents occurring within the home.

6. Management fees are based on \$27.50 per unit, per month. This estimate is provided by Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901. This includes all accounting services including collection of monthly fees, paying all bills, annual budget preparation, attendance at monthly meetings, site inspections, fund management and periodic reserve fund studies, site supervision of contracted work, drafting maintenance bid specifications and bid procurement, delinquent account monitoring and collections, annual management letter, rules enforcement, provide professional advice guiding and reporting to a volunteer Board of Directors. (refer to the management contract)
7. Landscaping services include weekly mowing of 20 units and common areas, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$23,000 including applicable tax. This is based on a quote from VanPutte Landscape, with an address of 136 North Avenue, Rochester, New York 14626.
8. Snow removal seasonal contract is for the driveways of the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided by Ted Collins Tree & Landscape, 8000 Victor-Mendon Rd, Victor, New York 14564, (585) 899-9266.
9. Refuse is quoted by Casella waste services, 35 Deep Rock Road, Rochester, New York 14624, (585) 254-7081. Service is quoted for weekly pick-up of refuse and the recycling blue box.
10. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by One Step, with an address of 4343 Buffalo Road, North Chili, New York 14514.
11. Annual management of swales and ponds is routine maintenance being quoted by VanPutte Landscape, 136 North Avenue, Rochester, New York 14626 (585) 225-7770. Services provided include spring and fall inspection of swales, ponds, forebays and micropools as well as removal of debris from outlets.
12. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.
13. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, occasional plant replacement, and so on as based on the experience of Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.

There will be no lighting expense for the Association common area.

14. Supplies are for materials not supplied by other contractors and used by day workers in completing outside maintenance and repairs. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.
15. Estimates of School, State, Town, and County taxes on vacant parcels of common areas of the Association as noted on the site plans. This estimate is provided by Stephanie Holtz, the Town of Victor Assessor, by letter dated August 26, 2020. The estimated assessed value is \$1,500 per acre, for 22 acres, for a total assessed value of \$33,000. The combined tax rate of \$25.53 per \$1,000.00 of assessed value results in a tax of \$842.49 a year (33 X \$25.53).
16. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
17. Driveways are private. Useful life expectancy is 20 years. With the project fully completed with 20 units, topcoat of drive 13,000 sq. ft. x \$1.10 per sq. ft. is \$14,300/ 20 years = \$715.00 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 13,000 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$1,040.00/ 3years = \$346.67 per year allocation. This estimate is provided by Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.
18. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 36 squares of roofing per townhome. With project fully completed with 20 units, for a total of 720 squares, or equivalent of 72,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$126,000/25 years = \$5040 per year allocation for future re-roofing. This estimate is provided by Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.
19. Painting trim materials not wrapped in aluminum, front doors. Projected costs for the project fully completed with 20 units, based on current bids is \$150.00 per unit x 20 units = \$3,000.00 / 4 years = \$750.00. This estimate is provided by Realty Performance Group, Inc., 1800 Hudson Ave., Rochester, New York 14617, 585-697-0901.
20. Cleanup and grading of stormwater ponds are done once every three years at a cost of \$3,500.00 as quoted by VanPutte Landscape, 136 North Avenue, Rochester, New York 14626 (585) 225-7770. The annual contribution to the Maintenance Reserve Fund is \$1,167.00.

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INTERIM LEASES

A Townhome Owner may lease any Townhome upon terms and conditions they feel appropriate. The Sponsor will not be leasing Townhomes to purchasers prior to closing title to their townhome since Townhomes will be built as contracts are obtained. The Sponsor does not intend to enter into "interim leases" or to enter into leases with options to purchase. However, Sponsor will construct model Townhomes and complete Townhome buildings and it is possible that a Townhome will be leased prior to sale to an Owner occupant. Prior to Sponsor leasing a Townhome to a purchaser under a purchase agreement, Sponsor will amend the offering plan to disclose such lease and provide a sample interim lease. The Sponsor agrees that any sale of a townhome unit will be made free of any rights of prior tenants, and that the prior lease of the unit will be terminated in accordance with its terms prior to the transfer of title.

If Sponsor leases a Townhome to a purchaser under a purchase agreement, the lease and purchase agreement will provide that an uncured default under the purchase agreement is a default under the lease, and an uncured default under the lease is a default under the purchase agreement. Before the Sponsor may utilize the default under the lease to declare a default under the purchase agreement, the Sponsor shall first obtain either an order of eviction or other judgment or order from a court of competent jurisdiction against the tenant, unless the tenant has vacated the Townhome. The lease and purchase agreement will provide that tenant has to vacate the Townhome within seven days after default under the purchase agreement or recession of the purchase agreement by tenant.

PROCEDURE TO PURCHASE AND TRUST FUND PROVISIONS

The form of the Purchase Agreement for Lots is set forth in Part II of this Plan. An executed Purchase Agreement and good faith deposit check, made payable to Piper Meadows Escrow Account shall be delivered to the Sponsor for consideration.

If Purchaser fails to fulfill Purchaser's duties and obligations according to the terms of the Purchase Agreement, all deposits made by the Purchaser may be retained by the Sponsor. In addition, the Purchaser shall pay Sponsor the full cost of all extras, upgrades and change orders that were commenced or ordered prior to the date of closing. Retention of any deposit shall not limit Sponsor from commencing an action for damages or seeking any other remedies allowed in law or in equity. Sponsor must make written demand for payment after a purchaser's default at least 30 days before forfeiture of any deposit may be declared. **If the Sponsor commences litigation to enforce its rights, and if the Sponsor is successful, Purchaser could forfeit all deposits and also be obligated to pay Sponsor an additional sum as awarded by the Court.** If the Sponsor abandons the plan, Purchase will receive a full refund of the deposit.

The Escrow Agent:

The law firm of Lacy Katzen LLP, as attorneys, with an address at 600 Bausch & Lomb Place, Rochester, New York 14604, telephone number 585-324-5714, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatories: Daniel S Bryson. All designated signatories are admitted to practice 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.

The Escrow Account:

The Escrow Agent has established the escrow account at M&T Bank, located at First Federal Plaza Office, Rochester, New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Piper Meadows Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000. Any deposits in excess of \$250,000 will not be insured.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Piper Meadows Escrow Account.

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 the Purchase Agreement/Escrow Agreement.

The account will be an Interest On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497. Interest earned will not be the property of the Purchaser, Sponsor or Escrow Agent, but rather will be paid to the New York State IOLA Fund. 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.

The Purchase Agreement:

The Purchase Agreement is set forth in Part II of this Offering Plan. The escrow provisions are included in Paragraph 4 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

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 Purchase 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 the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once 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 fifteen (15) 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, 28 Liberty Street, New York, New York 10005. 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.

Release of Funds:

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.

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 a post-closing 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.

The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the townhome; or

- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) 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 (a) through (c) 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 (a) through (c) 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 townhome is located and shall give written notice to both parties of such deposit.

The Deposit, including upgrades and extras, shall be released to:

- (a) the Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) 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.

Waiver Void:

Any provision in the 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.

In addition to the above requirements of the Attorney General, under Section 71-a(3) of the New York State Lien Law YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE. Before the use of any surety bond or letter of credit in lieu of the above escrow provisions, the Sponsor must first apply to the Attorney General and disclose the terms of such alternate security in an amendment to this Offering Plan.

Purchasers shall be afforded not less than three (3) business days to review the Offering Plan and all filed amendments prior to executing a purchase agreement. By executing a purchase agreement, purchase represents that he has had not less than three (3) business days to review the documentation. This representation may not be removed from the purchase agreement.

A purchaser may purchase his home with mortgage financing, but the obligations and conditions of the commitment are the responsibility of the purchaser, and are not contingencies of the contract between the Sponsor and

purchaser. Additionally, the purchaser is responsible to obtain a commitment which expires on or after the closing date set forth in the Purchase Agreement with the Sponsor. If the commitment expires before closing, it is the purchaser's obligation to have the commitment extended. The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

The Sponsor shall make a written demand for payment after default at least 30 days before forfeiture of the deposit may be declared.

The Purchase Agreement provides that the Sponsor will accept the offer to purchase within ten days following submission by the purchaser. If the Sponsor does not accept the purchase offer within the time period specified by the purchaser, then no contract is formed and the purchaser's deposit will be returned.

The Purchase Agreement does not contain any clause making the agreement subject to "time of the essence" concepts. An agreement containing time of the essence language provides that the performance of obligations by the seller and buyer is materially important, and are to be performed by a date certain, and failure to do so is an automatic default under the agreement. The Purchase Agreement does not contain such time of the essence language.

Purchase Agreements are not assignable without the prior written consent of the Sponsor. If consent is given, it may be conditioned upon the original purchaser remaining fully responsible to perform the financial obligations of the purchaser under the Purchase Agreement.

If Purchaser fails to fulfill Purchaser's duties and obligations according to the terms of the Purchase Agreement, all deposits made by the Purchaser may be retained by the Sponsor. In addition to which the Purchaser shall pay Sponsor the full cost of all extras, upgrades and change orders that were commenced or ordered prior to the date of closing. Retention of any deposit shall not limit Sponsor from commencing an action for damages or seeking any other remedies allowed in law or in equity. See Section 13 of the Purchase Agreement at page 41.

The Sponsor anticipates the first Lot closing to occur on or about January 1, 2021. If a date set for closing is delayed 12 months or longer, the purchaser shall be offered rescission in accordance with the requirements of the Attorney General.

Prior to transfer of title, the Sponsor retains the risk of loss from fire or other casualty, unless and until the purchaser takes actual possession of the home pursuant to a possession agreement with the Sponsor. Purchasers should obtain insurance coverage for personal property prior to taking possession of the home to protect themselves from loss due to fire or other casualty. In the event of a loss prior to purchaser taking possession, the Sponsor will (i) notify purchaser within 30 days whether or not Sponsor will repair and restore the home, (ii) the home will be restored as promptly as possible and to substantially the same condition prior to the casualty. If the Sponsor elects not to repair and restore the home, then the Purchase Agreement will be canceled and all deposits will be promptly refunded to the Purchaser.

If a conflict between the Offering Plan and the Purchase Agreement exists, the Offering Plan shall control. The Purchase Agreement may not waive any purchaser's rights or abrogate Sponsor's obligations under Article 23-A of the New York General Business Law.

Pursuant to the Housing Merchant Implied Warranty statute of the State of New York, the Sponsor is offering an express Limited Warranty in connection with the sale of Lots in Piper Meadows. The Limited Warranty is in the amount of \$100,000.00 and is extended to the first owner of the home. The Limited Warranty provides for Basic Coverage of one (1) year that the home will be free from latent defects that constitute defective workmanship performed by the builder, an agent

of the builder or subcontractor of the builder; defective materials provided by the builder, an agent of the builder or subcontractor of the builder, or defective design, provided by an architect, landscape architect, engineer, surveyor or other design professional engaged solely by the builder. Workmanship, materials and design will be considered defective if they fail to meet the New York State Uniform Fire Prevention and Building Code or the Accepted Standards attached to the Limited Warranty. In addition to the above, the Limited Warranty provides for a two (2) year Major System Coverage of the plumbing, electrical, heating, cooling and ventilation systems of the home which have been installed by the builder. Finally, the Limited Warranty includes a six (6) year Major Structural Defect Coverage warranting that the home is free from a latent defect resulting in actual physical damage to a load bearing portion of the home making the home unsafe, unsanitary or otherwise unlivable. Load bearing portions of the home are the foundation and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems. The complete terms and conditions of the Limited Warranty are set forth on page 56 of the Offering Plan. A copy of the statute governing the Limited Warranty is set forth at page 154 of the Offering Plan. Notwithstanding the above, per General Business Law Section 777-b(4)(e)(i), the Sponsor's is obligated to construct the homes in accordance with all applicable codes, filed plans and specifications and local accepted building practices for items which are not covered by codes.

TERMS OF SALE TO THE ASSOCIATION

The deed conveying the common area to the Association will be a full warranty deed with lien covenant. A copy of the deed is an exhibit to Part II of the Offering Plan submitted to the Attorney General. At the time of its conveyance to the Association, the common area will be free and clear of all liens, encumbrances and title exceptions other than those described in the plan and the proposed Association deed, and subject to (i) the Declaration establishing the Association, (ii) easements and rights of way granted to governmental authorities for conservation, drainage, sewers, and other municipal purposes (including but not limited to the conservation areas/easements shown on the plans and maps of the development), (iii) public utility easements for water, gas, electric, telephone, and cable services.

Prior to the transfer of title to any Lot, the Sponsor will file the Declaration, and the deed conveying the common area to the Association, in the Ontario County Clerk's Office.

The Sponsor is obligated to repair damage to the common area which occurs prior to transfer of title. The Sponsor will make periodic checks of the property conveyed to the Association and correct any defect in construction due to improper workmanship or material substantially at variance with this Offering Plan, provided the Sponsor is notified of or otherwise becomes aware of any such defect within one (1) year from the date of completion of such construction or 12 months from the date of transfer of title to the first Lot, whichever is later. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements. The Association shall be responsible to remove any landscape improvement which ceases to be a healthy species for any reason whatsoever.

A closing will take place only upon issuance of a temporary or permanent certificate of occupancy for the Townhome closed. Buyer shall pay for recording the deed, the mortgage, the mortgage tax, the town recreation fee, the water meter and connection fees, and the sewer facilities fee. Seller shall pay for town building permit. The current taxes computed on a fiscal year basis excluding any delinquent items, interest and penalties will be prorated and adjusted between Seller and Buyer as of the date of closing. Sponsor shall pay for the cost of the required real estate transfer tax stamps.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

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

1. Defend and Indemnify. The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions, and will indemnify the Association and Townhome Owners.
2. Survival after Closing. All representations under this Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.
3. Disclaimers Void. Disclaimer or limitations of liability on the part of the Sponsor or its principles for failure to perform obligations set forth in the Offering Plan are not permitted.
4. Financing. The Sponsor has obtained adequate financing for the construction of the Association property. The Sponsor's lender is Five Star Bank, 55 North Main Street, Warsaw, New York. The Sponsor has not obtained any bonds securing its obligations under this Offering Plan. The financing does not require Sponsor to construct a minimum number of homes. The financing will be advanced as binding contracts for homes are obtained from purchasers.
5. Complete Construction of Common Areas and Facilities. The Sponsor will complete construction of the common areas and facilities in accordance with the building plans and specifications as set forth in this Offering Plan and any amendments hereto. The Sponsor may substitute equipment or material of equal or greater value. The Sponsor will pay for the authorized and proper work involved in the construction, establishment and transfer of all Association property that the Sponsor is obligated to complete under this Offering Plan. The Sponsor agrees to cause all mechanics' liens with respect to Association property to be promptly discharged or bonded.

The Sponsor will complete construction of the common areas and other facilities that are vital to the health and safety of the Townhome Owners prior to the conveyance of the Lot, subject to the terms of this Offering Plan, including the public utilities and Cassidy Court. If the Town of Victor permits occupancy, and if the incomplete items are not vital to the health and safety of the Townhome Owners, such as final pavement of driveways and landscaped areas, then closing may occur. The Sponsor anticipates that construction will be completed by December 2025.

Construction of the development commenced in the Spring of 2020 and is anticipated to be completed by December 2025, with all 20 Townhomes and Common Area completed. The first Townhome is expected to be completed by January 1, 2021, weather permitting. The Sponsor will complete the subdivision improvements (that is the right of way, water service, sanitary and storm sewers and drainage ponds) servicing any Townhome Lot prior to the sale of such Townhome Lot. The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvement of Lots or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as the landscaping for an individual townhome and the driveway serving an individual townhome, which will be completed as construction of townhomes progresses, and as weather permits. The incomplete items *will be completed* by the Sponsor, which is estimated to be December 2025.

Because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as the number of people willing to purchase a home in the development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that each Lot will be improved with a dwelling, and the Lots may remain vacant for an extended period of time. The Sponsor will construct homes as purchasers enter into binding purchase agreements. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control.

The Sponsor may transfer title to the first Townhome upon its completion. The Sponsor does not need to sell a minimum number of Townhomes before the first transfer may occur. The Sponsor is not obligated to construct a minimum number of Townhomes under its financing obligations or under this Offering Plan. A Townhome will be

completed as the home is purchased. The projected completion date of the project, that is the completion and sale of 20 Townhomes, is December 31, 2025. The landscaping around Townhomes will be completed as construction progresses, weather permitting.

The Sponsor nevertheless has the financial ability to complete the project and meet its obligations as set forth in this Offering Plan.

6. Pay Assessments. The Sponsor will pay assessments for unsold Lots owned by the Sponsor in accordance with the Declaration. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy, which amount shall be included in the deficit paid by the Sponsor. By way of example, the yearly reserve contribution per Lot is \$342.60, or \$28.55 per month. Thus if the Sponsor completed a Townhome on July 1st, but did not transfer it to a third party Owner until October 31st, the Sponsor would contribute four months towards reserves in the amount of \$114.20 (\$28.55 per month x 4). In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan. The Sponsor has the financial means to meet its obligations with respect for unsold Lots. Income from Lot sales and ongoing operations will fund this obligation, and other sources of funding will be utilized if projected sales are not made. In adopting any revised schedule of Operating Expenses, Sponsor shall provide backup budget quotations from arms-length third party providers for any item greater than the amount set forth in the Estimate of Operating Expenses set forth on page 11 of this Plan. See Article V of the Declaration set forth in Part II of this Plan.

7. Conveyance of Common Areas and Title Insurance. Prior to the transfer of title to any Lot, the Sponsor will file the Declaration and will convey the Association property to the Association in a particular phase or section prior to closing title to the first home or lot in that phase or section. The Association property will be released from the provisions of any land or construction loan mortgages prior to closing title to the first home or lot. The Sponsor will file the Declaration and convey, by warranty deed, the Association Property to the Association and furnish the Association with a policy of title insurance covering such property from a title company authorized to do business in New York. The policy covering the Common Areas shall be in the amount of the offering set forth on the cover page of this Offering Plan. Such policy will be furnished at Sponsor's sole cost and expense, and shall evidence marketable title. The lien of any construction loan mortgage will be released from the Common Areas prior to the transfer of title to the Association.

The Common Area, owned and maintained by the Association, will include the following improvements: driveways serving the individual townhomes; entrance monument; drainage ponds; open space and landscaped areas. Prior to transfer to the Association, the Sponsor will assign to the Board of Directors of the Association any manufacturer's warranties with respect to such improvements.

8. File Subdivision Map. The Sponsor will file a subdivision map in the office of the Ontario County Clerk and the Town of Victor prior to the conveyance of the first Lot in Piper Meadows, which map shall show the Lots upon which the dwellings are or will be located.

9. Plans. The Sponsor will provide the Board of Directors and the Town of Victor with a set of "as built" plans, and certify construction is in substantial compliance with the plans and specifications set forth herein. If the certification cannot be made, the offering plan will be amended and rescission offered to the Purchasers.

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

11. Hold Down Payments and Deposits in Escrow. The Sponsor will hold all down payments and deposits in escrow to assure the return of down payments and deposits if the Sponsor defaults in its obligations under the Purchase Agreement.

12. Insurance. The Sponsor while in control of the Board of Directors shall procure agreed replacement cost fire and casualty insurance for the Townhomes, and liability insurance, for the Association property, as set forth in Schedule A of this Offering Plan. The above mentioned agreed replacement cost fire and casualty insurance for the Townhomes will avoid co-insurance.

13. Dissolution or Liquidation. In the event of the dissolution or liquidation of the Sponsor, or the transfer of three (3) or more Lots to a purchaser who does not occupy such Lots, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Lots under the Offering Plan, applicable laws or regulations. If the original Sponsor is dissolved or liquidated, the principals of the Sponsor will guaranty the obligations of the successor sponsor.

14. Amendments. As long as the Sponsor has unsold Lots which are offered for sale pursuant to the Offering Plan, the Sponsor shall amend the Plan whenever the budget materially changes or whenever one year has passed since the budget was last updated. The prior year's certified financial statements for the Association shall be included in the amendment and submitted within three months of the end of the latest fiscal year of operation of the Association.

15. Mortgage Liens. Any mortgage liens which remain on the property after closing of the first Lot shall be subordinate to the lien of the Declaration.

16. Common Area Completion. Prior to conveyance of the common area to the Association, the Sponsor will file an amendment to this Offering Plan including a certification by an engineer or architect, licensed by the State of New York, stating that the road has been completed in accordance with specifications of the Town of Victor for private rights-of-way, and that the storm and sanitary sewers and water laterals have been completed in accordance with specifications of the Town of Victor, and indicating the date of completion. If the construction of the right-of-way and/or sewers and/or waterlines or anyone of them has not been completed prior to the conveyance of the common area to the Association, the Sponsor shall post a bond or escrow funds or provide other adequate security in an amount to be determined by a licensed engineer, which amount shall not be less than the amount required to complete such construction to the required specifications. The bond and escrow requirement set forth above will be satisfied by the existing Letter of Credit held by the Town of Victor to complete such incomplete work.

NO BOND OR OTHER SECURITY HAS BEEN POSTED BY THE SPONSOR TO SECURE THE PERFORMANCE OF ITS OBLIGATIONS AS ABOVE SET FORTH, EXCEPT AS SET FORTH IN SPECIAL RISK #4 AT PAGE 1.

17. Limited Warranty. The Sponsor is offering an express Limited Warranty in connection with the sale of Lots in Piper Meadows. The Limited Warranty is in the amount of \$100,000.00 and is extended to the first owner of the home. The Sponsor has adopted the "Residential Construction Performance Guidelines" published by the Rochester Home Builders Association, which Guidelines are attached to the Limited Warranty. The complete terms of the Limited Warranty are set forth in Part II of this Plan as part of the form of Purchase Agreement for Individual Lots. The Limited Warranty complies with the requirements of the Housing Merchant Implied Warranty.

CONTROL BY SPONSOR

As defined in the Declaration, the Sponsor and all Townhome Owners shall automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including any and all additional lots which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. There is no other difference between the Class A and Class B membership. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote. See the section entitled Piper Meadows Association, Inc., Membership and Voting Rights. At the first annual meeting following the conversion of Sponsor's Class B Membership to a Class A Membership, the Members shall elect a new Board of Directors unrelated to the Sponsor.

During Sponsor control, the Sponsor will not exercise veto power over the expenses in Schedule A, or over expenses required to (1) comply with applicable law or regulation; (2) to remedy and notice of violation; or (3) to remedy any work order issued by an insurer; or (4) ensure the health and safety of the occupants of the building, provided such maintenance action is otherwise the obligation of the Association. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control.

Sponsor may exercise veto power over expenses other than those described above, as set forth in the Declaration, for a period ending not more than five years after the closing of the first Townhome or whenever the unsold Townhomes constitute less than 25 percent of the unsold Townhomes, whichever is sooner.

While the Sponsor is in control of the Board of Directors, no mortgage liens will be placed on the Association property without the consent of at least 51% of the home or Townhome Owners, excluding the Sponsor or Sponsor's nominees.

While the Sponsor is in control, annual certified financial statements will be provided to Members.

The Sponsor intends to improve the 20 Lots known as Piper Meadows with a Townhome dwelling. Construction commenced in the Spring of 2020 and is anticipated to be completed by December 2025. The first Townhome is expected to be completed by January 1, 2021, weather permitting. The Sponsor will complete the subdivision improvements (that is the right of way, water service, sanitary and storm sewers and drainage ponds) servicing any Townhome Lot prior to the sale of such Townhome Lot. However, because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as the number of people willing to purchase a home in the development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that each Lot will be improved with a dwelling, and the Lots may remain vacant for an extended period of time. The Sponsor will construct homes as purchasers enter into binding purchase agreements. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control.

PIPER MEADOWS ASSOCIATION, INC.

Piper Meadows Association, Inc. was formed on December 12, 2019 when its Certificate of Incorporation was filed under the Not-for-Profit Corporation Law of the State of New York. The Association is a Type "A" corporation under the aforementioned law. The Certificate of Incorporation is set forth in Part II of this Plan. The Declaration of Protective

Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the Declaration), which is set forth in Part II of this Plan, provides the framework and procedures by which the Association, upon conveyance of common properties to it by the Sponsor, will maintain and administer the lands and the facilities comprising the Association property. The By-Laws which shall govern the operation of the Association are set forth in Part II of this Plan.

The Common Area, owned and maintained by the Association, will include the following improvements: driveways serving the individual townhomes; entrance monument; drainage ponds; open space and landscaped areas.

Membership in the Association is mandatory for all Townhome Owners. Membership is conferred upon an individual taking title and ownership of a Lot. Only Townhome Owners, including the Sponsor, may be a Member. Membership in the Association will cease upon a Townhome Owner conveying his Lot to another purchaser.

Upon completion of the project, the maximum number of Townhomes is 20.

Owners of Lots, excluding the Sponsor, are responsible for the payment of monthly maintenance assessments to the Association. At the time they purchase their Lot, purchasers are advised to obtain a certificate from the Association (see Section 5.10 of Declaration set forth in Part II of this Plan) certifying to the status of payment of assessments. The estimated charges for the first year that Piper Meadows is completed and operating are set forth immediately following this Section. A certification by an expert concerning the adequacy of such charges is set forth in Part II of this Plan. The Association may place a lien on Lots for unpaid maintenance assessments. This could result in foreclosure. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan.

All mortgage liens on Piper Meadows, of which the Association forms a part, will be subordinate to the lien of the Declaration. The common area will be conveyed to the Association free of the lien of any land or construction mortgage. The individual Townhome Lots will be conveyed to Lot purchasers free of the lien of any land or construction mortgage.

All provisions of the Declaration and Bylaws are applicable to any mortgagee taking title to a home by foreclosure or a deed in lieu of foreclosure. Except for the obligation of the Sponsor to be the operating deficit in lieu of common charges, and the Class B Membership status, the remaining provisions of the Declaration and Bylaws are applicable to the Sponsor.

The Declaration does not provide for the annexation of additional land by the Sponsor.

Summary of the Declaration.

Prior to the closing of title to any Lot in Piper Meadows, the Sponsor will file a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") in the Office of the Ontario County Clerk. The Declaration is set forth in Part II of this Plan.

The Declaration provides that its provisions shall run with the land and shall be enforceable by the Sponsor, the Association and the Owner of any Lot. With respect to the legal enforceability of the provisions of the Declaration, see the opinion of Sponsor's counsel, Woods Oviatt Gilman LLP. By accepting a deed, lease or other instrument conveying any interest in a Lot, the grantee, lessee, or other person accepting such interest covenants to observe, perform and be bound by the provisions of the Declaration, including the personal responsibility for the payment of all charges and assessments which may become liens while such person holds an interest in a Lot.

The Declaration does not impose restrictions on occupancy density, renting.

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

Article III - The Association Structure, Membership and Voting Rights

There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including any and all additional lots which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. There is no other difference between the Class A and Class B membership. Thereafter, the Sponsor's Class B Membership shall be converted into Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote.

Article IV - Property Rights and Easements

Every Member shall have:

- a) A right of easement and enjoyment in Association property;
- b) An easement of ingress and egress by foot over Association property, and by vehicle over paved Association property built and intended for such purpose;
- c) An easement to use and maintain all pipes, wires, conduits, drainage areas and public utility lines servicing such Member's Lot and located on other Lots or on the Association property;
- d) An easement over Association property and over the property of any adjacent Lot for performance of routine maintenance on a Member's Townhome;
- e) An easement of ingress and egress by foot over the side and rear 10 feet of all Lots for routine and necessary maintenance purposes.
- f) An easement of ingress and egress by foot and vehicle for the use and enjoyment of the paved common access drives.

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

The Association shall have:

- a) The right to use electricity for *incidental* maintenance of Association property without charge;

- b) The right to use water for water lawns and routine maintenance without charge. Townhome Owners are responsible for water their lawns following initial planting/seeding, and thereafter as weather dictates;
- c) An easement to permit the maintenance, repair and replacement of paved areas, light standards, signs and other property of the Association;
- d) An easement for access to each Lot for the maintenance, repair and replacement of the exterior of the dwellings and the storm water, sanitary and utility laterals, either because it is the Association's duty or because the Owner has failed to perform his obligations;
- e) An easement for access to each Lot for the maintenance, repair and replacement of any pipes, wires, conduits, drainage areas, utility lines and facilities and cable television lines and facilities located on any Lot and servicing any other Lot;
- f) An easement over the Lots for placement, maintenance, repair and replacement of utility banks, telephone and cable television pedestals.

Article V - Assessments

Each Townhome Owner, excluding the Sponsor, by becoming a Townhome Owner shall be deemed to covenant and agree to pay to the Association annual Assessments or charges for the maintenance and operation of Association Property, for utilities and other services, consumed and/or used on or at the Lots and which are not individually metered or billed and for the maintenance, repair and replacement of all facilities commonly servicing the Members, whether on or off the Lots, such as landscaped areas. (See Sections 6.01 and 6.02 of the Declaration for specific types of maintenance, repair and replacement included or excluded, as the case may be.) The Assessments shall be the personal obligation of the Townhome Owner and shall, together with any late charges, accelerated installments thereof, interest and the cost of collection, be a charge and continuing lien upon the Lot against which the assessment is made.

The Sponsor will pay assessments for unsold Lots owned by the Sponsor in accordance with the Declaration. Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during this start-up period. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots.

The annual maintenance assessment is determined by the Board of Directors of the Association at least 30 days in advance of each annual assessment period. The annual maintenance assessment may be increased or decreased based on the anticipated costs and expenses of the Association during the next annual assessment period.

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 for the purpose of defraying, in whole or in part, the cost of any capital improvements or for any other matter decided upon by the Association. Provided however, that for any special assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any special assessment amounting to more than 20% of the then current amount of annual maintenance assessments, the consent of two-thirds (2/3) of the total votes of Townhome Owners voting in person or by proxy at a meeting duly called for this purpose is required.

The method for determining Maintenance Assessments is summarized on page 11 of this Offering Plan.

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

If the Assessment or any installment thereof, is not paid within 30 days after the due date, (i) the Association may impose a late charge or charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed ten percent (10%) of the amount of such overdue Assessment or installment thereof, and, if not paid within 30 days after the due date (ii) the Assessment shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed ten percent (10%) per annum, (iii) the Board of Directors may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner and (iv) the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the property, and the cost of such proceedings, including reasonable attorneys' fees, shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

If the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, (ii) any family member, tenant, guest or invitee of the Owner, (iii) a family member or guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Owner's family or (2) any family member of the tenant of such Owner, such costs shall also be a lien upon the Lot or other portion of the property owned by such Owner. The Sponsor is not obligated for attorney's fees in any action brought by the Association against the Sponsor.

Article VI - Maintenance by the Association

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

- a) Maintenance of the driveways, entrance monument, drainage ponds, open space and those landscaped areas within the perimeter of Townhome Lots and Association property.
- b) The Association will be responsible for maintenance asphalt driveways, roofing, exterior painting/staining of trim materials (not wrapped in aluminum) and front doors, for which replacement reserves have been established. All other Townhome components are the responsibility of the Townhome Owner, including but not limited to vinyl siding, vinyl clad windows, insulated metal doors, overhead garage doors, aluminum gutters and downspouts, masonry windows, skylights, window panes, doors, garage doors, storm doors, decks, or maintain, repair or replace porches, stone pavers or stoops, patios or concrete walks. The Association shall not be responsible for the removal of snow from roofs.
- c) With respect to the other improvements on the Townhome Lots, the Association shall repair those portions of sewer, water, and storm water utility laterals (limited, however, to repair necessitated by leakage or structural failure) servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity. A lateral shall be deemed to terminate at the outer surface of the foundation wall.
- d) Plowing of snow from the paved areas, excluding walks.
- e) Obtain and maintain (i) fire and casualty insurance on the Townhomes, (ii) fire, casualty and liability insurance on the Association property and (iii) directors' and officers' liability insurance for the officers

and directors of the Association. (See Sections 9.01 and 9.03 of the Declaration for specific types of coverage obtained by the Association and coverages which are not obtained by the Association.)

- f) Enforcement of restrictive covenants and establishment of rules and regulations governing the use of the Association Property and the conduct of the Lot Owners.
- g) Maintenance, including repair and replacement, as necessary, of the Association property, including paved areas, walks, signs, and those portions of sewer, water, and storm water utility laterals (limited, however, to repair necessitated by leakage or structural failure) servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity. A lateral shall be deemed to terminate at the outer surface of the foundation wall.
- h) Replace landscape plant material, including trees and shrubs, which lie over the easement granted to a public agency for sewers and water services, in the event these landscape materials are damaged or destroyed in the course of maintenance or repair by others.

The Common Area, owned and maintained by the Association, will include the following improvements: driveways serving the individual townhomes; entrance monument; drainage ponds; open space and landscaped areas.

The Association is solely responsible for the maintenance of the Common Area and the improvements within the area, including but not limited to the above items, in accordance with maintenance plans on file with the Association and the Town of Victor. Under no circumstances is the Town of Victor responsible for the maintenance of the Common Area and the improvements located thereon.

Article VII - Architectural Controls

An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing certain provisions of the Declaration and controlling any change in use or any additions, modifications or alterations to any exterior improvement within the Piper Meadows, such as enlarging a deck, changing the color of a door, and the like, within guidelines and/or policies established by the Board of Directors. The Board of Directors may appoint Townhome Owners to the Architectural Committee during the Sponsor's period of control of the Board of Directors. The Architectural Committee shall not have any authority over any property owned by the Sponsor. No such addition, modification or alteration shall be made until plans setting forth such change are submitted to and approved by the Architectural Committee and a Building Permit has been issued by the appropriate municipal authority, if required. Any Owner, lessee or occupant may obtain from the Architectural Committee a written certificate stating whether or not a particular parcel violates any provisions of the Declaration. A reasonable charge may be imposed for the issuance of such certificate. (See the opinion of counsel as to the enforceability of architectural controls.) *Townhome Owners may NOT make any exterior modifications or improvements to their home or the Lot, including but not limited to landscaping or foundation plantings, without Architectural Committee written approval.* In this offering the Sponsor will control the Association until the earlier of all lots owned by the Sponsor are sold to Purchasers or 15 years after the recording of the Declaration. During Sponsor's control, Purchasers will not have the right to vote on matters involving the Association.

Article VIII - Party Walls and Encroachments

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

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

Article IX - Fire and Casualty Insurance, Reconstruction

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

The individual Townhome Owner is responsible for obtaining fire, casualty and liability insurance for his personal property, his lot and the interior of his home. Failure to obtain such insurance will result in the Owner being self-insured and without coverage in the event of a loss.

Fire and casualty coverage shall be 100% agreed replacement cost value of each Townhome, including the wall to wall carpeting, lighting fixtures, bathroom fixtures, built-in appliances, wall coverings, and all machinery servicing the Lots and common facilities, excluding the land, foundations, the personal property of Townhome Owners and occupants, and any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, built-ins and wall coverings) made by present or prior Townhome Owners or occupants, and Lots for which the Sponsor is not paying full Maintenance Assessments as provided in Section 5.04 of the Declaration. The above 100% agreed replacement cost policy provides for adequate insurance to replace the structure in the event of a total loss, and avoids any coinsurance in the event of a partial loss. For additional provisions, endorsements and coverages see Section 9.01 of Declaration. The policies shall provide that adjustment of loss shall be made by the Board of Directors of the Association.

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

The amount of fire insurance to be maintained until the first meeting of the Board of Directors following the first annual meeting of the Townhome Owners shall be in at least the agreed replacement amount. Prior to the completion of dwellings, they will be insured under the provisions of a builders risk policy maintained by the Sponsor.

Each Townhome Owner and such Townhome Owner's known mortgagee shall be a named insured on the policy and shall receive, at the time of purchase and at the time a new policy is obtained or an existing policy renewed, a certificate evidencing proof of insurance coverage. Upon request, duplicate originals of the policy and of all renewals of the policy shall be furnished to all known institutional mortgagees of the Lots.

Liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Townhome Owners, but not the liability of Townhome Owners arising from occurrences within such Owner's dwelling or on such Owner's Lot. The policy shall include the following endorsements: (i) comprehensive general liability, (ii) personal injury, (iii) medical payments, (iv) cross liability and (v) contractual liability. Until the first meeting of the Board of Directors elected by the Townhome Owners, this public liability insurance shall be in a combined single limit of \$1,000,000.00 covering all claims for bodily injury and property damage, with an excess umbrella of \$1,000,000.00.

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

officers or directors of the Association. Until the first meeting of the Board of Directors elected by the Townhome Owners, the directors' and officers' liability coverage shall be in at least the sum of \$1,000,000.00.

The fidelity bond shall cover up to five (5) directors, officers and employees of the Association and of the Association's managing agent, if any, who handle Association funds. The bond shall be in an amount not less than 50% of the Association's annual budget but in no event less than the amount of funds, including reserves, owned by or under the control of the Association. Until the first meeting of the Board of Directors elected by the Townhome Owners, the coverage shall be \$5,000.00 for forgery.

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

Article X - General Covenants and Restrictions

There are general prohibitions against the following unless the consent of the Architectural Committee and/or Board of Directors, where applicable, has first been obtained (*see Article 10 of the Declaration set forth as an Exhibit to this Offering Plan for the details of these residential restrictions*):

1. Advertising and Signs.
2. Animals, Birds and Insects. The Association may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of pets and (ii) prohibit certain types of pets entirely. Pets may be allowed outdoors only when accompanied by a responsible person, and dogs shall be leashed. Provided an Owner obtains the prior written consent of the Association, an underground pet containment system may be installed. Assuming the Owner has installed an underground pet containment system, a pet may be let outdoors within the area of the underground pet containment system in the company of a responsible person, but need not be leashed. No above ground or visible pet containment enclosures shall be permitted. The Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any pet, if, in the opinion of the Association, acting in its sole discretion, such pet is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled. Dogs and cats must be cleaned up after by their owners.
3. Protective Screening and Fences.
4. Garbage and Refuse Disposal.
5. Above Surface Utilities.
6. Noxious or Offensive Activities.
7. Oil and Mining Operations.
8. Dwelling in Other Than Residential Unit.
9. Antennas. No outside radio, telegraphic, television or other electronic antenna, dish or other transmitting or receiving device shall be erected on any Lot or other portion of the Property, except with the consent of the Association, and in compliance with Federal regulations.
10. Trees and Other Natural Features.
11. Use and Maintenance of Slope Control Areas.
12. Snowmobiles.
13. Commercial and Professional Activity on Property.
14. Outside Storage.
15. Outdoor Repair Work.
16. Oversized, Commercial and Unlicensed Vehicles.
17. Clotheslines.

18. Prohibited Structures. No shack, barn, storage shed or other out-building, accessory structure, either temporary or permanent, shall be erected on any Lot.

Article XI - Enforcement, Amendment and Duration of the Declaration

After 30 days written notice of any violation of the Declaration or the Associations Rules and Regulations, as adopted from time to time, the Townhome Owner will be subject to a violation fee of \$50 per day until the violation is cured.

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

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

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

The Declaration shall continue in full force and effect until December 31, 2035 and shall be extended, as then in force, automatically and without further notice, for successive periods of ten (10) years.

Management and Operation.

The business and affairs of the Association shall be managed by a five (5) member Board of Directors (see Article V of By-Laws set forth in Part II of this Plan), except that an initial Board of three (3) directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of transferring title to the first Lot in Piper Meadows. The initial Board of Directors designated by the Sponsor shall serve until the first annual meeting after the Sponsor's Class B Membership has been converted to a Class A Membership, that is after the Sponsor no longer has an ownership interest in the Lots of Piper Meadows Subdivision, or until 15 years following the recording of the Declaration, whichever shall first occur. Thereafter, directors of the Association shall be elected.

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

The term of office of the members of the Board of Directors shall normally be two (2) years or until their successors are elected, except that at the aforementioned first annual meeting of the Association after the Sponsor relinquishes control, the Members shall elect three (3) directors for a two (2) year term and two (2) directors for a one (1) year term. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. (See Article V of By-Laws set forth in Part II of this Plan). A member of the Board of Directors may be removed, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members.

The initial Board of Directors will be composed of Jeff Morrell, Scott M. Morrell and Hannah Hall. The initial officers of the Association are Jeff Morrell, President; Scott M. Morrell, Vice-president; Jenna Fridley, Secretary and

Treasurer. Jenna Fridley will not be a member of the Board of Directors. Jeff Morrell and Scott M. Morrell are principals of the Sponsor, Hannah Hall and Jenna Fridley are employees of the Sponsor. The business address of these individuals is 1501 Pittsford Victor Road, Victor, New York, 15464.

As long as the Sponsor has unsold homes or Lots which are offered for sale pursuant to the Offering Plan, Sponsor shall amend the plan whenever there is a change in the budget or when one year has passed since the last budget was updated, and include the prior year's certified financial statements, if such are provided to homeowners pursuant to the terms of this Offering Plan.

Sponsor may not exercise its veto power or use its control of the Board of Directors to reduce the level of services described in the Offering Plan or prevent capital repairs, or prevent expenditures required to comply with applicable laws or regulations.

The Sponsor agrees not to place a mortgage on any property owned by the Association while it is in control of the Board of Directors, without the consent of 51% of the Townhome Owners, excluding itself.

While the Sponsor is in control of the Board of Directors, certified financial statements will be provided each year to the Townhome Owners.

Membership and Voting Rights.

As defined in the Declaration, the Sponsor and all Townhome Owners shall automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including any and all additional lots which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. There is no other difference between the Class A and Class B membership. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote, regardless of the number of Lots owned.

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

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

Assessments.

The costs and expenses of operating the Association and of making capital improvements, if any, will be allocated among the Townhome Owners, excluding the Sponsor, and assessed by the Board of Directors (See Article V of Declaration set forth in Part II of this Plan.) Every Owner of a Lot, excluding the Sponsor, merely by becoming an owner, covenants and agrees to pay annual maintenance assessments, payable monthly, and special assessments, if any, payable when due, to enable the association to carry out its functions. Maintenance Assessments shall commence on the first day of the month following the sale of the first Lot, or at such later time as the Sponsor shall determine. All Maintenance and Special Assessments become a lien and charge against the Lot and shall also be a personal obligation of the Townhome Owner at the time the assessment falls due. If an assessment or installment thereof is not paid within ten (10) days of the due date, the Association may impose a late charge and, if the assessment or installment thereof is not paid within 30 days of the due date, the Association may collect interest at the rate of ten percent per year on the amount due, accelerate the remaining

installments, if any, bring legal action against the Owner personally obligated to pay the assessment, and/or foreclose the lien against the Lot. Delinquent Townhome Owners will also be assessed attorney's fees for collecting unpaid assessments. The waiver of the use or enjoyment of the Association Property or the abandonment of a Lot shall not be grounds for exemption from the obligation to pay assessments. In no event shall voting rights or the right to use Association Property be suspended for the non-payment of assessments.

The annual maintenance assessment is determined by the Board of Directors of the Association at least 30 days in advance of each annual assessment period. The annual maintenance assessment may be increased or decreased based on the anticipated costs and expenses of the Association during the next annual assessment period.

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 for the purpose of defraying, in whole or in part, the cost of any capital improvements or for any other matter decided upon by the Association. Provided however, that for any special assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any special assessment amounting to more than 20% of Then current amount of annual maintenance assessments, the consent of two-thirds (2/3) of the total votes of Townhome Owners voting in person or by proxy at a meeting duly called for this purpose is required.

The lien of the Assessments shall be subordinate to the lien of any purchase money first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, or from the lien of any such subsequent Assessment.

After Association charges have been levied on one or more Owners who have closed title to their Lots, the Sponsor shall be obligated for the difference between the actual Association expenses, including reserves applicable to completed improvements as provided for in the Association budget, and the Association charges levied on Owners who have closed title to their Lots, as projected in Schedule A of the offering plan. If reserves have been established by the Association, for those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificates of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan. In adopting any revised schedule of Operating Expenses, Sponsor shall provide backup budget quotations from arm's length third party providers for any item greater than the amount set forth in the Estimate of Operating Expenses set forth on page 11 of this Plan. Sums due shall be estimated and paid monthly, with a final accounting and adjustment annually.

The Maintenance Assessment for each Lot not owned by Sponsor shall be determined by multiplying the total annual Maintenance Assessment by a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Lots then subject to the Declaration. Any change in the basis of determining the Maintenance Assessment shall require the consent of not less than two-thirds (2/3) of the total votes of Members (see Section 5.06 of the Declaration set forth in Part II of this Plan). In addition, the written consent of the Sponsor will be required for any change which materially adversely affects the interest of the Sponsor with respect to Lots covered by the Declaration, which consent will not be unreasonably withheld.

The Declaration and By-laws do not include penalties or other charges for violation of the rules and regulations. However, if the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, (ii) any family member, tenant, guest or invitee of the Owner, (iii) a family member or guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Owner's family or (2) any family member of the tenant of such Owner, such costs shall

also be a lien upon the Lot or other portion of the property owned by such Owner. The Sponsor is not obligated for attorney's fees in any action brought by the Association against the Sponsor.

At the time they purchase their Lot, purchasers are advised to obtain a certificate from the Association (see Section 5.10 of Declaration set forth in Part II of this Plan) certifying to the status of payment of assessments. This statement will be provided to first time purchasers by the Sponsor at closing.

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April 1, 2020

S&J Morrell, Inc.
1501 Pittsford Victor Road
Victor, New York 14564

Re: Piper Meadows Association, Inc.

Gentlemen:

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

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

On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert

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

Taxation of the Association: Section 528 of the Internal Revenue Code exempts qualifying homeowners associations from income taxes on "exempt function income." Exempt function income includes membership dues, fees, and assessments received from association members. Income which is not exempt function income is subject to income tax at the current rate of 30 percent. Examples of non-exempt function income are interest earned on a sinking fund for capital improvements, amounts from non-members for use of the association's facilities, and amounts paid by association members for special use of the association's facilities.

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

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

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

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

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

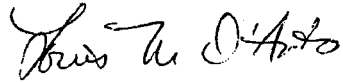
Site Plan Approval: We have received copies of the Victor Town Board Resolutions, dated July 11, 2016, and based upon this information, it is our opinion that if Piper Meadows Subdivision is built in accordance with the approval requirements, it will conform to applicable zoning ordinances and statutes.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Association, counsel to the Association, or any other person be liable if by reason of future changes in fact or applicable law, regulation, decisional law or Internal Revenue Service rulings the tax status should cease to meet the requirements contained in this opinion.

We understand that this letter will be made part of the Piper Meadows Association, Inc. Offering Plan.

Very truly yours,

WOODS OVIATT GILMAN LLP

A handwritten signature in black ink, appearing to read "Louis M. D'Amato". The signature is written in a cursive, flowing style.

Louis M. D'Amato

LOCAL GOVERNMENT APPROVAL

On September 24, 2019, the Victor Town Planning Board approved the Zoning, Final Subdivision and Site Plan for Piper Meadows. The Sponsor will provide the Association with a preliminary subdivision map and with a filed subdivision map when received.

WORKING CAPITAL FUND

This offering does not involve a working capital fund.

RESERVE FUND

The Association's reserve fund is part of the common charge assessment as discussed in the Budget Section of this Plan. Reserves will not be collected for vacant lots. See pages 7 and 30 regarding maintenance, as well as page 11 for the common charge information discussing maintenance. It is believed the reserve fund is sufficient to meet the Association's reserve fund needs occurring within five years of the first Townhome closing, based on the level of service discussed in the Budget Section of this Plan. However, if additional funds are required, the Association may consider borrowing funds from an institutional lender or assessing members a special assessment. Interior and exterior maintenance of the Townhomes is discussed in detail elsewhere in this Offering Plan.

The Sponsor intends to improve the 20 Lots known as Piper Meadows with a Townhome dwelling. Construction of the development commenced in the Spring of 2020 and is anticipated to be completed by December 2025, with all 20 Townhomes and Common Area completed. The first Townhome is expected to be completed by January 1, 2021, weather permitting. The Sponsor will complete the subdivision improvements (that is the right of way, water service, sanitary and storm sewers and drainage ponds) servicing any Townhome Lot prior to the sale of such Townhome Lot. The Sponsor reserves the right to convey the common areas to the Association prior to the completion of those improvements which could be materially and adversely affected by the completion of the improvement of Lots or could impede the improvement of such Lots. The improvements to the common areas which may be incomplete at the time of conveyance of the common areas to the Association will include such items as the landscaping for an individual townhome and the driveway serving an individual townhome, which will be completed as construction of townhomes progresses, and as weather permits. The incomplete items *will be completed* by the Sponsor, which is estimated to be December 2025.

Because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as the number of people willing to purchase a home in the development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that each Lot will be improved with a dwelling, and the Lots may remain vacant for an extended period of time. The Sponsor will construct homes as purchasers enter into binding purchase agreements.

Until a Townhome Lot is sold, individual common charges will not be collected, however, the Sponsor is required to fund any deficit incurred by the Association during the Sponsor's period of control. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy, which amount shall be included in the deficit paid by the Sponsor. By way of example, the yearly reserve contribution per Lot is \$342.60, or \$28.55 per month. Thus if the Sponsor completed a Townhome on July 1st, but did not transfer it to a third party Owner until October 31st, the Sponsor would contribute four months towards reserves in the amount of \$114.20 (\$28.55 per month x 4).

As set forth in the Budget Section of this Plan, operating expenses are based upon the cost of operating the project with 20 townhomes transferred to third party purchasers where each is assessed 1/20th of the total costs of operations. However, during development and construction, income and expenses (services provided) will be based on townhomes completed, and therefore income and expenses incurred will be less than the amount as set forth in the budget until all homes are built. With respect to reserves, until a townhome is built, no common charges are collected, including the amount for reserves; and therefore the amount collected for reserves will reflect the number of homes built. Accordingly, the total amount collected for reserves until all homes are built will be less than reflected in the budget.

The reserve fund may only be used for capital expenditures, and will not be used to defray any Townhome Owner's (including the Sponsor's) obligation for the payment of Maintenance Assessments. After the first election of a Board of Directors which is not controlled by the Sponsor, the funds will be turned over to the new Board of Directors with an accounting. Neither the New York State Department of Law, nor any other government agency, has passed upon the adequacy of the reserve fund.

MANAGEMENT AGREEMENT

The Sponsor initially will retain Realty Performance Group, Inc. ("Realty Performance") to act as Managing Agent of the Association. If the Sponsor substitutes another managing agent, it will disclose the new managing agent in an amendment to the Plan. Realty Performance has been actively engaged in the management of townhouses and condominiums for 28 years. Realty Performance provides real estate management for forty three homeowner associations and condominiums, totaling over 3,700 living units.

For its services, Realty Performance will receive a fee of \$27.50 per Lot per month, which amount is a reasonable market rate. In addition, Realty Performance will receive reimbursement for all out-of-pocket expenditures. The form of Management Agreement is set forth as an exhibit to this Offering Plan.

The initial term of the Management Agreement is for one year, subject to the Agent's option to terminate on 60 days' notice to the Association. The Management Agreement is not assignable. The Association may cancel the Management Agreement upon default of the Managing Agent.

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

Services rendered to the Association by Realty Performance as Managing Agent will include:

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

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

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

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

IDENTITY OF PARTIES

SPONSOR

S&J Morrell, Inc., a New York corporation, with its principal office and business address of 1501 Pittsford Victor Road, Victor, New York 14564. S&J Morrell, Inc. was incorporated August 31, 1998. S&J Morrell, Inc. does business as Morrell Builders. Morrell Builders has been a successful residential developer for over fifty years. A family organization spanning three generations, Morrell Builders has built more than 2000 residential homes in the Rochester, Maryland, & Florida areas. Morrell's residential focus in the Rochester area has been supported by excellent customer, agent, and community feedback throughout the years. The sole principals of Sponsor are Jeff Morrell and Scott M. Morrell. Scott M. Morrell joined the business in June 1998 and is the president. Jeff Morrell joined the business in June 1998, Taking the business over from their father, the brothers have run the company for the last two decades.

The Sponsor and the principals of the Sponsor have not taken part in any other public offering of interests in realty in or from New York State which were offered during the preceding five (5) years, except for the following:

- a. Silverton Glenn HOA, File No. HO-12-0006. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
- b. St. James Town Homes HOA, File No. HO-15-0010. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
- c. Greenpoint Trail HOA, File No. HO-16-0006. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
- d. Alpine Ridge HOA, File No. HO-19-0005. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.

The Sponsor will be its own selling agent. Scott M. Morrell is a licensed New York broker.

Neither the Sponsor, nor any of its principals or entities, have any prior felony convictions, bankruptcies, convictions, injunctions or judgments, filed against them.

CONSULTANTS

In an effort to develop and sell Lots at Piper Meadows, the Sponsor has retained a number of professional consultants including:

Managing Agent and Budget Review

Realty Performance Group, Inc., ("Realty Performance Group"), 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440. Realty Performance has been actively engaged in the management of townhouses and condominiums for 28 years. Realty Performance provides real estate management for forty three homeowner associations and condominiums, totaling over 3,700 living units, including but not limited to 3000 East Ave Condominiums, Amberwood Homeowners Association, Bay Village Condominiums, Hillsboro Cove Homeowners Association, and Scarborough House Condominium. See <https://realtyperformancegroup.com/properties/> for a complete listing.. There is no relationship, financial or otherwise, between the Sponsor and the Realty Performance. Neither Realty Performance, nor any of its principals or entities, have any prior felony convictions, bankruptcies, convictions, injunctions or judgments, filed against them.

Survey and Engineering

Marathon Engineering ("Marathon"), 39 Cascade Drive, Rochester, New York 14614, 585-458-7770. Marathon is Marathon Engineering is a Civil Engineering design company founded in 2008 with the guiding principle of providing quality civil engineering. Marathon's representative clients include financial institutions, commercial, retail and residential developers, including but not limited to ESL Federal Credit Union, NPV, Inc. Ferron Norris Financial, Inc., Gates Automotive, The Wegman Group, LLC, The Geneseo Central School District. There is no relationship, financial or otherwise, between the Sponsor and Marathon.

Legal Counsel

Woods Oviatt Gilman LLP, Louis M. D'Amato, of counsel, 1900 Bausch & Lomb Place, Rochester, New York, prepared the Offering Plan. There is no relationship, financial or otherwise, between the Sponsor and Woods Oviatt Gilman.

Lacy Katzen LLP, 600 Bausch & Lomb Place, Rochester, New York 14614, will represent the Sponsor in Lot Sales. There is no relationship, financial or otherwise, between the Sponsor and Lacy Katzen LLP.

REPORTS TO MEMBERS

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

1. While the Sponsor is in control of the Board of Directors of the Association, an annual certified financial statement prepared by a certified public accountant and will be delivered at the Annual Meeting.
2. Notice of the Annual Meeting, to be given not less than ten (10) days or more than 30 days before the date of the Annual Meeting.
3. A copy of proposed budget for the Association 30 days before the date a new monthly common charge becomes effective. While the Sponsor is in control, the budget will be certified by an expert as to adequacy.

The Board of Directors of the Association is obligated to provide the Members the above reports and materials.

DOCUMENTS ON FILE

Copies of this Offering Plan, all documents referred to in the plan, and all exhibits submitted to the Department Law in connection with the filing of the plan, on file and available for inspection without charge and copying at a reasonable charge, at the office of the Sponsor, and shall remain available for inspection for a period of six (6) years from the date of transfer of the first Lot. The Sponsor will deliver to the Board of Directors a copy of all documents filed with the appropriate recording office at the time of closing the transfer of the first Lot.

GENERAL INFORMATION

Pending Litigation

The Sponsor is not involved in any litigation, nor is the subject of any investigation, which may materially affect the offering, the property, the Sponsor's capacity to perform all of its obligations under the Plan, or the operation of the Association.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of race, creed, color, sex, national origin, age, disability, marital status or any basis prohibited by civil rights laws in the sale of Lots or in the offering of memberships in the Association.

Right to Rescind

The purchaser of a Lot may rescind the purchase offer following a material adverse amendment of this Offering Plan. Rescission shall be in accordance with Section 22.5(a)(5) of Part 22 of the NYCRR governing this Offering Plan.

No Offering to Minors

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

No Prior Offering

As of the date this Offering Plan is accepted for filing, no contract of sale has been entered into and no deposits or advances of funds have been accepted. All Townhomes offered in this Offering Plan as part of the Association are vacant as of the date this Offering Plan is accepted for filing. The property subject to this Offering Plan was not the subject of any prior cooperative, condominium or HOA offerings, and was not subject to any market test pursuant to Cooperative Policy Statement No. 1.

No Contracts Binding Association

Except for the Management Agreement referred to above, the Sponsor has entered into no contract which will be binding upon the Association. The Sponsor, however, reserves the right to enter into contracts substantially in accordance with the description of services and charges set forth in the Estimate of Operating Expenses and Reserves set forth in this Offering Plan. The Sponsor will amend this Plan if undisclosed contracts are entered into.

Sponsor's Statement of Specifications or Building Condition

This offering is for new construction on vacant land. Sponsor adopts the Engineer's Description and the Architect's Description set forth in Part II of the Offering Plan.

Offering Plan is Fair Summary

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

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S & J MORRELL INC.
CONSTRUCTION AND SALE
AGREEMENT

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S&J MORRELL INC.
CONSTRUCTION AND SALES AGREEMENT

The undersigned, _____, residing at _____, (hereinafter referred to as the "Buyer") offers and agrees to purchase from S&J Morrell Inc., a New York Corporation with a principal place of business at 1501 Pittsford Victor Rd., Suite 100, Victor, NY 14564 (hereinafter referred to as the "Seller") the premises described below for the price and upon the terms and conditions herein set forth.

1. DESCRIPTION

Those certain premises situated in the Town of Victor, County of Ontario and State of New York known and described at Lot No. _____ of the Piper Meadows Subdivision with the lot size being approximately _____ acres and as per deed (the "Premises").

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

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

2. CONSTRUCTION

Seller shall construct upon the Premises in accordance with the zoning and tract restrictions as a townhome consisting of five rooms together with an attached garage and having a foundation size of (per plan). The type of townhome is designated as Model _____ which shall be built in accordance with the plans and specifications which are attached hereto and made a part of hereof as approved and initialed by both Buyer and Seller. Seller shall retain the plans and specifications.

The Seller shall furnish all the materials and perform all of the work as shown on the attached plans and specifications. Any changes in the plans or specifications shall be listed on the Change Authorization form to be signed by the Buyer and Seller. The cost of the changes and alterations shall be agreed to in writing

by Buyer and Seller. The cost of the changes or any extras beyond the purchase price set forth herein shall be paid by the Buyer in advance when ordered.

Seller reserves the right to substitute terms and materials contained in the plans and specifications with items and materials of equal quality. In addition, the Seller shall determine the grading, elevation, drainage, tree removal and site plan to ensure compliance with municipal specifications. If undesirable soil or building conditions are encountered prior to or during the construction on said Premises, Buyer agrees to select an alternate lot with the approval of the Seller and to relocate to said alternate lot. The Seller shall obtain and pay for all permits, certificates and licenses necessary for the performance of the work hereunder and shall comply with all relevant statutes, ordinances, codes and regulations and shall maintain Workers' Compensation insurance in accordance with the laws of the state of New York.

Buyer agrees to make prompt selection of materials, colors or style where same is required under this Contract or attached plans and specification in order that work may progress without delay. If Buyer fails to make timely selection, then Seller is empowered to do so and continue with completion of construction.

3. CONTRACT PRICE

Buyer shall pay to Seller for the Premises and the townhome to be constructed thereon the sum of _____ Dollars (\$) plus any additional sums for change orders or extras as provided for herein, which extras shall be paid for in advance and when ordered. The purchase price includes membership in The Piper Meadows Homeowners Association. The purchase price shall be paid by the Buyer to the Seller as follows:

- A. Lot Reservation: _____ Dollars (\$))
Prior to contract, Buyer has given a deposit to reserve the lot for construction.
- B. Contract Deposit: _____ Dollars (\$))
Upon signing of this Contract a deposit is due.
- C. Final Deposit: _____ Dollars (\$))
Upon Buyer's removal of all contingencies and prior to construction commencement, the final deposit is due. At this time all deposits are non-refundable.

Total Deposit Amount: _____ Dollars (\$))
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D. Upon delivery of the deed, the balance of the purchase price in cash or certified check.

4. DEPOSITS

The law firm of Lacy Katzen LLP, as attorneys, with an address at 600 Bausch & Lomb Place, Rochester, New York 14604, telephone number 585-324-5714, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatories: Daniel S. Bryson. All designated signatories are admitted to practice 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.

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 the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

The Escrow Agent has established the escrow account at M&T Bank, located at First Federal Plaza Office, Rochester, New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Piper Meadows Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000. Any deposits in excess of \$250,000 will not be insured.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Piper Meadows Escrow Account.

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 the Purchase Agreement/Escrow Agreement.

The account will be an Interest On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497. Interest earned will not be the property of the Purchaser, Sponsor or Escrow Agent, but rather will be paid to the New York State IOLA Fund. 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 five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the 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 the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once 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 fifteen (15) 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, 28 Liberty Street, New York, New York 10005. 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.

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.

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 a post-closing 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.

The Deposit, including upgrades and extras, shall be released to:

(a) the Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) 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 (a) through (c) 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 townhome 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:

(a) the Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) 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.

Any provision of the 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.

Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

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).

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.

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.

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 this Purchase Agreement.

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.

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.

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

5. CONTINGENCIES

This Contract is contingent upon Buyer obtaining a _____ mortgage loan in the amount of _____ (\$ _____) for a term of _____ years. Buyer shall immediately apply for this loan and shall have 2 weeks from contract signature to obtain a written mortgage commitment. If Buyer cannot obtain a written mortgage commitment due to financial non-qualification, either party may cancel this Contract in writing without any further liability to the other and the deposit shall be returned to the Buyer. The conditions of any such mortgage commitment shall not be deemed contingencies of this Contract.

This Contract is further contingent upon Buyer securing a firm Contract for the sale of Buyer's Property located at _____, within 60 days of the date of this Contract. If Buyer is unable to obtain a firm Contract for the sale of the property by such date, then either Buyer or Seller may cancel this Contract by written notice to the other. If Seller receives another acceptable Purchase Offer during this time period, Seller may notify Buyer in writing that Seller desires to accept the other offer and Buyer will then have two (2) days to remove this sale contingency by written notice to the Seller. If Buyer does not remove this contingency after receiving notice from Seller, Buyer's rights under this Contract shall end and Seller shall be free to accept the other Purchase Offer and Buyer's deposit shall be returned. Buyer may not evidence Purchase Ability of Buyer's mortgage loan commitment requires, or may require, the sale and transfer of Buyer's property, and or the completion of any other requirement (excepting only the execution of routine loan documents) as a condition of the mortgage lender disbursing the mortgage loan proceeds. To ensure a coordinated execution of this Contract, the Buyer agrees to list for sale within five (5) days of the date of this Contract Buyer's property located at _____, with _____.

6. ADDITIONAL ITEMS

The approved contract, standard features, general specification, plus any change orders supersede all renderings or blueprints. Items outside the above mentioned documents are considered optional or extra. All items listed on the Contract Price Breakdown noted as "Allowance" are subject to final revision by the Seller.

7. DESIGN SERVICES FEES

Builder to provide architectural services that include full blueprints at 1/4 " scale representative of the contract rendering along with requested design changes noted on the contract on a one time basis only. Requested architectural changes after representative blueprints are produced are charged on a per hour basis at a rate of \$75 per hour. Builder to also provide 25 hours of Inde design services for the interior selections. Design time beyond the allotted 25 hours would be charged on a per hour basis at a rate of \$75 per hour. Please note that Inde design meetings are by appointment only.

8. TITLE DOCUMENTS

At the time of closing Seller shall tender to Buyer a Warranty Deed with Lien Covenant conveying good and marketable title in fee simple to said Premises, free and clear of all liens and encumbrances except as otherwise provided herein. Notwithstanding, the Premises shall be subject to covenants, easements and restrictions of record common to the tract or subdivision provided the same has not been violated and further provided that none of the easements encroach on the improvements.

Seller shall also furnish and pay for the cost and delivery to the attorney for the Buyer at least ten (10) days prior to the date of closing and fully guaranteed tax, title and United States District Court searches dated or redated subsequent hereto and for the continuation of said tax, title and United State District Court searches to and including the date of closing and for an Instrument Survey map dated or redated subsequent hereto.

9. RECORDING COSTS, MORTGAGE TAX, TRANSFER TAX AND CLOSING ADJUSTMENTS

Buyer shall pay for recording the deed, the mortgage, the mortgage tax, the town recreation fee, the water meter and connection fees, and the sewer facilities fee. Seller shall pay for town building permit. The current taxes computed on a fiscal year basis excluding any delinquent items, interest and penalties will be prorated and adjusted between Seller and Buyer as of the date of closing. Seller shall pay for the cost of the required real estate transfer tax stamps.

10. RISK OF LOSS

Risk of loss or damage to the Premises by fire or other casualty until closing is assumed by the Seller. If any damage occurs prior to transfer of title and Seller determines that it cannot repair or restore such loss or damage, this Contract shall terminate without any further liability of parties and the Buyer shall have any deposit returned.

11. CLOSING

After removal of all contingencies, Seller shall notify Buyer of the appropriate time to meet with the Seller's representative and begin making selections pursuant to the Seller's selection sheets and schedule. Failure to complete all selections by _____ will cause a delay in the completion date contained in this paragraph 11, and/or at Seller's option, Seller may complete selections on behalf of Buyer and this Agreement shall continue in full force and effect.

The Seller estimates that construction to begin on or about _____, 20___. The Seller shall have no obligation to commence construction until all contingencies are satisfied and removed in writing signed by the Buyer and delivered to the Seller, and Buyer has paid all required deposits. Seller shall not be obligated to commence construction until Seller has received non-contingent contracts for two units within a four unit building or one unit within a two or three unit building. If construction does not commence within 45 days of the estimated construction start date, provided all contingencies have been removed from this Agreement in writing and Buyer has paid all required deposits, Buyer shall have the option of selecting another townhome unit.

The dwelling shall be completed and ready (the "Certificate of Occupancy Date") on or about 170 days from the "Commencement Date" (defined below). The Commencement date shall be the last date on which each of the following shall have been accomplished: the commencement of construction, the removal of all contingencies, the payment of all required deposits, and the completion of all selections. Seller, in its sole discretion, may begin construction prior to the Commencement Date. In the event the framing of the building of which this dwelling forms a part is completed on the date this Agreement is accepted by Seller, the Certificate of Occupancy Date shall be 90 days from the last date on which the Buyer removed all contingencies, paid all required deposits, and completed all selections (the "Interior Build Date").

The Certificate of Occupancy Date may be delayed due to circumstances beyond the Seller's control, including, but not limited to adverse weather, material shortages, strikes, labor troubles, damage by fire or other casualty, theft, governmental restrictions, or delay in receipt of materials special ordered for Buyer, in which event the closing date shall be extended accordingly without liability to Seller. Under no circumstances shall Seller be responsible or liable for any changes in mortgage provisions or interest rates sustained by Buyer from any proposed lending institution resulting from delays caused for whatever reasons.

Buyer agrees to accept transfer of title and make all payments provided for herein within fourteen (14) days of receiving the Certificate of Occupancy. **The parties agree that the residence shall be deemed complete for closing when a Certificate of Occupancy is issued.** Transfer of title shall be completed at the office of Lacy Katzen LLP or at the office of the mortgagee's attorney after the Certificate of Occupancy has been obtained. The length of time between Certificate of Occupancy date and the closing date is determined by the closing attorneys and/or Buyer's lender requirements and is outside the control of the Seller. **Under no circumstances shall Seller be liable for any Buyer costs associated with closing delays. Possession shall be given upon transfer of title and not before.**

Buyer Initial _____

12. POSSESSION

Buyer shall have possession and occupancy of the Premises as of the closing and transfer of title. Acceptance of transfer of title or occupancy By the Buyer shall be deemed to constitute an acknowledgment of the satisfactory performance of Seller under this Contract except for punch list items to be completed post - closing as set forth in Paragraph "14". **No pre-possession or storage is allowed under any circumstances.**

Buyer Initial _____

13. BUYER'S DEFAULT

If Buyer fails to fulfill Buyer's duties and obligations according to the terms of this Contract, all deposits made by the Buyer may be retained by the Seller. In addition to which the Buyer shall pay Seller the full cost of all extras, upgrades and change orders that were commenced or ordered prior to the date of closing. Retention of any deposit shall not limit Seller from commencing an action for damages or seeking any other remedies allowed in law or in equity. The Sponsor shall make a written demand for payment after default at least 30 days before forfeiture of the deposit may be declared.

14. INSPECTION

After the improvement is built and before the transfer of title to or occupancy by Buyer, the Buyer shall arrange for a pre - closing inspection of the improvement with the Seller to determine the extent, if any, of repairs, corrections or further installations required to be made. Seller shall be responsible to make those repairs, corrections or further installations within a reasonable time after transfer and to honor the warranties contained in this Contract. No escrow shall be established or held to secure Seller's obligation to make such repairs, corrections or further installations.

15. CERTIFICATE OF OCCUPANCY

Seller agrees to deliver to Buyer at the time of closing a Certificate of Occupancy issued by the Town of Victor, subject to weather related items.

16. MARKETABILITY OF TITLE

The deed and other documents delivered by Seller shall be sufficient to convey good and marketable title in fee simple to the property free and clear of all liens and encumbrances except as otherwise provided herein. If Buyer raises written objection to Seller's title to the Premises which, if valid, would make the title of the Premises unmarketable, Seller shall have the right to cancel this Contract by giving written notice of the cancellation to the Buyer and by returning the Buyer's deposit. However, if Seller is able to correct the problem which Buyer objects to prior to closing or if Seller is able to obtain at its cost commitment for title insurance to insure Buyer's interest and the interest of any lender granting a mortgage to Buyer for the purchase of the Premises, then the Contract shall continue in force.

17. MISCELLANEOUS

It is understood and agreed that Seller does not guarantee the health or continued life of any tree or shrubs on the Premises.

18. REPRESENTATIONS

This contract constitutes the entire agreement between the Seller and the Buyer and supersedes all prior or other agreements and representations in connection with this sale and purchase. This Contract cannot be modified except in a writing signed by both parties. All of the terms, covenants, provisions, conditions and agreements in this Contract shall be binding upon and inure to the benefit of the parties and their assigns. This Contract shall be construed in accordance with the laws of the State of New York.

19. RESPONSIBILITIES OF PERSONS UNDER THIS CONTRACT

If more than one (1) person signs this Contract as Buyer, each person and any person who takes over that person's legal position will be responsible for keeping the promises made by Buyer in this Contract.

20. ATTORNEY'S APPROVAL

This Contract is subject to the written approval of Buyer's Attorney, as to form only, within five (5) business days from the date of acceptance by Seller (the "Approval Period"). If Buyer's Attorney does not provide written approval or disapproval within the Approval Period, then Seller's Attorney shall notify Buyer (with copy to Buyer's Attorney) in writing that no approval or disapproval has been received. Buyer shall then have five (5) *calendar days*, inclusive of Sundays and Public Holidays from receipt of the notice (the "Grace Period") to provide written attorney approval or disapproval of the contract. If written attorney approval or disapproval is not provided within the Grace Period then this Attorney Approval contingency shall be deemed waived.

21. NOTICES

All notices given pursuant to any provision of this Contract shall be in writing and shall be effective only if delivered personally or sent by registered or certified mail, postage prepaid, to the parties at their respective addresses set forth above.

22. COMMISSIONS

Buyer represents that no broker has been contracted or engaged by Buyer in connection with the procurement of this Contract except as otherwise set forth herein. Should this representation be contrary to fact, Buyer shall pay any commission due and hold the Seller harmless from any claim or liability therefor arising out of the acts or inactions of the Buyer. This representation shall survive the closing and delivery of the deed to Buyer.

23. ACCESS TO BUILDING SITE BY BUYER

Buyer agrees not to enter upon the building site (lot) during the time of construction without a representative of the Builder being present. Reasonable inspections shall be allowed, by the Builder, upon notice and at mutually agreed upon times. Buyer agrees to hold harmless the Builder from any liability whatsoever to Buyer of Buyers invitees and/or licensees arising out of any entry upon the building site (lot) which is unaccompanied by a representative of the Builder.

24. WARRANTY

There shall be delivered to Buyer at the time of closing all manufacturers' warranties pertaining to the appliances installed in the townhome.

NEW YORK STATE HOUSING MERCHANT IMPLIED WARRANTY AS SET FORTH AND DEFINED IN ARTICLE 36 (B) OF THE NEW YORK STATE GENERAL BUSINESS LAW, SECTION 777-a SHALL APPLY TO THIS CONTRACT. THE SELLER MAKES NO IMPLIED WARRANTY OF MERCHANTABILITY, NO HOUSING MERCHANT IMPLIED WARRANTY, NO IMPLIED WARRANTY OF FITNESS, OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS CONTRACT OR THE HOME AND ALL SUCH WARRANTIES ARE

EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY ANNEXED TO THIS CONTRACT. THE EXPRESS TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED IN THIS CONTRACT AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE THEREOF. SELLER DOES NOT WARRANT CONSUMER PRODUCTS INSTALLED WITHIN THE HOME, INCLUDING BUT LIMITED TO ANY HEAT PUMP, FURNACE, AIR CONDITIONING SYSTEM, SMOKE DETECTOR, METERS, WATER HEATER, RANGE, DISHWASHER, REFRIGERATOR, AND DISPOSAL. SELLER SHALL PROVIDE AND ASSIGN TO PURCHASER THE MANUFACTURER'S WARRANTY FOR ALL CONSUMER PRODUCTS INSTALLED BY SELLER IN THE HOME PURSUANT TO THIS AGREEMENT.

Every structure contains naturally occurring contaminants, including but not limited to radon, animal dander, dust, dust mites, fungi, mold, bacteria and pollen (collectively, "Impurities"). Such Impurities may or may not be airborne and or invisible. Seller does not claim any expertise regarding the identification, remediation, or health consequences of such Impurities. Whether or not the home experiences adverse effects of Impurities depends largely on how Buyer maintains the home after completion of construction, as well as an individual's susceptibility of such Impurities. Buyer should contact federal, state and or local authorities for information regarding Impurities in the home. BUYER AGREES THAT SELLER IS NOT RESPONSIBLE FOR ANY DAMAGES, ILLNESS OR ALLERGIC REACTIONS THAT BUYER, OR BUYER'S FAMILY, GUESTS OR INVITEES, MAY EXPERIENCE AS A RESULT OF IMPURITIES IN THE HOME. SELLER DISCLAIMS ANY LIABILITY RESULTING FROM IMPURITIES IN THE HOME, INCLUDING BUT NOT LIMITED TO PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, LOSS OF INCOME, EMOTIONAL DISTRESS, LOSS OF USE, LOSS OF VALUE AND OR ADVERSE HEALTH EFFECTS.

25. ADJOINING PROPERTY DISCLOSURE

Seller discloses that any adjoining property is subject to the applicable zoning laws of the Town of Victor and may be subject to future property development. This includes, but is not limited to, town controlled easements, right of ways, inter-community connectivity, as well as, emergency vehicle access to ensure the general health safety, and welfare of town residents.

26. LIFE OF OFFER

This offer is good until _____, 20 __, at ____: ____ .M. Buyer agrees not to withdraw this offer during that period of time.

ACCEPTANCE

DATED: _____
BUYER

DATED: _____
BUYER

DATED: _____

WITNESS

We hereby accept the above offer and agree to build and sell on the terms and conditions set forth herein.

S & J MORRELL INC.

DATED: _____
SELLER

DATED: _____
WITNESS

ESCROW AGENT ACCEPTANCE

The Escrow Agent agrees to the terms and conditions above set forth with respect to the Deposit and Escrow Account.

LACY KATZEN LLP, as attorneys

DATED: _____ By: _____

**ADMINISTRATIVE INFORMATION
CONTRACT OF SALE**

Property address: _____

Date: _____

Buyer: _____

Seller: **S&J Morrell, Inc.**

Address: _____

GRAR MLS #: _____

_____, Zip: _____

Address: 1501 Pittsford Victor Rd., Suite 100

Phone: (H) _____ (B) _____

Victor, NY Zip: 14564

Email: _____

Phone: (H) _____ (B) (585) 249-1330

Attorney: _____

Attorney: Daniel Bryson, Esq. – Lacy Katzen LLP

Address: _____

Address: 600 Bausch & Lomb Place

_____, Zip: _____

Rochester, NY Zip: 14604

Phone: (B) _____, (FAX) _____

Phone: (B) (585) 324-5714 (FAX) 269-3010

Email: _____

Email: dbryson@lacykatzen.com

Selling Broker: _____

Listing Broker: Morrell Realty

Address: _____

Address: 1501 Pittsford Victor Rd., Suite 100

_____, Zip: _____

Victor, NY Zip: 14564

Phone: _____ Broker Code: _____

Phone: (585) 249-1330 Broker Code: SJMO

Selling Agent: _____

Listing Agent:

Selling Agent I.D.#: _____

Listing Agent I.D.#: Phone: 742-2110

Phone: _____; FAX: _____

Listing Agent FAX:

Email: _____

Email:

LIMITED WARRANTY

NAME OF BUYER(S):

**ADDRESS OF
BUYER(S):**

**ADDRESS OF HOME
WARRANTED:**

Lot ____, Piper Meadows Subdivision, Victor, New York

NAME OF BUILDER:

S&J Morrell, Inc.

ADDRESS OF BUILDER:

1501 Pittsford Victor Road, Suite 100
Victor, New York 14564

WARRANTY DATE:

Transfer of Title

**BUILDER'S LIMIT OF
TOTAL LIABILITY:**

\$100,000.00

**ACKNOWLEDGEMENT OF
RECEIPT:**

SIGNATURE

SIGNATURE

**This Limited Warranty excludes all consequential and incidental damages
except as required by New York State Law.**

1. **Limited Warranty.** THE BUILDER MAKES NO IMPLIED WARRANTY OF MERCHANTABILITY, NO HOUSING MERCHANT IMPLIED WARRANTY, NO IMPLIED WARRANTY OF FITNESS, OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, IN CONNECTION WITH THE HOME AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THIS LIMITED WARRANTY. THE EXPRESS TERMS OF THE LIMITED WARRANTY ARE SET FORTH HEREIN AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE HEREOF. BUILDER DOES NOT WARRANT CONSUMER PRODUCTS INSTALLED WITHIN THE HOME, INCLUDING BUT NOT LIMITED TO ANY HEAT PUMP, FURNACE, AIR CONDITIONING SYSTEM, SMOKE DETECTOR, METERS, WATER HEATER, RANGE, DISHWASHER, REFRIGERATOR, AND DISPOSAL. BUILDER SHALL PROVIDE AND ASSIGN TO BUYER THE MANUFACTURER'S WARRANTY FOR ALL CONSUMER PRODUCTS INSTALLED BY BUILDER IN THE HOME.

2. **To Whom Given.** This Limited Warranty is extended to the Buyer named on Page One, while the Buyer owns the Home, subject to the Warranty Periods established below in paragraph 5. This Warranty is not transferable to subsequent owners of the Home or other persons.

3. **By Whom Made.** This Limited Warranty is made exclusively by Builder.

4. **Final Inspection.** Prior to the transfer of the deed or occupancy by the Buyer, the Buyer shall inspect the Home at a time agreeable to both Buyer and Builder. A representative of the Builder shall be present at the inspection. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature. The Builder may indicate other defects known to the Builder which remain uncorrected at the time of inspection.

All defects or flaws found on final inspection of the Home will be itemized on a Final Inspection Sheet, which shall state each item that will be corrected and generally state the manner for correction. The Final Inspection Sheet will be signed by the Buyer and the Builder before occupancy of the Home or transfer of the deed.

When the Buyer moves into the Home or accepts the deed, the Builder's responsibility is limited to:

(a) completion of items shown on the Final Inspection Sheet, in the manner provided on the Final Inspection Sheet, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below.

5. **Warranty Coverage and Periods.** The Warranty Period for all coverage begins on the Warranty Date shown on Page One. It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Home will be free from latent defects that constitute:

(a) defective workmanship performed by the Builder, an agent of the Builder or subcontractor of the Builder;

(b) defective materials provided by the Builder, an agent of the Builder or subcontractor of the Builder; or

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Builder.

Workmanship, materials, and design will be considered defective if they fail to meet or exceed the New York State Uniform Fire Prevention and Building Code or the Accepted Standards attached to this Limited Warranty. The Builder agrees to correct stated deficiencies as described in the Accepted Standards.

TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Warranty Date, the plumbing, electrical, heating, cooling and ventilation systems of the Home which have been installed by the Builder are warranted to be free from latent defects that constitute defective installation by the Builder.

The plumbing system means: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The electrical system means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The heating, cooling and ventilation system means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

Installation will be considered defective if the Builder's workmanship upon the installation fails to meet or exceed New York State Uniform Fire Prevention and Building Code or the Accepted Standards attached to this Limited Warranty. The Builder agrees to correct stated deficiencies as described in the Accepted Standards.

SIX-YEAR MAJOR STRUCTURAL DEFECT COVERAGE: For six years from the Warranty date, the Home will be free from latent defects that are major structural defects, as defined below, and that constitute:

- (a) defective workmanship performed by the Builder, an agent of the Builder or subcontractor of the Builder;
- (b) defective materials provided by the Builder, an agent of the Builder or subcontractor of the Builder; or
- (c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Builder.

Workmanship, materials, and design will be considered defective if they fail to meet or exceed the New York State Uniform Fire Prevention and Building Code or the Accepted Standards attached to this Limited Warranty. The Builder agrees to correct stated deficiencies as described in the Accepted Standards.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

6. Exclusions From All Coverages. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

- (a) Loss or damage caused by workmanship performed by any person other than the Builder, an agent of the Builder, or a subcontractor of the Builder.

- (b) Loss or damage caused by defective materials supplied by any person other than the Builder, an agent of the Builder, or a subcontractor of the Builder.
- (c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Builder.
- (d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to the transfer of the deed or occupancy of the Home would have revealed.
- (e) Defects in outbuildings including but not limited to detached garages and detached carports (excluding outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including but not limited to sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Home itself.
- (f) After the first year Basic Coverage, concrete floors of the basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Home.
- (g) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.
- (h) Any damage to the extent that it is caused or made worse by:
 - (i) Negligence, improper maintenance, or improper operation by anyone other than the Builder, its employees, agents or subcontractors; or
 - (ii) failure of the Buyer or anyone other than the Builder, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or
 - (iii) failure of the Buyer to give notice to the Builder of any defects or damage within a reasonable time; or
 - (iv) changes in the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or
 - (v) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on Page One; or
 - (vi) dampness or condensation due to failure of the Buyer or occupant to maintain adequate ventilation.
- (i) Any condition which does not result in actual physical damage to the Home.
- (j) Loss or damage caused by or resulting from accident, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.
- (k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

- (l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.
- (m) Any damage which the Buyer or occupant has not taken timely action to minimize.
- (n) Normal wear and tear and normal deterioration.
- (o) Insect damage.
- (p) Bodily injury or damage to personal property.
- (q) Failure of the Builder to complete construction of the Home.
- (r) Loss or damage which arises while the Home is being used primarily for nonresidential purposes.
- (s) Loss or damage due to abnormal loading on floors by the Buyer or occupant which exceeds design loads as mandated by the New York State Uniform Fire Prevention and Building Code.
- (t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.
- (u) Consequential damages (except where required by New York State law).
- (v) Any claim not filed in a manner set forth below in paragraph 8 entitled, "Step By Step Claims Procedures".

Also excluded from coverage are naturally occurring contaminants, including but not limited to radon, animal dander, dust, dust mites, fungi, mold, bacteria and pollen (collectively, "Impurities"). SELLER DISCLAIMS ANY LIABILITY RESULTING FROM IMPURITIES IN THE HOME, INCLUDING BUT NOT LIMITED TO PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, LOSS OF INCOME, EMOTIONAL DISTRESS, LOSS OF USE, LOSS OF VALUE AND OR ADVERSE HEALTH EFFECTS.

7. **Warranty.** If a defect occurs in an item covered by this Limited Warranty, the Builder will repair, replace or pay the Buyer the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Builder's inspection or testing discloses the problem and in accordance with the Accepted Standards attached to this Limited Warranty. The choice among repair, replacement or payment is solely that of the Builder.

In no event will the Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability set forth on Page One.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (a) the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing functions, and (b) the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to the Builder.

8. Step By Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Builder no later than the first business day after the warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by the first business day after the warranty coverage on that item expires, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Buyer or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Builder's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim Form, will not impair, prejudice or otherwise affect any right of the Builder.

(c) In response to a Notice of Warranty Claim Form, or any other complaint or request of the Buyer, the Builder and the Builder's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Buyer and occupant of the Home must provide reasonable access to the Builder and the Builder's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Builder will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Builder will determine whether to accept or reject the claim. If the Builder rejects the claim, the Builder will give written notice of that decision to the claimant at the address shown on the Notice of Warranty Claim Form. If the Builder accepts the claim, the Builder will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Warranty Claim Form. The Builder will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects are subject to weather conditions, Acts of God, availability of materials and other events beyond the Builder's control.

9. Legal Actions.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Builder in any Court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided above in paragraph 8.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty (60) calendar days after the Builder has given written notice of rejection of claim or completion of corrective action as provided above in paragraph 8(d).

10. General Provisions.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is binding upon the Builder and the Buyer, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the law of New York State.

*ACCEPTED STANDARDS OF PERFORMANCE
PUBLISHED FROM TIME TO TIME BY THE ROCHESTER HOME BUILDERS MAY BE REVIEWED AT THE OFFICE
OF THE ROCHESTER HOME BUILDERS ASSOCIATION
20 Wildbriar Road, Rochester, NY 14623 Telephone (585) 272-8222*

OR THE OFFICE OF THE SELLER

NOTICE OF WARRANTY CLAIM FORM

Dear Home Owner:

To ask the Builder to correct a defect in your Home that you think is covered by the Builder's Limited Warranty, you must complete this form and deliver it to the Builder. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Builder is aware of the problem, fill out this form and deliver it to the Builder.

The information you will need to fill out the form will be on Page One of the Limited Warranty. However, if you do not know the answers to any questions, write "Not Known". Please do not leave any item blank.

Name: _____
Address of Home
Warranted: _____

Home Phone: _____
Work or Day Phone: _____
Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

Signature: _____ Date: _____
Signature: _____ Date: _____



CONSTRUCTION PERFORMANCE GUIDELINES

Professional Industry Standards

New Construction, Remodeling & Home Improvement

Presented to: _____

(Homeowner)

By: _____

(Contractor)

Member # _____ **Job Completion/Closing Date:** _____

This booklet is for use by current Rochester Home Builders' Association and Upstate Building Industry Alliance Members in good standing ONLY. Unauthorized use is prohibited.

Rochester Home Builders' Association, Inc.
Upstate Building Industry Alliance, Inc.

FindTheHomePros.com | 585-272-8222

607.1

Rev. 9.17



Rochester Home Builders' Association, Inc.
Upstate Building Industry Alliance
20 Wildbriar Road
Rochester, New York 14623
Phone: 585-272-8222 Fax: 585-272-8206
www.FindTheHomePros.com
info@FindTheHomePros.com

Proprietary Materials

This booklet and the materials contained in it are the property of the Rochester Home Builders' Association, Inc. and the Upstate Building Industry Alliance. This information is intended for the sole and exclusive use of its members. The use of this booklet or any part contained in it by a contractor who is not a member of the above named organizations or use by any organization other than the above is strictly prohibited and subject to prosecution for its use by non-members.

Construction Performance Guidelines

Building codes and local regulations address matters of a technical nature in regard to safety and health. These Guidelines were developed to define standards for construction in good workmanship, free from material defects. These standards have been developed after careful analysis of industry standards and locally accepted building practices. These guidelines represent standards of performance common in the industry in this region. These guidelines include performance standards for most situations encountered by a homeowner during a remodeling or home improvement project or the construction of a new home.

Disclaimers

This booklet is intended to provide a guide to local industry standards for materials and workmanship in residential construction and remodeling. These Guidelines are intended to be minimum standards. Your contractor has the option to apply more stringent standards. The Rochester Home Builders' Association, Inc. (RHBA) and the Upstate Building Industry Alliance (UBIA) expressly disclaim any liability of any nature or kind whatsoever which may arise as a result of the performance or nonperformance of the contract by either you or the contractors. Furthermore, the RHBA/UBIA makes no representations or warranties, express or implied, with regard to the materials or workmanship by any contractor whether or not the contractor is a member of RHBA/UBIA. The Guidelines reflect the locally accepted construction practices and are meant to govern in those instances when the New York State building codes do not provide relevant, specific standards with which to measure defects in construction.

Remodeling Projects

Remodeling presents inherent difficulties in melding the new and old construction. It is the process of expanding or enhancing an existing structure. Some circumstances call for the suspension of some or all of the guidelines in order to successfully complete a remodeling project. Circumstances may include, but are not limited to, the meeting of old, out of plumb or out of level structures with new structures; the appearance of new materials near weathered, existing materials; and other practical considerations for new projects to work within the limitations of existing buildings.

Because of the unique challenges of joining new and old, a remodeling contractor may build some or the entire project outside the scope of these guidelines to achieve the contract objectives. It is normal for a contractor during the course of construction to discover and accommodate conditions in the old structure that require different solutions from those suggested in these guidelines. In these circumstances, the governing factor is meeting the needs of the consumer as outlined in the contract and complying with the prevailing building code.

How to Use this Manual

This manual is divided into chapters generally organized according to the usual sequence of events in a complete construction process. Each chapter has major categories containing individual construction performance guidelines. Each construction performance guideline has three parts, with an optional fourth part:

- **Observation:** A description of a particular construction defect or potential problem.
- **Performance Guideline:** The specific criterion for acceptable workmanship.
- **Corrective Measure:** A description of the repair work required by the contractor to meet the performance guideline and/or the owner's maintenance responsibility.
- **Discussion/Helpful Hints (optional):** An explanation of unique factors pertinent to the observation, performance guideline, or corrective measure, along with Helpful Hints for the homeowner.

If any conflict arises between these guidelines and applicable requirements of locally approved codes, as a matter of law, the code requirements may take precedence over these guidelines.



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1. Site Work

1-1 **1 yr.**
Observation: The ground has settled around the foundation, over utility trenches, or in other areas.

Performance Guideline: Settling of ground around foundation walls, over utility trenches, or in other filled areas shall not interfere with water drainage away from the home.

Corrective Measure: If the contractor has provided final grading, upon request by the owner, the contractor will fill settled areas affecting proper drainage in excess of six inches, one time only during the warranty period. The owner will be responsible for removal and replacement of shrubs and other landscaping affected by the placement of such fill.

1-2 **None**
Observation: The site does not drain properly.

Performance Guideline: The necessary grade and swales shall have been established by the contractor to ensure proper drainage away from the home. Standing or ponding water shall not remain for extended periods in the immediate area of the house after a rain (generally no more 24 hours), except in swales that drain other areas or in areas where sump pumps discharge. In these areas a longer period can be anticipated (generally no more than 48 hours). The owner should anticipate the possibility of standing water after an unusually heavy rainfall. No grading determination shall be made while frost or snow is on ground or while the ground is saturated.

Corrective Measure: The contractor is responsible only for initially establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once the contractor has properly established them.

1-3 **None**
Observation: The site has soil erosion.

Performance Guideline: Contractor is not responsible for soil erosion due to acts of God, or other conditions beyond the contractor's control.

Corrective Action: No action required.

2. Foundation

2-1 **1 yr.**
General
Observation: The foundation is out of square.

Performance Guideline: As measured at the top of the foundation wall, the diagonal of a triangle with sides of 12 feet and 16 feet shall be no more than 1 inch in 20 feet, unless the owner and contractor agree to intentionally build an addition to an existing structure out of square in order to match or compensate for inaccuracies in the existing structure.

Corrective Measure: The contractor will make necessary modifications to any foundation not complying with the performance guidelines for squareness to provide a satisfactory appearance. The contractor may square the first floor deck by cantilevering over the foundation where out of square.

Discussion/Helpful Hints: Squareness is primarily an aesthetic consideration. Regularly repeated geometric patterns in floor and ceiling coverings show a gradually increasing or decreasing pattern along an out-of-square wall. The guideline tolerance of plus or minus 1 inch in the diagonal allows a maximum increasing or decreasing portion of about 3/8 inch in a 12-foot wall of a 12 x 16-foot room. However, a contractor and client may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out-square house. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criteria for correction "a satisfactory appearance." This criterion allows the contractor to make either a structural change, if the defect is discovered in time, or some cosmetic change to hide the defect, if the construction is in the finishing stages when the defect is discovered.

2-2

1 yr.

Observation: The foundation is out of level.

Performance Guideline: As measured at the top of the foundation wall, no point shall be more an 3/8 inch higher or lower than any point within 20 feet, unless the owner and contractor agree to intentionally build an addition to an existing structure out of level in order to match or compensate for inaccuracies in the existing structure.

Corrective Measure: The contractor will make necessary modifications to any foundation not complying with the performance guidelines for levelness to comply with the performance guideline. This can be affected by leveling the sills with shims, mortar, or appropriate fillers.

Discussion/Helpful Hints: Levelness is both an aesthetic and functional consideration. Out of level floors can cause "stair stepping" of 4 x 8-foot sheathing, siding, paneling and cabinets, and square walls must be "racked" into parallelograms when plumbing is installed.

Liquids can run off counter tops, and, in extreme cases, people will perceive that they are walking up or downhill. The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same plane, and the roof ridge on the same line, as those of an existing, out-of-level structure.

2-3

None

Observation: Efflorescence is present on surface of basement floors.

Performance Guideline: This is a normal condition.

Corrective Measure: None.

2-4

Slab and Basement Floor

None

Observation: Concrete slabs within the structure have separated or moved at expansion and contraction joints.

Performance Guideline: Concrete slabs within the structure are designed to move at expansion and contraction joints.

Corrective Measure: None.

2-5

1 yr.

Observation: Concrete floors or slabs are uneven.

Performance Guideline: Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 1/4 inch in 32 inches.

Corrective Measure: The contractor will correct or repair the floor to meet the performance guideline.

2-6

1 yr.

Observation: The basement floor is cracked.

Performance Guideline: Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using a latex-fortified cement mixture or other materials designed to fill cracks and bond concrete. Color and texture variation will vary with repair.

2-7

1 yr.

Observation: Pitting, scaling or spalling of concrete work covered by this Limited Warranty.

Performance Guideline: Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.

Corrective Measure: Contractor will take whatever corrective action necessary to repair defective concrete surfaces. Contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control. Contractor will not be responsible for color variation between existing and new patching material.

2-8

Slab-on-Grade Floor

1 yr.

Observation: Cracks have developed in concrete slab-on-grade floors with finished flooring.

Performance Guideline: Cracks that rupture the finished flooring material shall be repaired.

Corrective Measure: The contractor will repair cracks, as necessary, and repair the finish flooring to match existing as close as possible.

Discussion/Helpful Hints: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using a latex-fortified cement mixture or other materials designed to fill cracks and bond concrete. Color and texture variation will vary with repair.

2-9

1 yr.

Observation: Concrete in slab-on-grade floor is cracked (horizontal or vertical separation).

Performance Guideline: Cracks in slab-on-grade floors shall not exceed 3/16 inch in width or 1/8 in vertical displacement.

Corrective Measure: The contractor will repair cracks to meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using a latex-fortified cement mixture or other materials designed to fill cracks and bond concrete. Color and texture variations will vary with repair.

Basement Wall

2-10

Concrete Block

1 yr.

Observation: Concrete block basement wall is cracked.

Performance Guideline: Cracks in concrete block basement walls shall not exceed 1/8 inch in width.

Corrective Measure: The contractor will repair cracks to meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using a latex-fortified cement mixture or other materials designed to fill cracks and bond concrete. Shrinkage cracks are not unusual and are inherent in the drying process. They should be expected in basement walls due to the nature of masonry block and concrete. Cracks may be vertical, diagonal, and horizontal, including stepped masonry joints. The only cracks considered under warranty claims are cracks that permit water penetration or horizontal cracks that cause a bow in the wall.

2-11

1 yr.

Observation: Concrete block basement wall is out of plumb.

Performance Guideline: Block concrete walls shall not be out of plumb greater than 3/4 inch in 8 feet when measured from the base to the top of the wall.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-12

1 yr.

Observation: Concrete block basement wall is bowed.

Performance Guideline: Block concrete walls shall not bow in excess of 1 inch in 8 feet when measured from a plumb line.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-13 Poured Concrete (Walls)

1 yr.

Observation: Exposed concrete wall has hole in it.

Performance Guideline: Holes larger than 3/8 inch in diameter or 3/8 inch in depth are unacceptable.

Corrective Measure: The contractor will repair holes that do not meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by thoroughly filling the hole. The repaired area will not match the color of the surrounding concrete.

2-14

1 yr.

Observation: Poured concrete or pre-cast basement wall is out of plumb.

Performance Guideline: Concrete walls shall be out of plumb greater than of 1 1/2 inches in 8 feet when measured from the base to top of the wall.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-15

1 yr.

Observation: Poured concrete or pre-cast basement wall is bowed.

Performance Guideline: Concrete walls shall not bow in excess of 1 inch in 8 feet when measured from a plumb line.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-16

1 yr.

Observation: The basement wall is cracked (horizontal or vertical separation).

Performance Guideline: Cracks in basement walls shall not allow exterior water to leak into the basement.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline when leaks are present.

Discussion/Helpful Hints: Shrinkage cracks are not unusual and are inherent in the drying process. They should be expected in basement walls due to the nature of masonry block and concrete. Cracks may be vertical, diagonal, horizontal. The only cracks considered under warranty claims are cracks that permit water penetration or horizontal cracks that cause a bow in the wall.

Basement Floor and Walls

2-17 Moisture and Leaks

None

Observation: Dampness is evident on basement walls or floor.

Performance Guideline: Dampness caused by wicking through the basement walls or floor and condensation of water vapor on cool walls are not the responsibility of the contractor

Corrective Measure: None. Dampness prevention is the responsibility of the owner.

Discussion/Helpful Hints: The owner's failure to maintain positive drainage away from the house can contribute to dampness. Condensation also contributes to dampness. Homeowners are suggested to use a dehumidifier when necessary.

2-18 **1 yr.**
Observation: The basement leaks.

Performance Guideline: Leaks resulting in actual trickling of water shall be repaired. Leaks caused by landscaping improperly installed by the owner, or by the failure of the owner to maintain proper grades, are not the contractor's responsibility. Walls and floors of new construction may become damp as concrete, mortar, and other materials dry, and dampness alone is not considered a deficiency.

Corrective Measure: The contractor will take such action as necessary to correct basement leaks, except where the cause is determined to result from the owner's actions or negligence.

2-19 **Crawl Space** **1 yr.**

Observation: Flowing or trickling water appears on interior crawl space horizontal surface.

Performance Guideline: Crawl spaces should be graded and drained properly to prevent water from accumulating deeper than 3/4 inch and larger than 36 inches in diameter in the crawl space area.

Corrective Measure: The contractor will take the necessary corrective measures to create positive flow within the crawl space to discharge to the exterior of the structure.

2-20 **None**

Observation: Condensation is evident on the walls, earth, or floor insulation in the crawl space or basement.

Performance Guideline: Condensation in the crawl space shall not result from lack of adequate ventilation as required by code. Condensation resulting from other causes is not the responsibility of the contractor.

Corrective Measure: The contractor will ensure that ventilation meets the appropriate code requirements. Further reduction of condensation is an owner maintenance responsibility.

Discussion/Helpful Hints: Temporary conditions may cause condensation that cannot be eliminated by ventilation and a vapor barrier because:

- Night air gradually cools the interior surfaces of the crawl space. In the morning, moisture picked up by sun-warmed air is carried into the crawl space and condenses on cool surfaces.
- At night, outside air may rapidly cool foundation walls and provide a cool surface on which moisture may condense.
- If the house is left unheated in the winter, the floors and walls may provide cold surfaces on which moisture in the warmer crawl space air may condense.
- Excessive moisture inside a heated house may hit the dew point within or on the colder bottom surface of vapor-permeable floor insulation. The condensation can be reduced by placing a vapor barrier between the insulation and the floor sheathing. If condensation must be entirely eliminated, the owner can do so by sealing and dehumidifying or heating the crawl space, or by heating the dehumidifying the house.

2-21 **Columns and Beams** **1 yr.**

Observation: Concrete columns are bowed or out of plumb.

Performance Guideline: Concrete columns shall not bow in excess of 1 inch in 8 feet. They should not be out of plumb in excess of 1/4 inch in 12 inches when measured from the base to the top of the column, not to exceed 1 1/2 inches in 8 feet.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

2-22 **1 yr.**

Observation: Steel columns are out of plumb.

Performance Guideline: Steel columns shall not be out of plumb in excess of 1/8 inch in 12 inches when measured from the base to the top of the column.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

2-23 Concrete Stoops, Steps and Sidewalks 1 yr.

Observation: Concrete stoops, attached porches and garage steps have settled, heaved, or separated from the house structure.

Performance Guideline: Stoops and steps shall not settle, heave, or separate in excess of 1 inch from the house structure. Attached porches and garages shall not settle, heave or separate in excess of 1/2" from the house structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

2-24 1 yr.

Observation: Water remains on stoops or steps after rain has stopped.

Performance Guideline: Water shall drain off outdoor stoops and steps. Minor amounts of water can be expected to remain on stoops and steps for up to 24 hours after rain.

Corrective Measure: The contractor will take corrective action to assure proper drainage of stoops and steps.

2-25 Garage 1 yr.

Observation: The garage floor slab is cracked.

Performance Guideline: Cracks in concrete garage floor greater than 3/16 inch in width or 1/8 width in vertical displacement are excessive.

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by thoroughly cleaning, filling and troweling the surface using latex-fortified cement mixture or other materials designed to fill cracks and bond concrete.

2-26 1 yr.

Observation: Garage concrete floor has settled, heaved, or separated.

Performance Guideline: The garage floor shall not settle, heave, or separate in excess of 3/4 inch from the structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

Discussion/Helpful Hints: Scaling may appear and is commonly on concrete garage floors or other areas exposed to Magnesium Chloride used in road de-icing and other outside sources. This has been determined not to be a warranty issue caused by labor or material. Repairs will be at the homeowner's expense.

3. Wood Floor Framing

ARTICLE WARRANTY PERIOD

3-1 Beams 1 yr.

Observation: Springiness, bounce, shaking, or visible sag is observed in floor or roof.

Performance Guideline: All beams, joists, rafters, headers, and other structural members shall be sized, and fasteners spaced, according to the National Forest Products Association span tables, or local building codes.

Corrective Measure: The contractor will reinforce or modify, as necessary, any floor, wall, ceiling, or roof not meeting the performance guideline.

Discussion/Helpful Hints: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Joist and rafters are required to meet standards for both stiffness and strength. The span tables allow, under full design loadings, a maximum deflection equal to 1/360 of the span for floor and ceiling joists (3/8 inch in 12 feet), 1/240 for rafters up to 3/12 in pitch (1/2 inch in 12 feet), and 1/180 for rafters over 3/12 in pitch (3/4 inch in 12 feet). Individual clients may not be satisfied with the deflection limits built into the tables. When a customer's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

3-2

1 yr.

Observation: Wood beam or post is split.

Performance Guideline: Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes split as they dry subsequent to construction. Such splitting is usually not a structural concern if posts and beams have been sized according to National Forest Products Association span tables. Unfilled splits exceeding 1/4 inch in width and all splits exceeding 3/8 inch in width are unacceptable.

Corrective Measure: The contractor will repair or replace any beam or post with a defect that does not meet the guideline. Filling splits is acceptable for widths up to 3/8 inch.

Discussion/Helpful Hints: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. "Checks and splits which occur during the drying of lumber have the effect of reducing the area in the plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying." See **Wood Structural Design Data**.3

3-3

1 yr.

Observation: Wood beam or post is twisted or bowed.

Performance Guideline: Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes twist or bow as they dry subsequent to construction. Twisting or bowing are usually not a structural concern if posts and beams have been sized according to National Forest Association span tables.⁴ Bows and twists exceeding 3/4 inch in an 8-foot section are unacceptable.

Corrective Measure: The contractor will repair or replace any beam or post with a defect that does not meet the guideline.

3-4

1 yr.

Observation: Wood beam or post is cupped.

Performance Guideline: Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes cup as they dry subsequent to construction. Cupping is usually not a structural concern if posts and beams have been sized according to National Products Association span tables.⁵ Cups exceeding 1/4 inch in 5 1/2 inches are unacceptable.

Corrective Measure: The contractor will repair or replace any beam or post with a defect that does not meet the guideline.

3-5

Plywood and Joists

1 yr.

Observation: Floors squeak or the subfloor appears loose.

Performance Guideline: Squeaks caused by a loose sub floor are unacceptable, but totally squeak-proof floors cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose sub floor or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.

Discussion Helpful Hints: Floor squeaks may occur when a sub floor that has come loose from the joists is deflected by the weight of a person or household possessions and rubs against the nails that hold it in place. The sub floor or joists may be bowed, and the nails also may be expelled from the wood during drying. Movement may occur between the joist and bridging or other floor members when one joist is deflected while the other members remain stationary. Gluing the sub floor is an acceptable method of code compliance in certain jurisdictions. Renailing floor joists with ring-shank nails will also substantially reduce severe floor squeaks. Because the performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose sub flooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.

3-6

1 yr.

Observation: Wood floors are uneven.

Performance Guideline: Floors shall not have more than a 1/4-inch ridge or depression within any 32-inch measurement. Allowable floor and ceiling joist deflections are governed by the local approved building codes.

Corrective Measure: The contractor will correct or repair to meet the performance guideline.

3-7

1 yr.

Observation: Wood floor is out of square.

Performance Guideline: The diagonal of a triangle with sides of 12 feet and 16 feet along the edge of the floor shall be no more than 1/2 inch more nor less than 20 feet. For remodeling projects, the owner and the contractor may agree to build a wood floor out of square in order to match or otherwise compensate for preexisting conditions.

Corrective Measure: The contractor will make the necessary modifications to any floor not complying with the performance guideline for squareness.

Discussion/Helpful Hints: Squareness is primarily an aesthetic consideration. Regularly repeated geometric patterns in floor and ceiling coverings show a gradually increasing or decreasing pattern along an out-of-square wall. The guideline tolerance of plus or minus 1/2 inch in the diagonal allows a maximum increasing or decreasing portion of about 3/8 inch in a 12-foot or a 12 x 16-foot room. However, a contractor and client may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out-of-square house. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criteria for correction "a satisfactory appearance." This criterion allows the contractor to make either a structural change, if the defect is discovered in time, or some cosmetic change to hide the defect, if the construction is in the finishing stages when the defect is discovered.

3-8

1 yr.

Observation: Wood floor is out of level.

Performance Guideline: No point on the surface of a wood floor shall be more than 1/2 inch higher or lower than any other point on the surface within 20 feet, or proportional multiples of the preceding dimensions. For remodeling projects, the owner and the contractor may agree to build wood floor out of level in order to match or otherwise compensate for preexisting conditions.

Corrective Measure: The contractor will make the necessary modifications to any floor not complying with the performance guideline for levelness. Allowances should be allowed for shrinkage, cantilevers, and concentrated loads.

Discussions/Helpful Hints: Levelness is both aesthetic and functional consideration. Out of level floors can cause "stair stepping" of 4 x 8-foot sheathing, siding, paneling and cabinets, and square walls must be "racked" into parallelograms when plumbing is installed. Liquids can run off counter tops, and, in extreme cases, people will perceive that they are walking up or downhill. The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same plane, and the roof ridge on the same line, as those of an existing, out-of-level structure.

3-9

1 yr.

Observation: Excessive deflection observed in floor or roof constructed of wood I-joist.

Performance Guideline: All beams, joists, rafters, headers, and other structural members constructed of wood I-joists shall be sized, and fasteners spaced, according to manufacturers specifications for size, length and spacing.

Corrective Measure: The contractor will reinforce or modify, as necessary, any floor, wall, ceiling, or roof not meeting the performance guideline.

Discussion/Helpful Hints: Deflection may indicate an aesthetic consideration independent of the strength and safety requirements of the lumber. When a customer's preference is made known before construction, the contractor and the owner may agree upon a higher standard in writing.

3-10 Remodeling Projects Only

1 yr.

Observation: Wood flooring is unlevel at transition from existing floor to room addition floor.

Performance Guideline: Flooring at transition area shall not slope more than 1/8 inch over 6 inches unless a threshold is added. Overall step down, unless previously agreed upon with the contractor shall not exceed 1 1/8 inches. Seasonal changes are not a defect.

Corrective Measure: The contractor will add threshold or transition material, or pull up the flooring and reduce the high spot, or if possible, shim under new framing to bring floor within guideline.

Discussion/Helpful Hints: All floor joists shrink both seasonally and when aging. After installation, 2 x 12s can shrink up to 1/2 inch. If the flooring sub floor or underlayment has not purposely overlapped onto the existing floor such a gap is not a defect but a natural result of the aging process of wood. The drier the house, the more the shrinkage. Floors will slope along the floor joist span which according to some codes can sag up to 1/2 inch over fifteen foot spans when under load and more in older homes due to sag plus loading. This will cause a hump at the juncture of the old to new. Also if flooring comes in perpendicular to each other, the first floor joist running parallel to the old outside wall can fall that 1/2-inch out to the first parallel joist or 14 1/2 inches. If the addition also has parallel joists, the hump can appear as a 1-inch gap at the end of a yardstick when held centered at the old house line.

4. Walls

ARTICLE	WARRANTY PERIOD
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4-1 Structural

1 yr.

Observation: Wood framed walls are out of plumb.

Performance Guideline: Wood framed walls shall not be more than 3/4 inch out of plumb for any 96-inch vertical measurement.

Corrective Measure: The contractor will repair to meet the performance guideline.

4-2

1 yr.

Observation: The walls are bowed.

Performance Guideline: All interior and exterior walls have slight variances in their finished surface. Walls shall not bow more than 1/2 inch out of line within any 32-inch horizontal measurement, or 1/2 inch within any 8-foot vertical measurement.

Corrective Measure: The contractor will repair to meet the performance guideline.

4-3

1 yr.

Observation: Exterior walls leak because of inadequate caulking.

Performance Guideline: Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to prevent the entry of water.

Corrective Measure: The contractor will repair or caulk joints and cracks in exterior wall surfaces as required to correct deficiencies, one time only during the warranty period. Even when properly installed, caulking will shrink and must be maintained by the owner.

4-4

Observation: Characteristics such as knots, checks, splits and wane (barkedge) are seen in wood studs.

Performance Guideline: Characteristics such as knots, etc., should be limited to the provisions allowed by Western Wood Products Association or other appropriate grading associations.

Corrective Measure: Contractor shall replace any stud not meeting the performance guideline.

Discussion/Helpful Hint: Lumber of this grade is limited in characteristics that affect strength and stiffness not necessarily appearance.

4-5 Insulation 1 yr.

Observation: Insulation is insufficient.

Performance Guideline: The contractor shall install insulation according to R-Values designated in the contract documents.

Corrective Measure: The contractor will install insulation to meet the performance guideline.

Discussion/Helpful Hints: Proper installation shall include correct placement behind electrical boxes, backing studs, corner framing, and wiring.

4-6 Windows 1 yr.

Observation: Windows are difficult to open or close.

Performance Guideline: Windows should operate as according to manufacturers design.

Corrective Measure: The contractor will correct or repair as required to meet the performance guideline.

4-7 None

Observation: Window glass is broken and/or screens are damaged.

Performance Guideline: None.

Corrective Measure: Broken glass or screens not reported to the contractor prior to closing are the owner's responsibility.

4-8 None

Observation: Scratches appear on surfaces of glass and mirrors.

Performance Guideline: Glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions.

Corrective Measure: The contractor shall replace any scratched glass or mirror surface if noted at or before the acceptance of construction.

4-9 1 yr.

Observation: During rains, water appears on interior corners of glazed window units.

Performance Guidelines: Water leakage from improper installation is unacceptable.

Corrective Measure: The contractor shall repair any deficiencies attributable to improper installation.

Discussion/Helpful Hints: Leakage at the glazing interface is covered under the manufacturer's warranty.

4-10 Exterior Doors 1 yr.

Observation: Exterior door are warped.

Performance Guideline: Exterior doors shall not warp to the extent that they become inoperable, cease to be weather-resistant, or exceed National Wood Window and Door Association Standards of 1/4 inch measured diagonally from corner to corner.

Corrective Measure: The contractor will correct or replace exterior doors that do not meet the performance guideline.

Discussion/Helpful Hints: Exterior doors will warp to some degree because of the difference in the temperature between inside and outside surfaces. Warping may also be caused by improper or incomplete finishing of the door, including sides, top and bottom. The contractor is not responsible for warpage if painting of doors is not within contractor's scope of work.

4-11

None

Observation: Raw wood shows at the edges of inset panels on exterior doors.

Performance Guideline: Wooden panels will shrink and expand because of temperature and/or humidity changes, and may expose unpainted surfaces. This does not constitute a defect.

Corrective Measure: None

4-12

1 yr.

Observation: Door panel is split.

Performance Guideline: Split panels shall not allow light to be visible through the door.

Corrective Measure: The contractor will repair split panel that does not meet the performance guideline once during the warranty period.

4-13

1 yr.

Observation: Exterior door sticks.

Performance Guideline: Exterior doors shall operate smoothly, except that wooden exterior doors may stick during periods of high humidity.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion/Helpful Hints: Exterior doors will warp to some degree because of the difference in the temperature between inside and outside surfaces. Warping may also be caused by improper or incomplete finishing of the door, including sides, top and bottom. The contractor is not responsible for warpage if painting of doors is not within contractor's scope of work.

4-14

1 yr.

Observation: Exterior Door will not shut completely.

Performance Guideline: Exterior doors shall shut completely.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion/Helpful Hints: Exterior doors will warp to some degree because of the difference in the temperature between inside and outside surfaces. Warping may also be caused by improper or incomplete finishing of the door, including sides, top and bottom. The contractor is not responsible for warpage if painting of doors is not within contractor's scope of work.

4-15

None

Observation: Exterior door plastic moldings behind storm door become distorted from exposure to sunlight.

Performance Guideline: The plastic moldings behind the storm doors should not become distorted if the air space between the exterior door and the storm door is vented at the top and bottom.

Corrective Measure: None.

Discussion/Helpful Hints: Plastic moldings may become distorted if the prime door is covered by a storm door panel into the warm season, or if it faces the sun. This is not a defect of the door, but a problem caused by the addition of the storm panels. The owner is also cautioned to follow manufacturer's recommendations on painting on the moldings with a dark color, with or without the use of a storm panel. A dark color is generally likely to cause distortion and should be avoided.

4-16

1 yr.

Observation: Door swings open or closed by the force of gravity.

Performance Guideline: Exterior doors shall not swing open or closed by the force of gravity alone. For remodeling projects, this guideline does not apply where a new door is installed in an existing wall that is out of plumb.

Corrective Measure: The contractor will adjust the door to prevent it from swinging open or closed by the force of gravity.

4-17

1 yr.

Observation: Gaps are visible around exterior door edge, doorjamb, and threshold.

Performance Guideline: Gaps shall not vary greater than 3/16 inch.

Corrective Measure: The contractor will repair existing unit to meet performance guideline.

4-18

None

Observation: Exterior door hardware and kick plates and fasteners are tarnished.

Performance Guideline: Finishes on door hardware installed by contractor are covered by manufacturer's warranty.

Corrective Measure: None.

4-19

1 yr.

Observation: Sliding patio door or screen will not stay on track or roll smoothly.

Performance Guideline: Sliding patio doors and screens shall slide properly and roll smoothly on their tracks at the time the job is accepted. The cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion/Helpful Hints: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

Exterior Finish

4-20

Wood and Hardboard Lap Siding

None

Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2 inch in 32 inches are unacceptable.

Corrective Measure: The contractor will replace any wood lap siding with bows that does not meet the performance guideline, and finish replacement siding to match the existing siding as closely as practical.

Discussion/Helpful Hints: If the siding is held by nails into studs, expansion caused by increasing relative humidity may cause bulges or waves. Even with proper installation, siding will tend to bow inward and outward in adjacent stud spaces.

4-21

None

Observation: Siding end gaps are visible.

Performance Guideline: End gaps wider than 3/16 inch are unacceptable.

Corrective Measure: The contractor will repair end gaps that do not meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by providing joint covers or by caulking the gap. If the siding painted, the contractor will paint the new caulking to match existing as close as possible.

4-22

1 yr.

Observation: Siding is not installed on a straight line.

Performance Guideline: Any piece of lap siding than 1/2 inch off parallel in 20 feet with contiguous courses is unacceptable, unless the owner and the contractor have previously agreed to disregard the performance guideline to match a preexisting structural condition.

Corrective Measure: The contractor will reinstall siding to meet the performance guideline for straightness, and replace any siding damaged during removal with new siding.

Discussion/Helpful Hints: For remodeling projects, if the contractor and the owner have agreed that the floor of an addition is to be on a different plane from an existing floor (e.g., out of level), the siding on the addition may not be parallel and in line with the existing siding.

4-23

1 yr.

Observation: Face nails are excessively countersunk into hardboard surface.

Performance Guideline: Siding nails should not be countersunk to expose visible fiber of hardboard siding.

Corrective Measure: The contractor shall repair as necessary to meet performance guideline.

Discussion/Helpful Hints: If visible fiber of hardboard siding is exposed, paint surface to coat 1/16 to 1/8 inch, caulk and touch-up paint; if countersunk in excess of 1/8 inch, caulk and add an additional nail flush to the surface.

4-24

Tongue and Groove Wood Siding

1 yr.

Observation: Siding is buckled.

Performance Guideline: Siding that projects more than 3/16 inch from the face of adjacent siding is unacceptable.

Corrective Measure: The contractor will repair or replace any siding not meeting the performance guideline.

Discussion/Helpful Hints: Buckling is caused by increasing relative humidity, which causes the siding to expand. It can be prevented by leaving space between the tongues and grooves for siding to expand, and by leaving the siding outside for a few days to allow it to adjust to the ambient humidity prior to installation.

4-25

None

Observation: Nails have stained siding.

Performance Guideline: Stains exceeding more than 1/2 inch from the nail and readily visible from a distance of more than 20 feet are unacceptable. This performance guideline does not apply if "natural weathering" or semi-transparent stain is specified for the job.

Corrective Measure: The contractor can choose either to remove stains that do not meet the performance guideline, or to touch-up, paint, or stain the affected area.

Discussion/Helpful Hints: Stains may be from oxidation of nails or leaching of extractives from the wood. Using a galvanized nail (even double hot-dipped) will not necessarily prevent staining. Clear water-repellent sealer applied immediately after installation of siding will retard leaching and rusting.

4-26

Wood Shake Siding

1 yr.

Observation: Cedar shakes or shingles have "bled" through paint or stain applied by contractor.

Performance Guideline: Resins and extractives bleeding through paint or stain, or blackening of shanks or shingles are unacceptable. This performance guideline does not apply if "natural weathering" or semi-transparent stain is specified for the job.

Corrective Measure: One time during the warranty period the contractor will clean and treat shakes to provide a reasonable appearance and reduce further bleeding.

4-27 Plywood or Other Veneer Siding 1 yr.

Observation: Siding has delaminated.

Performance Guideline: Siding shall not delaminate.

Corrective Measure: The contractor will replace delaminated siding that is not covered under manufacturer's warranty, unless the delamination was caused by the owner's actions or negligence. The repaired area may not precisely match the original siding.

4-28 1 yr.

Observation: Joints between siding have separated.

Performance Guideline: Joint separations exceeding 3/16 inch are unacceptable.

Corrective Measure: The contractor will caulk or repair siding as necessary to fill the joint. The repaired area may not match the original siding precisely.

4-29 None

Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2 inches are unacceptable over 32" run.

Corrective Measure: The contractor will install additional nails in siding to meet acceptable nailing schedules and will replace any siding that does not meet the guideline because of bows.

Discussion/Helpful Hints: Some waviness in siding is to be expected because of bows in studs. However, proper nailing of siding will straighten most bows.

4-30 Vinyl Exterior Siding 1 yr.

Observation: Siding is bowed or wavy.

Performance Guideline: Some waviness in lap siding is to be expected because of bows in studs. Thermal expansion waves or distortions in vinyl lap siding are unacceptable if they exceed 1/4 inch in 16 inches.

Corrective Measure: The contractor will correct any thermal expansion waves or distortions to comply with the performance guideline by reinstalling or replacing siding as necessary.

Discussions/Helpful Hints: This problem with vinyl siding is caused by the siding being nailed too tightly to the house instead of loosely "hung" in the center of the nail slots, or by not allowing adequate room for the siding to expand at the ends.

4-31 Vinyl and Fiber Cement Exterior Siding

Observation: Siding color is faded.

Performance Guideline: Gradual fading or change in color caused by sunlight occurs in nearly all sidings and cannot be prevented by the contractor.

Corrective Measure: None

4-32 1 yr.

Observation: Siding is loose from house and/or nails/fasteners are coming loose.

Performance Guideline: The contractor shall follow manufacturer's recommendations/specification for proper installation.

Corrective Measure: Contractor shall correct any improperly installed siding or trim.

4-33

1 yr.

Observation: Siding courses are not parallel with eaves or wall openings.

Performance Guideline: Any piece of siding more than 1/2 inch off parallel in 20 feet with contiguous courses, or contiguous break such as a soffit line, is unacceptable, unless the owner and the contractor have previously agreed to disregard the performance guideline to match a preexisting structural condition.

Corrective Measure: The contractor will reinstall siding to comply with the performance guideline and replace any siding damaged during removal with new siding.

Discussion/Helpful Hints: For remodeling projects, if the contractor and the owner agree that the floor of an addition is to be on a different plane from the existing floor (for example, a pre-existing out of level condition), the siding on the addition may not be parallel and in line with existing siding.

4-34

1 yr.

Observation: Siding nails show under windows, doors, or eaves.

Performance Guideline: All facing nails shall be of a color to match the siding or trim they affix. No nail heads in the field of the sidings shall be exposed.

Corrective Measure: The contractor will install trim as necessary to cover the nails.

4-35

1 yr.

Observation: Siding or trim/accessories are separating from caulking at windows or other wall openings.

Performance Guideline: Siding trim accessories shall be properly installed as per manufacturer's specifications and shall not separate from caulking at windows or other wall openings during the warranty period.

Corrective Measure: The contractor will repair or re-caulk as necessary to eliminate the separation.

4-36

1 yr.

Observation: Siding is chipped, cracked or cut crooked.

Performance Guideline: Siding shall be straight, plumb, and free from damage. Crooked cuts greater than 1/8 inch from true are not acceptable.

Corrective Measure: The contractor will repair or replace siding with visible crooked cuts.

4-37

Masonry and Veneer

1 yr.

Observation: Masonry or veneer walls are cracked.

Performance Guideline: Cracks greater than 1/4 inch in width are not acceptable.

Corrective Measure: The contractor will repair cracks in excess of the performance guideline by tuck pointing, patching or painting. The contractor will not be responsible for color variation between original and new mortar.

Discussion/Helpful Hints: Small hairline cracks resulting from shrinkage are common in mortar joints in masonry construction.

4-38

1 yr.

Observation: Exterior cut bricks are of different thickness below openings.

Performance Guideline: Cut bricks used in the course directly below an opening shall not vary from one another in thickness by more than 1/4 inch.

Corrective Measure: The contractor will rebuild the wall as necessary to meet the performance guideline.

4-39

1 yr.

Observation: Masonry or brick veneer courses are not straight.

Performance Guideline: No point along the bottom of any course shall be more than 1/4 inch higher or lower than any other point within 10 feet along the bottom of the same course, or 1/2 inch in any length, except that the owner and the contractor may agree to match or otherwise compensate for preexisting conditions.

Corrective Measure: The contractor will rebuild the wall as necessary to meet the performance guideline.

4-40

1 yr.

Observation: Mortar stains on exterior walls.

Performance Guideline: Exterior brick and stone shall be free from mortar stains detracting from the appearance of the finished wall when viewed from a distance of 20 feet.

Corrective Measure: The contractor will clean the stains to meet the performance guideline.

4-41

None

Observation: Efflorescence is present on masonry or mortar surfaces.

Performance Guideline: This is a normal condition.

Corrective Measure: None

4-42

Stucco and Parge

1 yr.

Observation: Exterior stucco wall surfaces are cracked.

Performance Guideline: Cracks in exterior stucco wall surfaces shall not exceed 1/8 inch in width.

Corrective Measure: The contractor will repair cracks exceeding 1/8 inch in width once during the warranty period.

Discussion/Helpful Hints: "Stucco" includes cementitious coatings and similar synthetically based finishes.

4-43

None

Observation: Colors of exterior stucco walls do not match.

Performance Guideline: The colors of new exterior stucco walls may not perfectly match the colors of old exterior stucco walls.

Corrective Measure: None

Discussion/Helpful Hints: Coloring of stucco is unique to field variables and it is impractical to achieve a color match between stucco coatings applied at different times.

4-44

None

Observation: Textures of finishes of exterior stucco walls do not match.

Performance Guideline: Texture of new exterior stucco walls may not perfectly match the textures of old exterior stucco walls.

Corrective Measure: None

4-45

1 yr.

Observation: Separation of coating from base on exterior stucco wall.

Performance Guideline: The coating shall not separate from the base on an exterior stucco wall during the warranty period.

Corrective Measure: The contractor will repair areas where the coating has separated from the base.

Discussion/Helpful Hints: Coloring stucco is unique to field variables and it is impractical to achieve a color match between stucco coatings applied at different times.

4-46 Exterior Trim**1 yr.****Observation:** Gaps show in exterior trim.

Performance Guideline: Joints between exterior trim elements, including siding and masonry, shall not result in joints opened wider than 1/4 inch. In all cases the exterior trim shall perform its function of excluding the elements.

Corrective Measure: The contractor will repair open joints that do not meet the performance guideline. Caulking is acceptable.

4-47**1 yr.****Observation:** Exterior trim boards are split.

Performance Guideline: Splits wider than 1/8 inch are acceptable up to 1/8 of the length of the board. Splits wider than 1/8 inch for more than 1/8 of the board are unacceptable.

Corrective Measure: The contractor will repair splits by filling with a permanent filler.

4-48**1 yr.****Observation:** Exterior trim boards are bowed or twisted.

Performance Guideline: Bows and twists exceeding 3/8 inch in 8 feet are unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed boards.

4-49**1 yr.****Observation:** Exterior trim boards are cupped.

Performance Guideline: Cups exceeding 3/16 inch in 5 1/2 inches are unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed boards.

4-50**Paint, Stain, and Varnish****1 yr.****Observation:** Exterior painting, staining, or refinishing is required because of repair work.

Performance Guideline: Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical.

Corrective Measure: The contractor will finish repaired areas as indicated.

4-51**1 yr.****Observation:** Exterior paint or stain has peeled or physically deteriorated.

Performance Guideline: Exterior paints and stains shall not fail during the warranty period.

Corrective Measure: If exterior paint or stain has peeled or physically deteriorated, the contractor will properly prepare and refinish affected areas and match the color as closely as practical. Where deterioration of the finish affects more than 50 percent of the wall area, the contractor will refinish the entire wall.

4-52**None****Observation:** Exterior paint or stain has faded.

Performance Guideline: Fading of exterior paints and stains is normal and the degree of fading depends on climatic conditions; more particularly in areas with more sun exposure.

Corrective Measure: None

4-53

1 yr.

Observation: Mildew or fungus is visible on exterior painted surfaces.

Performance Guidelines: Painted or finished surfaces shall be free of observable mildew and fungus at the time the job is completed. However, mildew or fungus may form on painted surfaces over time because of warmth and moisture.

Corrective Measure: The contractor will remove mildew and fungus before completion of the job. Subsequent mildew or fungus formation is a condition the contractor cannot control. The owner is responsible for future cleaning of the painted item as necessary to prevent or remove mildew and fungus.

4-54

None

Observation: Varnish or lacquer finishes have deteriorated.

Performance Guideline: Clear finishes used on exterior surfaces may deteriorate rapidly. This is beyond the control of the contractor.

Corrective Measure: None

5. Roofs

ARTICLE	WARRANTY PERIOD
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5-1 Roof Structure

1 yr.

Observation: Roof or ceiling rafters bow.

Performance Guideline: Rafters that bow greater than 1 inch in 8 feet are considered excessive.

Corrective Measure: The contractor shall repair and deficiencies which do not meet the performance guideline.

5-2 Roof Sheathing

1 yr.

Observation: Roof sheathing is wavy or appears bowed.

Performance Guideline: Roof sheathing shall not bow more than 1/2 inch in 2 feet.

Corrective Measure: The contractor will straighten bowed roof sheathing or correct swollen joints as necessary to meet the performance guideline.

Discussion/Helpful Hints: The contractor usually can meet this performance guideline by using thicker plywood sheathing (either 1/2 inch or 15/32 inch span-rated, not 3/8 inch) with more plies (5, not 3) or wafer board and plywood clips (a) to align adjacent sheets between trusses or rafters and (b) to ensure room for expansion of the sheets. In rare instances, the contractor might have to install blocking between the trusses to straighten the sheathing.

5-3 Roof Vents

1 yr.

Observation: The attic vents or louvers leak.

Performance Guideline: Attic vents and louvers shall not leak. However, infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the contractor.

Corrective Measure: The contractor shall repair or replace the roof vents as necessary to meet the performance guideline.

Roof Installation and Leaks

5-4 Asphalt Shingles

1 yr.

Observation: The roof or flashing leaks.

Performance Guideline: Roofs and flashing shall not leak under normal conditions, except where the cause is determined to result from ice build-up or the owner's actions or negligence.

Corrective Measure: The contractor will repair any verified roof or flashing leaks not caused by ice build-up, leaves, debris, or the owner's actions or negligence.

5-5

None

Observation: Ice builds up on the roof.

Performance Guideline: During prolonged cold spells, ice is likely to build up at the eaves of a roof. This condition can naturally occur when snow and ice accumulate, and gutters and downspouts freeze up.

Corrective Measure: None. Prevention of ice build-up on the roof is an owner maintenance item.

5-6

1 yr.

Observation: Shingles have blown off.

Performance Guideline: Shingles shall not blow off in winds of less than the manufacturer's standards/specifications.

Corrective Measure: If shingles blow off in winds less than the manufacturer's standards/specifications, see manufacturer's warranty.

5-7

1 yr.

Observation: Shingles are not horizontally aligned.

Performance Guideline: Shingles should be installed according to the manufacturer's standards/specifications.

Corrective Measure: The contractor will remove shingles that do not meet the performance guideline, and replace them with new shingles that are properly aligned.

Discussion/Helpful Hints: For remodeling only: the owner and the contractor may agree prior to installation that the horizontal lines of shingles on the roof of an addition need no line up with those of the existing structure if the floors (and hence, the eaves and ridge) are not to be built on the same plane.

5-8

None

Observation: New shingles do not match existing shingles.

Performance Guideline: Because of weathering and manufacturing variations, the color of new shingles will not exactly match the color of existing shingles.

Corrective Measure: The contractor is not responsible for precisely matching the color of existing shingles.

5-9

None

Observation: Asphalt shingle edges or corners are curled or cupped.

Performance Guideline: Asphalt shingle edges and corners need not be perfectly fit. Shingles should be within manufacturer's standards/specifications.

Corrective Measure: None.

5-10

1 yr.

Observation: Asphalt shingles do not overhang edges of roof, or hang too far over edges of roof.

Performance Guideline: Asphalt shingles shall overhang roof edges by not less than 1/4 inch, and not more than 1 inch unless the manufacturer's standards/specifications indicate otherwise.

Corrective Measure: The contractor will reposition or replace shingles as necessary to meet the performance guideline.

5-11

1 yr.

Observation: Shading or shadowing pattern appears on new shingle roof.

Performance Guideline: Shading or shadowing is a defect only if it results from failure to use shingles of the type specified in the contract.

Corrective Measure: The contractor will replace shingles not conforming to contractual requirements.

5-12

1 yr.

Observation: Asphalt shingles have developed surface buckling.

Performance Guideline: Asphalt shingle surfaces need not be perfectly flat. Buckling higher than 1/4 inch is considered excessive.

Corrective Measure: The contractor will fix the affected shingles to meet the performance guideline.

5-13

1 yr.

Observation: Sheathing nails have loosened from framing and raised asphalt shingles.

Performance Guideline: Nails shall not loosen from roof sheathing to raise asphalt shingles from surface.

Corrective Measure: The contractor shall repair all areas as necessary to meet the performance guideline.

5-14

1 yr.

Observation: Roofing nails are exposed at ridge of roof or cut shingles on returns.

Performance Guideline: Nail heads shall be sealed to prevent leakage.

Corrective Measure: The contractor shall seal nail heads

5-15

1 yr.

Observation: Holes from walk boards are visible in asphalt shingles.

Performance Guideline: Holes from walk boards shall be flashed and sealed below the asphalt shingle tab to prevent leakage. If patch is visible from ground, the shingle should be replace.

Corrective Measure: The contractor shall repair to meet the performance guideline.

5-16

None

Observation: Existing roof shingles telegraphing through new asphalt shingles.

Performance Guideline: Some telegraphing is normal when re-roofing over existing roofing.

Corrective Measure: None

5-17

Roll Roofing

1 yr.

Observation: Water is trapped under roll roofing.

Performance Guideline: Water shall not become trapped under roll roofing.

Corrective Measure: If water becomes trapped under roll roofing during the warranty period, the contractor will repair or replace the roofing as necessary to meet the performance guideline.

5-18

None

Observation: Roofing is blistered but does not admit water.

Performance Guideline: Surface blistering of roll roofing is caused by unusual conditions of heat and humidity acting on the asphalt and cannot be controlled by the contractor.

Corrective Measure: None.

5-19

1 yr.

Observation: Water is standing on a flat roof.

Performance Guideline: Water shall drain from a flat roof except for minor ponding with 24 hours of a rainfall.

Corrective Measure: The contractor will take corrective action to assure proper drainage of the roof.

5-20

Chimney

1 yr.

Observation: Masonry chimney cap cracked.

Performance Guideline: It is normal for caps to crack due to expansion and contraction, however unacceptable leaks may occur with cracking.

Corrective Measure: If cracking causes leakage, the contractor will repair.

5-21

1 yr.

Observation: Brick veneer spalling from chimney surface.

Performance Guideline: Spalling of newly manufactured brick should not occur and is unacceptable. Spalling of used brick is acceptable.

Corrective Measure: Contractor will repair newly manufactured brick when spalling occurs.

5-22

Chimney Flashing

1 yr.

Observation: Leaks in new chimney flashing.

Performance Guideline: New chimney flashing shall not leak under normal conditions, except where the cause is determined to result from ice build-up or the owner's actions or negligence.

Corrective Measure: The contractor will repair leaks in new chimney flashing not caused by ice build-up or the owner's actions or negligence.

5-23

Gutters and Downspouts

1 yr.

Observation: Gutters or downspouts leak.

Performance Guideline: Gutters and downspouts shall not leak.

Corrective Measure: The contractor will repair leaks in gutters and downspouts.

5-24

1 yr.

Observation: Gutters overflow during a heavy rain.

Performance Guideline: Gutters may overflow during a heavy rain.

Corrective Measure: The contractor shall repair if gutters overflow during normal rains.

Discussion/Helpful Hints: The owner is responsible for keeping gutters and downspouts free from debris that could cause overflow.

5-25

1 yr.

Observation: Water remains in the gutters after a rain.

Performance Guideline: When a gutter is unobstructed by debris, the water level shall not exceed 3/4 inch in depth.

Corrective Measure: The contractor will repair the gutter to meet the performance guideline.

Discussion/Helpful Hints: Installing gutters with a minimum 1/32-inch drop in 1 foot will generally prevent water from standing in the gutters. Even so, small amounts of water may remain in some sections of gutter for a short time after a rain. In areas with heavy rainfall and/or ice build-up the contractor may consider increasing pitch/fall or adding additional downspouts.

5-26

Skylights

1 yr.

Observation: Skylight leaks.

Performance Guideline: Skylights shall be installed in accordance with manufacturer's specifications. Leaks resulting from improper installations are unacceptable. Condensation on interior surfaces is not a leak and not considered a defect.

Corrective Measure: The contractor will repair any improperly installed skylight to meet the performance guideline.

6. Plumbing

6-1

Water Supply System

2 yrs.

Observation: Pipes leak.

Performance Guideline: No leaks of any kind shall exist in any soil, waste, vent, or water pipe.

Corrective Measure: The contractor will make repairs to eliminate leakage.

6-2

None

Observation: Condensation appears on pipes, toilets, and plumbing supply lines.

Performance Guideline: Condensation on pipes, toilets, and plumbing supply lines may result at certain combinations of temperature and indoor humidity.

Corrective Measure: None.

6-3

1 yr.

Observation: A faucet or valve leaks.

Performance Guideline: No valve or faucets shall leak because of defects in material or workmanship.

Corrective Measure: The contractor will repair or replace the leaking faucet or valve.

6-4

1 yr.

Observation: Water in plumbing pipes freezes, and the pipes burst.

Performance Guideline: Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing as required by the applicable plumbing code for normally anticipated cold weather and in accordance with the design temperatures established by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers.

Corrective Measure: The contractor will correct situations not meeting the applicable code. The owner is responsible for draining or otherwise protecting pipes and exterior facets exposed to freezing temperatures.

6-5

2 yrs.

Observation: The water supply system fails to deliver water.

Performance Guideline: All on-site service connections to the municipal water main or private water supply are the responsibility of the contractor.

Corrective Measure: The contractor will repair the water supply system if the failure results from defective installation or materials. Conditions beyond the control of the contractor that disrupt or eliminate the water supply are not covered.

6-6

1 yr.

Observation: Water pipes are noisy.

Performance Guideline: Because of the flow of water and pipe expansion, the water pipe system will emit some noise. However, the pipes should not make the pounding noise called "water hammer."

Corrective Measure: the contractor cannot remove all noises caused by water flow and pipe expansion. However, the contractor will correct the system to eliminate "water hammer."

6-7

Plumbing Fixtures

1 yr.

Observation: The bathtub or shower leaks.

Performance Guideline: Bathtubs and showers shall not leak.

Corrective Measure: The contractor will repair bathtub or shower leaks as necessary to meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by sealing areas around tubs and showers. Maintenance of caulk seals is an owner responsibility.

6-8

None

Observation: Plumbing fixtures, appliance, or trim fittings are defective.

Performance Guideline: Plumbing fixtures, appliances, and trim fittings shall comply with their manufacturer's guidelines.

Corrective Measure: None. Defective trim fittings and fixtures are covered under manufacturer's warranty.

6-9

None

Observation: The surface of a porcelain or fiberglass plumbing fixture is cracked or chipped.

Performance Guideline: Cracks and chips in surface of bathtubs and sinks are unacceptable if visible from three feet in normal light.

Corrective Measure: The contractor will not be responsible for repairs unless the damage is reported to the contractor prior to acceptance of the job. If the problem resulted from improper manufacture, than the manufacturer's warranty will precedence over the contractor's responsibilities.

6-10

1 yr.

Observation: Manufactured marble vanity tops cracks at drains.

Performance Guideline: Vanity tops shall not crack when installed with proper sealants at drain connections.

Corrective Measure: The contractor shall repair any deficiencies to meet the performance guideline within warranty period.

6-11 None

Observation: Water Closet not removing waste.

Performance Guideline: None

Corrective Measure: More than one flush may be required.

Discussion/Helpful Hints: Current federal regulations require manufacturers to produce water closets using maximum 1.6 GPF (gallons per flush); this may not be adequate to remove waste.

6-12 **Sanitary Sewer or Septic System** 2 yrs.

Observation: Sewers, fixtures, or drains are clogged.

Performance Guideline: Sewers, fixtures, and drains shall operate properly.

Corrective Measure: The contractor will not be responsible for sewers, fixtures, and drain that are clogged because of the owner's actions or negligence. If a problem occurs, the owner should consult the contractor for corrective action. If defective installation is the cause, the contractor is responsible for correcting the problem. If the owner's actions or negligence is the cause, the owner is responsible for correcting the problem. With respect to septic systems, owner actions that constitute negligence under this guideline include but are not limited to the following:

- Connection of sump pump, roof drains, or backwash from a water conditioner into the system.
- Placement of non-biodegradable items into the system.
- Use of a food waste disposer not supplied or approved by the contractor.
- Placement of surfaces not permeable to water over the disposal area of the system.
- Allowing vehicles to drive or park over the disposal area of the system.
- Failure to pump out the septic tank periodically, as required.
- Use that exceeds the system's design standards.

7. Electrical

ARTICLE

WARRANTY PERIOD

7-1 **Fuses and Circuit Breakers** 1 yr.

Observation: Fuses blow or circuit breakers trip.

Performance Guideline: Fuses and circuit breakers shall not be triggered by normal usage.

Corrective Measure: The contractor will check wiring circuits for conformity with applicable national, state, or local electrical code requirements. The contractor will correct circuitry not conforming to applicable code specifications.

7-2 1 yr.

Observation: Ground fault interrupter (GFI) trips frequently.

Performance Guideline: Ground fault interrupters are safety devices installed as part of the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.

Corrective Measure: The contractor will install ground fault interrupters in accordance with approved electrical codes. Tripping is to be expected and is not covered unless it is caused by defective installation.

7-3 **Outlets and Lights** 1 yr.

Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed.

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

7-4

2 yrs.

Observation: Wiring fails to carry its designed load.

Performance Guideline: Wiring shall be capable of carrying the designed load for normal residential use.

Corrective Measure: The contractor will check the wiring for conformity to applicable local, state, or approved national electrical code requirements. The contractor will repair wiring not conforming to code specifications.

7-5

1 yr.

Observation: Ceiling fan vibrates excessively and is noisy.

Performance Guideline: The contractor shall install fans per the manufacturer's specifications including blade balances.

Corrective Measure: The contractor shall repair any fan installation not in accordance with manufacturer's specification if supplied and installed by the contractor.

7-6

1yr.

Observation: Exhaust fans are ducted to attic or crawl space.

Performance Guideline: Fans shall be ducted directly to the exterior of the dwelling.

Corrective Measure: The contractor shall repair to meet performance guideline.

Discussion/Helpful Hints: It is recommended that you run a bath fan after bathing or showering until all moisture is removed from the room.

7-7

None

Observation: Interior and exterior light fixtures tarnish.

Performance Guideline: Finishes on light fixtures may be covered under manufacturer's warranty.

Corrective Measure: None.

Discussion/Helpful Hints: Metallic finishes on light fixtures can be expected to tarnish or pit.

7-8

1 yr.

Observation: Receptacle/switch plate too far off wall.

Performance Guideline: Receptacle/switch plate should not be more than 1/16 inch from the adjoining wall surface.

Corrective Measure: Contractor will repair to meet performance guideline.

8. Interior Climate Control

ARTICLE

WARRANTY PERIOD

8-1 Air Infiltration and Drafts

1 yr.

Observation: Air infiltrates around doors and windows.

Performance Guideline: Some infiltration is usually noticeable around doors and windows especially during high winds.

Corrective Measure: The contractor shall repair to meet the performance guideline as established by the manufacturer.

Discussion/Helpful Hints: Proper repair can be affected by adjusting or installing weather stripping around doors and windows. In high-wind areas, the owner may need to have storm windows and doors installed to eliminate drafts.

8-2 **None**
Observation: Drafts come through electrical outlets.

Performance Guideline: Electrical junction boxes on exterior walls may allow cold air to flow through or around an outlet into a room. It may not be possible to eliminate this completely.

Corrective Measure: None.

Discussion/Helpful Hints: The owner may need to install foam insulation pads under switch and outlet plates to help decrease drafts.

8-3 **Ventilation** **1 yr.**

Observation: The attic or crawl space is inadequately ventilated.

Performance Guideline: The attic and crawl space shall be ventilated as required by the applicable building code.

Corrective Measure: The contractor will provide for adequate ventilation. The contractor is not responsible for actions by the owner that interfere with the ventilation system.

8-4 **Humidity Control and Condensation** **1 yr.**

Observation: Condensation or frost appears on windows.

Performance Guideline: Windows will collect condensation on their interior surfaces when extreme temperature differences and high humidity levels occur. Condensation usually results from humid conditions within the home that are created by the owner or during the curing process in a new space.

Corrective Measure: Unless the window condensation or frost is directly attributed to faulty installation, it usually results from condition beyond the control of the contractor. No corrective action is required.

Discussion/Helpful Hints: Occasional condensation is common and is therefore not a defect. It is the homeowner's responsibility to maintain proper humidity.

8-5 **Air-Distribution System** **None**

Observation: The ductwork makes noises.

Performance Guideline: When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and do not constitute a defect.

Corrective Measure: None.

8-6 **1 yr.**

Observation: The ductwork produces excessively loud noises commonly know as oil canning.

Performance Guideline: The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oil can." The booming noise caused by oil canning is not acceptable.

Corrective Measure: The contractor will correct the ductwork to eliminate noise caused by oil canning providing ductwork is accessible without removing surface material.

8-7 **2 yrs.**

Observation: The ductwork separates or detaches.

Performance Guideline: Ductwork shall remain intact and securely fastened.

Corrective Measure: The contractor will reattach and re-secure all separated or unattached ductwork.

8-8 Heating System**1 yr.****Observation:** The heating system is inadequate.

Performance Guideline: The heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local, outdoor winter design conditions as specified in the *ASHRAE Handbook: Fundamentals*.¹ National, state, or local energy codes shall supersede this performance guideline where such codes have been locally adopted.

Corrective Measure: The contractor will correct the heating system to provide the required temperature in accordance with the performance guideline or applicable code specification. However, the owner will be responsible for balancing dampers and registers and for making other necessary minor adjustments.

Discussion/Helpful Hints: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

8-9 Central Air-Conditioning System**1 yr.****Observation:** Cooling of rooms is inadequate.

Performance Guideline: If air-conditioning is installed by the contractor, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions as specified in the *ASHRAE Handbook: Fundamentals*.² In the case of outside temperatures exceeding 95 degrees Fahrenheit, the system shall keep the inside temperature 15 degrees Fahrenheit cooler than the outside temperature. National, state, or local codes shall supersede this guideline where such codes have been locally adopted.

Corrective Measure: The contractor will correct the cooling system to provide the required temperature in accordance with the performance guideline or applicable code specifications.

Discussion/Helpful Hints: For new living spaces created by remodeling jobs, cooling guidelines may not apply to areas where living spaces has been created without the resizing the HVAC system.

8-10**1 yr.****Observation:** Condensation lines clog.**Performance Guideline:** None

Corrective Measure: Condensation lines will eventually clog under normal use. The contractor will provide unobstructed condensation lines at the time the job is accepted. The owner is responsible for maintaining them in that condition.

8-11**1 yr.****Observation:** Refrigerant lines leak.**Performance Guideline:** Refrigerant lines shall not leak during normal operation.

Corrective Measure: The contractor will repair leaking refrigerant lines and recharge the air-conditioning unit unless the damage was caused by the owner's actions or negligence.

8-12**1 yr.****Observation:** There is condensation on the outside of air handlers and ducts.

Performance Guideline: Air handlers and ducts will collect condensation on their interior surfaces when extreme temperature differences and high humidity level occur. Condensation usually results from humid conditions within the home that are created by the owner or during the curing process in a new space.

Corrective Measure: Unless the condensation or frost is directly attributed to faulty installation, it usually results from conditions beyond the control of the contractor. No corrective action is required.

8-13

1 yr.

Observation: Kitchen or bath fans allow cold air infiltration.

Performance Guideline: This is a normal condition beyond the contractor's control.

Corrective Measure: None.

Discussion/Helpful Hints: It is possible for cold air to leak into the house through a vent fan. By their very nature, vent fans are somewhat open to outside air. It is possible for the damper to be lodged open due to animal activity, including nesting in the outside opening. Cleanup for this condition is an owner's maintenance item.

8-14

Observation: There are gaps between HVAC vent or register covers and the wall or ceiling.

Performance Guideline: This is a normal condition beyond the contractor's control.

Corrective Measure: None.

Discussion/Helpful Hints: It is the inherent nature of the heating and cooling system to cause vents and registers to bend over time. This can result in gaps occurring between the vent or register cover and the wall. As long as the vent or register is securely attached, this is not a maintenance item.

8-15

Observation: The radiant floor has cold spots.

Performance Guideline: The radiant floor should be correctly installed according to the manufacturer's instructions.

Corrective Measure: The contractor will correct to meet the performance guideline.

Discussion/Helpful Hints: Depending on the size, shape, flooring materials, manufacturer and type of radiant floor system, the number and size of cold spots in a floor will vary. A normally operating radiant floor system may include cold spots in perimeter areas and in areas between the heating sources.

9. Interior

ARTICLE	WARRANTY PERIOD
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9-1

Interior Doors

1 yr.

Observation: Interior doors are warped.

Performance Guideline: Interior doors (full openings) shall not warp in excess of 1/4 inch.

Corrective Measure: The contractor will correct or replace and refinish defective doors to match existing doors as nearly as practical during the warranty period.

Discussion/Helpful Hints: In bathroom or utility areas, exhaust fans or an open window must be used to remove moisture to eliminate warpage of door units. If customer is responsible for painting the door, the builder is not responsible if the door is not painted to manufacturer's specifications.

9-2

1 yr.

Observation: By-pass/bi-fold doors come off tracks during normal operation.

Performance Guideline: By-pass/bi-fold doors shall slide properly on their tracks at the time the job is accepted. Cleaning and maintenance necessary to preserve proper operation are the owner's responsibility.

Corrective Measure: The contractor will repair any by-pass/bi-fold door that will not stay on its track during normal operation, one time during the warranty period.

Discussion/Helpful Hints: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

9-3

1 yr.

Observation: Pocket doors rubs in pocket during normal operation.

Performance Guideline: Pocket doors shall not rub in their pockets during normal operation.

Corrective Measure: The contractor will repair the pocket door to meet the performance guideline, one time during the warranty period.

9-4

1 yr.

Observation: Wooden door panel shrinks and splits.

Performance Guideline: Wooden door panels shall not split to the point where light is visible through the door.

Corrective Measure: The contractor will fill splits in the door panel with wood filler and match paint or stain as closely as practical.

9-5

1 yr.

Observation: Door rubs on jambs or contractor-installed floor covering, or latch does not work.

Performance Guideline: Doors shall operate smoothly and door latches shall operate correctly.

Corrective Measure: The contractor will repair the door and the door latch as necessary to meet the performance guideline.

9-6

1 yr.

Observation: Door drags on contractor-installed carpet.

Performance Guideline: Doors shall not drag on carpet.

Corrective Measure: The contractor will repair the door to meet the performance guideline.

Discussion/Helpful Hints: If the contractor installs the door over pre-existing carpeting, the contractor is responsible for meeting the performance guideline.

9-7

1 yr.

Observation: Door edge is not parallel to doorjamb.

Performance Guideline: Where the contractor installs the door frame and door, the door edge shall be within 1/8 inch of parallel to the doorjamb. Where the contractor installs the door in an existing frame that is out of square, the guideline does not apply.

Corrective Measure: The contractor will adjust the door as necessary to meet the guideline.

9-8

1 yr.

Observation: Door swings open or closed by the force of gravity.

Performance Guideline: Doors shall not swing open or closed by the force of gravity alone. For remodeling projects, this guideline does not apply where a door is installed in an existing wall that is out of plumb.

Corrective Measure: The contractor will adjust the door as necessary to meet the guideline.

9-9

Interior Stairs (excluding basement)

1 yr.

Observation: Interior stair tread deflects too much.

Performance Guideline: The maximum vertical deflection of an interior stair tread shall not exceed 1/8 inch at 200 pounds force.

Corrective Measure: The contractor will repair the stair to meet the performance guideline.

- 9-10** **1 yr.**
Observation: Gaps exist between interior stair risers, treads, and/or skirts or adjacent walls.
Performance Guideline: Gaps between adjoining parts that are designed to meet flush shall not exceed 1/16 inch in width.
Corrective Measure: The contractor will fix the gap with filler or replace parts as necessary to meet the performance guideline.
- 9-11** **1 yr.**
Observation: Squeaking stair riser or tread.
Performance Guideline: Loud squeaks caused by a loose stair riser or tread are unacceptable, but totally squeak-proof stair risers cannot be guaranteed.
Corrective Measure: The contractor will refasten any loose risers or treads or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing treads or ceiling finishes.

Discussion/Helpful Hints: Squeaks in risers or treads may occur when a riser has come loose from the tread and is deflected by the weight of a person and rubs against the nails that hold it in place. Movement may occur between the riser and the tread or other stairway members when one tread is deflected while the other members remain stationary. The performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of treads or ceiling finishes.

- 9-12** **1 yr.**
Observation: Gaps exist between interior stair railing parts.
Performance Guidelines: Gaps between interior stair railing parts shall not exceed 1/16 inch in width.
Corrective Measure: The contractor will ensure that individual parts of the railing are securely mounted. Any remaining gaps will be filled or parts replaced to meet the performance guideline.
- 9-13** **1 yr.**
Observation: Wood interior stair railing, balusters and newels
Performance Guideline: Interior stair railings shall be attached to structural members in accordance with applicable codes.
Corrective Measure: The contractor will repair any stair railings as necessary to comply with applicable codes.
- 9-14** **Trim and Moldings** **1 yr.**
Observation: Gaps at non-metered joints of trim and moldings.
Performance Guideline: Openings at joints in trim and moldings, and at joints between moldings and adjacent surfaces, shall not exceed 1/16 inch in width.
Corrective Measure: The contractor will repair defective joints to meet performance guideline.

Discussion/Helpful Hints: Proper humidity levels must be maintained year-round by the homeowner to prevent expanding, shrinking, and cracking of trims and moldings.

- 9-15** **1 yr.**
Observation: Nails are not properly set or, where puttied, nail holes are not properly filled.
Performance Guideline: Setting nails and filling nail holes are considered part of painting and finishing.
Corrective Measure: Where the contractor is responsible for painting, the contractor shall take action necessary to meet the performance guideline.

Discussion/Helpful Hints: Puttying of nail holes in base and trim molding installed in unfinished rooms and areas not exposed to view (such as inside of closets) are not included in this guideline.

9-16

Observation: Trim or molding miter edges do not meet.

Performance Guideline: Gaps between miter edges in trim and molding shall not exceed 1/16 inch.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline. Caulking or puttying with materials compatible to the finish is acceptable.

9-17

1 yr.

Observation: Interior trim is split.

Performance Guideline: Splits, cracks, and checking are inherent characteristics of all wood products.

Corrective Measure: The contractor shall be responsible for filling with compatible materials.

9-18

1 yr.

Observation: Hammer marks are visible on interior trim.

Performance Guideline: Hammer marks on interior trim shall not be visible from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will fill hammer marks and refinish or replace affected trim to meet the performance guideline. Refinished or replaced areas may not match surrounding surfaces exactly.

9-19

Cabinets and Counter Tops

1 yr.

Observation: Cabinets do not meet ceiling or walls.

Performance Guideline: Gaps in excess of 1/16 inch are unacceptable.

Corrective Measure: The contractor will repair the gap with caulk, putty, or scribe molding, or will reposition/reinstall cabinets to meet the performance guideline.

Discussion/Helpful Hints: As temperatures and humidity change and fluctuate it is normal for the wall to "shrink" away from the counter top. You will likely see areas that need to be re-caulked. The builder will return to your home once to re-caulk the area between counter tops and walls during the first year at your request. Any future caulking will be considered homeowner maintenance.

9-20

1 yr.

Observation: Cabinets do not line up with each other.

Performance Guideline: Cabinet frames more than 1/16 inch out of line, and cabinet height more than 1/16 inch to adjacent cabinets are unacceptable, unless the owner and the contractor agree to disregard the guideline in order to match or otherwise compensate for preexisting conditions.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion/Helpful Hints: When remodeling in rooms with out-of-plumb walls or out-of-level floors and ceiling, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom corners of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out of plumb wall instead of being plumbed. The contractor should explain the aesthetic options and let the owner decide which one is preferred.

- 9-21** 1 yr.
Observation: Cabinet is warped.
Performance Guideline: Cabinet warpage shall not exceed 1/4 inch as measured from the face frame to the point of furthest warpage.
Corrective Measure: The contractor will correct or replace the cabinet as necessary to meet the performance guideline.
- 9-22** 1 yr.
Observation: Cabinet doors and drawers are warped.
Performance Guideline: Cabinet warpage shall not exceed 1/4 inch as measured from the face frame to the point of furthest warpage, with the door or drawer front in closed position.
Corrective Measure: The contractor will correct or replace doors and drawer fronts as necessary to meet the performance guideline.
- 9-23** 1 yr.
Observation: Cabinet doors or drawers bind.
Performance Guideline: Cabinet doors and drawers shall open and close with reasonable ease.
Corrective Measure: The contractor will adjust or replace doors and drawers as necessary to meet the performance guideline.
- 9-24** 1 yr.
Observation: Cabinet doors will not stay closed.
Performance Guideline: The catches or closing mechanisms for cabinet doors shall be adequate to hold the doors in a closed position.
Corrective Measure: The contractor will adjust or replace the door catches or closing mechanisms as necessary to meet the performance guideline.
- 9-25** 1 yr.
Observation: The joints of high-pressure laminates on countertops are delaminated.
Performance Guideline: Countertops fabricated with high-pressure laminates on countertops are delaminated.
Corrective Measure: The contractor will repair or replace delaminated coverings.
- 9-26**
Observation: The surface of high-pressure laminates on countertops is scratched, cracked or chipped.
Performance Guideline: Countertops shall be free of cracks and chips at the time the job is accepted. Cracks or chips occurring after acceptance of the job are the owner's responsibility.
Corrective Measure: The contractor will repair or replace cracked or chipped countertops only if they are reported prior to acceptance of the job.
- 9-27**
Observation: Scratches on solid surface countertops.
Performance Guideline: Solid surface countertops shall be free of scratches at time of acceptance of the project.
Corrective Measure: The contractor shall repair to meet the performance guideline.

9-28 Natural Stone, e.g. Marble, Granite, Limestone

Observation: Natural stone appears to be cracked, has a color or pattern variation or an uneven finish/gloss.

Performance Guideline: Veining, color/pattern variation, and uneven luster/finish is normal in natural stone material.

Corrective Measure: None.

Discussion/Helpful Hints: Veining and color or pattern variation in natural stone is common and to be expected. Natural stone is a product that has been created from many different mineral deposits over millions of years. Dry veins that may appear as hairline cracks are also common and will not inhibit the performance of the material. The variety of mineral deposits in some natural stone will prohibit the surface to be polished to an even luster. This condition while rare is normal and cannot be corrected. These inherent qualities are not to be considered defects but part of the beauty of a natural material.

9-29**1 yr.**

Observation: Countertops are not level.

Performance Guideline: Counter tops shall be no more than 3/8 inch in 10 feet out of parallel with the floor. For remodeling projects where the floor is out of level, the counter top may be installed proportionately out of level.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion/Helpful Hints: For remodeling projects, counter tops are almost always on a plane parallel to the floor and ceiling because the cabinets supporting the top are exactly the same height. Shimming and leveling the tops when the floor is out of level may be aesthetically unacceptable to the owner. Prior to construction, the contractor should explain the problem and allow the owner to decide between tops that are out of level or not parallel to the floor.

9-30**None**

Observation: Color variation in wood finish.

Performance Guideline: Variation in wood color is a natural condition.

Corrective Measure: None

Interior Wall Finish**9-31 Gypsum Wallboard**

Observation: Nail pops, blisters, or other blemishes are visible on finished walls or ceilings.

Performance Guideline: Any such blemishes that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable.

Corrective Measure: The contractor will repair such blemishes only once during the warranty period. The contractor is not required to repair defects that are covered by wallpaper and, therefore, not visible.

Discussion/Helpful Hints: Paint touch ups are performed at walk through prior to closing. After closing no painting will be performed by the contractor unless there are repairs needed due to unforeseen issues. (i.e. roof or plumbing leaks that cause damage to a painted wall/surface)

9-32

Observation: Cracked corner bead, excess joint compound, trowel marks or blisters in tape joints on drywall surfaces.

Performance Guideline: Defects resulting in cracked corner bead, trowel marks, excess joint compound or blisters in tape are unacceptable.

Corrective Measure: The contractor shall repair to meet the performance guideline one time within warranty period.

9-33

Observation: Texture of gypsum wallboard does not match.

Performance Guideline: Slight variations in texture are normal and will occur randomly.

Corrective Measure: None.

9-34

Observation: Angular gypsum wallboard joints are uneven.

Performance Guideline: This is a natural condition that occurs with randomly applied materials.

Corrective Measure: None.

9-35

Observation: Texture on blown or textured ceilings is uneven.

Performance Guideline: This is a normal condition that occurs with randomly applied materials.

Corrective Measure: None.

9-36 **Paint, Stain, and Varnish**

Observation: Mildew or fungus is visible on interior painted surfaces.

Performance Guideline: Painted and finished surfaces shall be free of observable mildew and fungus at the time the job is completed. However, mildew or fungus may form on painted surfaces over time because of heat and moisture.

Corrective Measure: The contractor will remove mildew and fungus before completion of the job. Subsequent mildew or fungus formation is a condition the contractor cannot control. The owner is responsible for future cleaning of the painted item as necessary to prevent or remove mildew and fungus.

9-37

Observation: Varnish or lacquer finishes have deteriorated.

Performance Guideline: Clear finishes on interior woodwork shall not deteriorate during the warranty period. However, clear finishes used on exterior surfaces may deteriorate rapidly, and they are not covered by this performance guideline.

Corrective Measure: The contractor will retouch affected areas of clear-finish interior woodwork and match the original finish as closely as practical. Colors may vary.

Discussion/Helpful Hints: Finishes on window sills with south facing exposure may deteriorate due to climatic conditions.

9-38

Observation: Standard interior paint does not "cover" the underlying surface.

Performance Guideline: The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will recoat as necessary to meet the guideline and match surrounding areas as closely as practical when standard colors as used.

9-39

Observation: Interior surfaces are paint spattered.

Performance Guideline: Paint spatters shall not be readily visible on walls, woodwork, floors, and other interior surfaces when viewed from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will remove paint spatters to meet the guideline.

9-40

Observation: Brush marks show on interior painted surfaces.

Performance Guideline: Brush marks shall not be readily visible on interior painted surfaces when viewed from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will refinish as necessary to meet the guideline and match surrounding areas as closely as practical.

9-41

Observation: Lap marks show on interior paint or stain.

Performance Guideline: Lap marks shall not be readily visible on interior paint or stain when viewed from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will refinish as necessary to meet the guideline and match surrounding areas as closely as practical.

9-42

Observation: Interior painting, staining, or refinishing is required because of repair work.

Performance Guideline: A perfect match between original and new paint cannot be expected. Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical.

Corrective Measure: The contractor is only responsible for painting if it was part of the original contract. Where the majority of the wall or ceiling areas is affected, the area will be painted from break line to break line. The contractor is not required to paint an entire room. The contractor is only responsible if they painted the home in the original contract.

9-43 **Wallpaper and Vinyl Wall Coverings**

Observation: The wall covering is peeling.

Performance Guideline: The wall covering, if installed by the contractor, shall not peel off the walls. Note: Wallpaper applied in high moisture areas is exempted from this guideline because the problem results from conditions beyond the contractor's control.

Corrective Measure: The contractor will reattach or replace the loose wall covering if the contractor installed the covering.

9-44

None

Observation: Patterns in wall coverings are mismatched at the edges.

Performance Guideline: Patterns in wall coverings shall match unless installed on existing (remodeling job only) out-of-plumb walls or where trim is not square with corners. A defect in the patterns themselves is the manufacturer's responsibility.

Corrective Measure: None

10. Floor Finishes	
ARTICLE	WARRANTY PERIOD

10-1	Carpeting	1 yr.
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Observation: Carpet does not meet at the seams.

Performance Guideline: It is not unusual for carpet seams to show. However, a visible gap at the seams is not acceptable.

Corrective Measure: If the carpet was installed by the contract, the contractor will eliminate visible gaps at carpet seams.

10-2

1 yr.

Observation: Carpeting loosens, or the carpet stretches.

Performance Guideline: When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachments.

Corrective Measure: If the contractor installed the carpeting, the contractor will re-stretch or re-secure the carpeting as necessary to meet the guideline.

10-3

None

Observation: Spots or minor fading are visible on the carpet.

Performance Guideline: Exposure to natural light may cause spots on and minor fading of the carpet.

Corrective Measure: None

10-4

1 yr.

Observation: Dead spots appear in padding areas below carpet surface.

Performance Guideline: Carpeted areas shall have full coverage of pad consistent throughout the flooring area.

Corrective Measure: The contractor will repair any deficiencies to meet performance guidelines.

10-5

Roll Vinyl and Resilient Tile Flooring

1 yr.

Observation: Nail pops appear on the surface of resilient flooring.

Performance Guideline: Readily visible nail pops on resilient flooring are not acceptable.

Corrective Measure: The contractor will repair the nail pops that are readily visible from 6 feet under normal lighting conditions.

10-6

1 yr.

Observation: Depressions or ridges appear in resilient flooring because of sub floor irregularities.

Performance Guideline: Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken with the gap at one end of a 6-inch straightedge centered over the depression or ridge with 3 inches of the straightedge held tightly to the floor on one side of the defect.

Corrective Measure: The contractor will take corrective action as necessary to bring the defect within the acceptable tolerance so that the depression or ridge is not readily visible and more than 1/8 inch. The contractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

10-7

1 yr.

Observation: Resilient flooring loses adhesion.

Performance Guideline: Resilient flooring shall not lift, bubble, or detach.

Corrective Measure: At the contractor's option, the contractor will repair or replace the affected resilient flooring as necessary. The contractor is no responsible for discontinued patterns or color variations when replacing the floor covering.

10-8

1 yr.

Observation: Seams or shrinkage gaps show at resilient flooring joints.

Performance Guideline: Gaps at joints in resilient flooring shall not exceed 1/16 inch in width. Where dissimilar materials abut, the gap shall not exceed 1/8 inch.

Corrective Measure: At the contractor's option, the contractor will repair or replace the resilient flooring as necessary to meet the performance guideline. The contractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion/Helpful Hints: Proper repair can be affected by sealing with seam sealer.

10-9

1 yr.

Observation: Bubbles appear on roll vinyl flooring.

Performance Guideline: Bubbles resulting from trapped air that protrude higher than 1/16 inch from the floor are not acceptable.

Corrective Measure: The contractor will repair the floor to meet the guideline.

Discussion/Helpful Hints: The performance guideline does not apply to perimeter attached vinyl floors.

10-10

1 yr.

Observation: Patterns on roll vinyl flooring are misaligned.

Performance Guideline: Patterns at seams between adjoining pieces shall be aligned to within 1/8 inch.

Corrective Measure: The contractor will correct the flooring to meet the performance guideline.

10-11

1 yr.

Observation: Resilient floor tiles are loose.

Performance Guideline: Resilient floor tiles shall be securely attached to the floor.

Corrective Measure: The contractor will attach loose resilient floor tiles securely to the floor. The old adhesive will be removed if necessary to re-secure the tiles.

10-12

1 yr.

Observation: Corners or patterns of resilient floor tiles are misaligned.

Performance Guideline: The corners of adjoining resilient floor tiles shall be aligned to within 1/8 inch. Misaligned patterns are not covered unless they result from improper orientation of the floor tiles.

Corrective Measure: The contractor will correct resilient floor tiles with misaligned corners to meet the performance guideline.

10-13

Observation: Yellowing appears on surface of vinyl sheet goods.

Performance Guideline: The contractor shall install vinyl flooring per manufacturer's specifications.

Corrective Measure: Yellowing from a manufacturer's defect is not covered by the contractor.

10-14

Wood Flooring

1 yr.

Observation: Gaps exist between strip hardwood floorboards.

Performance Guideline: Gaps between strip hardwood floorboards shall not exceed 1/8 inch in width.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by filling the gap. Relative humidity of the home can cause noticeable fluctuations in gaps between floorboards. This is a normal phenomenon in spaces that experience significant shifts in humidity. The owner is responsible for maintaining proper humidity levels in the home.

10-15

1 yr.

Observation: Strip hardwood floorboards are cupped - flooring buckles from substrate.

Performance Guideline: Hardwood floor will not become loose from substrate. Cups in strip hardwood floor boards shall not exceed 1/16 inch in height in a 3-inch maximum span measured perpendicular to the long axis of the board. Cupping caused by exposure to moisture beyond the control of the contractor is not covered.

Corrective Measure: The contractor will correct or repair to meet the guideline.

10-16

1 yr.

Observation: Excessive lippage is located at junction of pre-finished wood flooring products.

Performance Guideline: Lippage greater than 1/16 inch is considered excessive.

Corrective Measure: The contractor will repair to meet performance guideline.

10-17

1 yr.

Observation: Voids in the floor finish.

Performance Guideline: Voids or "holidays" that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable.

Corrective Measure: The contractor will repair to meet performance guideline.

10-18

1 yr.

Observation: Top coating on hardwood flooring has peeled.

Performance Guideline: Field applied coating shall not peel during normal usage. Pre-finished coatings are the manufacturer's responsibility.

Corrective Measure: The contractor shall refinish any field applied finishes that have peeled.

10-19

1 yr.

Observation: Crowning of strip flooring has occurred.

Performance Guideline: Crowning in strip flooring shall not exceed 1/16 inch in depth in a 3-inch maximum span when measured perpendicular to the long axis of the board. Crowning caused by moisture beyond the control of the contractor is not covered.

Corrective Measure: The contractor will repair to meet performance guideline.

10-20

1 yr.

Observation: Knots and color variation of strip hardwood flooring.

Performance Guideline: The contractor will install the grade of hardwood as specified by the project. All wood should be consistent with grading stamp as specified.

Corrective Measure: The contractor shall replace any improperly graded wood.

10-21

1 yr.

Observation: Splinters or splinters appear in strip flooring.

Performance Guideline: Splinters or splinters that occur during the installation of the flooring are unacceptable.

Corrective Measure: The contractor will repair to meet guideline.

Discussion/Helpful Hints: The imperfections that occur during installation can be shaved and the area filled prior to sanding and finishing.

10-22

1 yr.

Observation: "Sticker burn" appears on surface of strip flooring.

Performance Guideline: Discoloration from stacking strips in hardwood flooring is unacceptable in certain grades of flooring.

Corrective Measure: The contractor shall repair or replace areas with sticker burn is not permitted in grade of wood specified.

10-23 Tile, Brick, Marble, and Stone Flooring 1 yr.

Observation: Tile, brick, marble, or stone flooring is broken or loose.

Performance Guideline: Tile, brick, marble, and stone flooring shall not crack or loosen. **Note:** Natural veining in marble and stone that resemble cracks will not be considered defects. Refer to manufacturers information for further description of veining and other characteristics. (See 9-28 for more on natural stone products)

Corrective Measure: The contractor will replace cracked tiles, bricks, marble, and stone flooring, and re-secure loose tiles, bricks, marble, and stone, unless the defects were caused by the owner's actions or negligence. The contractor is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, or stone flooring.

10-24 1 yr.

Observation: Cracks appear in grouting of tile joints or at junctures with other material such as a bathtub.

Performance Guideline: Cracks in grouting of ceramic tile joints commonly result from normal shrinkage conditions.

Corrective Measure: The contractor will repair grouting, if necessary, one time only during the warranty period. The contractor will not be responsible for color variations or discontinued colored grout. The owner is responsible for re-grouting these joints during the life of the home.

Discussion/Helpful Hints: Use of an elastic substance at junctures between tile and other materials is often more effective than grout.

10-25 1 yr.

Observation: There is excessive "lippage" of adjoining marble or ceramic tile

Performance Guideline: "Lippage" greater than 1/8 inch is considered excessive, except where the materials are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair to meet performance guideline.

10-26 1 yr.

Observation: Grout or mortar joints are not a uniform color.

Performance Guideline: Any color variation that is readily visible from a distance of 6 feet under normal lighting conditions is unacceptable.

Corrective Measure: The contractor will repair to meet the performance guideline.

11. Fireplace
ARTICLE WARRANTY PERIOD

11-1 1 yr.

Observation: Fireplace or chimney does not consistently draw properly.

Performance Guideline: A properly designed and constructed fireplace and chimney shall function correctly. High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining home, and interior furnaces.

Corrective Measure: The contractor shall correct as necessary if a design or construction flaw causes the problem.

11-2 1 yr.

Observation: The chimney is separated from the structure.

Performance Guideline: Newly built fireplaces will often incur slight amounts of separation. The rate of separation from the main structure shall not exceed 1/2 inch in any 10-foot vertical measurement.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion/Helpful Hints: Proper repair can be affected by caulking unless the cause of the separation is due to a structural failure of the chimney foundation itself. In that case caulking is unacceptable.

11-3

None

Observation: Firebox paint is damaged by a fire in the fireplace.

Performance Guideline: Heat and flames may cause discoloration.

Corrective Measure: None

11-4

None

Observation: Firebrick or mortar joints are cracked.

Performance Guideline: Heat and flames from normal fires can cause cracking.

Corrective Measure: None

11-5

1 yr.

Observation: Electronic ignition gas fireplace will not ignite. No impulse clicking or igniter glow.

Performance Guideline: Electronic ignition fireplaces require 120V line voltage to operate.

Corrective Measure: Check breaker box for intact "on" position. Reset breaker if tripped. Refer to owner's manual or call for service.

11-6

1 yr.

Observation: Electronic ignition gas fireplace will not ignite. Ignition system emits audible click or glow plug glows but no ignition of gas.

Performance Guideline: Possible blockage of burner orifice due to spiders or the like or failure of ignition system. Gas shut off.

Corrective Measure: Check shut off (s) for "on". If no ignition call for service.

11-7

1 yr.

Observation: Piloted ignition gas fireplace will not switch on.

Performance Guideline: Switch system activated by DC power provided by pre-ignited pilot.

Corrective Measure: Check for lit pilot. If unlit, check owner's manual for lighting instructions.

11-8

1 yr.

Observation: Gas fireplace gives off odors.

Performance Guideline: Newly installed gas fireplaces will emit odors of curing paint.

Corrective Measure: Burn fireplace on a continual burn for six (6) hours. Ventilate the room while the fireplace is burning.

11-9

None

Observation: Glass front of gas fireplace has white haze on inside of glass.

Performance Guideline: Newly installed gas fireplace or gas fireplaces to which new ember material has been added may cause a haze on the glass.

Corrective Measure: Remove glass panel when cold and clean with gas fireplace with recommended cleaner.

11-10

Observation: Simulated firebrick panel develops cracks.

Performance Guideline: This is a normal condition.

Corrective Measure: None.

11-11

Observation: Rust appears on the fireplace damper.

Performance Guideline: This is a normal condition.

Corrective Measure: None

Note: See 9-28 for information on natural stone products used for fireplace mantels, fronts, hearths, faces etc...

12. Landscaping

ARTICLE

WARRANTY PERIOD

12-1

Observation: Tree stumps have been left in disturbed area of property.

Performance Guideline: If tree stumps were on the property in the disturbed area prior to the acceptance of the construction, the contractor is responsible.

Corrective Measure: The contractor will remove the stump from the area by onsite burying or removal from the property.

12-2

None

Observation: Dead shrubs, plants, trees, or sod planted in disturbed area of property.

Performance Guideline: Any shrub, plant, tree, or sod planted by the contractor that are alive on acceptance of construction and die after that acceptance are the responsibility of the homeowner, not the contractor.

Corrective Measure: None

12-3

Observation: Grass seed does not germinate.

Performance Guideline: Failure of seed to germinate is not the responsibility of the contractor.

Corrective Measure: None.

Discussion/Helpful Hints: Grass seed germination is a homeowner responsibility. Germination failure is typically due to lack of proper watering or washout by heavy rain.

- Stay off seeded area until freshly mulched material has dried
- Stay off seeded area after rainfall or proper watering. (Continue this practice for one (1) month)
- Proper watering - early morning or early evening are the best time frames to water a new lawn.
- 1/3" of water is recommended to each area covered by sprinkler, every day for one (1) month.
- Hyrdo-seed mixture includes a starter fertilizer that will supply proper nutrients for the first six (6) weeks.
- It will take up to one (1) year for your new lawn to be fully established. Continue with fertilization.
- Grassy and broadleaf soil born weeds are common in all new lawns

12-4

None

Observation: Outdoor plants moved during work die after project is completed.

Performance Guideline: Plants that must be physically transported during the work shall be moved, maintained, and replanted by owner. Guarantee of transplanted on site plants rarely if ever happens.

Corrective Measure: None.

Discussion/Helpful Hints: The contractor shall not be responsible for delays in the schedule when plants are moved by the owner.

12-5 **1 yr.**
Observation: Outdoor plants/trees that are installed by the contractor die after project is completed.

Performance Guideline: Plants shall not die during the warranty period. Plants that die from owner negligence are not covered.

Corrective Measure: The contractor will replace dead plants with plants of like kind and size or as close as reasonably available.

12-6 **None**
Observation: Native trees are damaged or die.

Performance Guideline: The health of native trees can be affected by changes in water table, ground level and density of soil around the root system as well as damage to bark from heavy equipment.

Corrective Measure: There is no way to completely ensure the continued growth of native trees after construction of a home on a wooded site. The homeowner can minimize the impact of construction by requesting that the stands of native trees be left completely untouched by site development. Since construction requires the use of heavy equipment, some damage can be expected when building on wooded sites. The contractor will cut back the bark on damaged trees and try to "well" or "mound" to leave trees as close to original grade as possible. The contractor cannot be responsible for the life or health of native trees and removal of damaged or dead trees will be a homeowner responsibility.

13. Wood Decks

ARTICLE	WARRANTY PERIOD
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13-1
Observation: Wood deck is springy or shaky.

Performance Guideline: All structural members in a wood deck shall be sized, and fasteners spaced, according to appropriate building codes, National Forest Products Association span tables, or a higher guideline agreed upon before construction by the owner and the contractor.

Corrective Measure: The contractor will reinforce or modify, as necessary, any wood deck not meeting the guideline.

Discussion/Helpful Hints: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Joists and rafters are required to meet standards for both stiffness and strength. The span table allows, under full design loadings, a maximum deflection equal to 1/360th of the span for floor (3/8 inch in 12 feet). Individual clients may not be satisfied with the deflection limits built into the tables. When a customer's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

13-2 **1 yr.**
Observation: Spaces between decking are not uniform.

Performance Guideline: The spaces on opposite sides of the individual deck boards shall not differ in average width by more than 3/16 inch at the time the project is accepted unless otherwise specified by owner.

Corrective Measure: The contractor will realign or replace decking boards to meet the guideline.

Discussion/Helpful Hints: The spaces will naturally tend to change over time because of shrinkage and expansion of individual boards. The contractor is only responsible for correct spacing at the time of installation.

13-3

1 yr.

Observation: Railings on wood decking and railing contain slivers in exposed areas.

Performance Guideline: Railings on wood decks shall not contain slivers longer than 1/8 inch in exposed areas at the time the job is accepted.

Corrective Measure: The contractor will repair railings as necessary to remove slivers prior to acceptance of the job. Repair of slivers after acceptance of the job is an owner maintenance responsibility.

Discussion/Helpful Hints: Slivers can develop from weathering of unprotected wood. Proper finishing of wood surfaces helps prevent slivers from forming.

13-4

1 yr.

Observation: Wood deck is out of level.

Performance Guideline: No point on the deck surface shall be more than 1/2 inch higher or lower than any other deck surface point within 10 feet on a line parallel to the house, or proportional multiples of the preceding dimensions, unless the owner and contractor agree to intentionally build a wood deck out of level in order to match or compensate for inaccuracies in the existing structure.

Corrective Measure: The contractor will repair the deck as necessary to meet the performance guideline.

Discussion/Helpful Hints: A slope of approximately 1/8 inch per foot is desirable in the perpendicular direction to shed water and prevent ice build-up.

13-5

1 yr.

Observation: Wood decking boards are split, warped, or cupped.

Performance Guideline: At the time the job is accepted, splits, warps, and cups in wood decking boards shall not exceed the allowances established by the official grading rules issued by the agency responsible for the lumber species used for the deck boards, including but not limited to Southern Pine Inspection Bureau, Western Wood Products Association, West Coast Lumber Inspection Bureau, Redwood Inspection Service, and Northeastern Lumber Manufacturers Association.

Corrective Measure: The contractor will replace decking boards as necessary to meet the performance guideline.

13-6

1 yr.

Observation: Stain color variations on wood or composite deck.

Performance Guideline: Stain color variations are not acceptable if they result from improper stain application or failure to mix the stain properly. Stain color variations resulting from other causes-such as weathering or varying porosity of the wood used to build the deck -are normal and are not covered by this guideline.

Corrective Measure: The contractor will re-stain to meet the performance guideline.

13-7

1 yr.

Observation: Wood decking board has nail head protruding.

Performance Guideline: Nail heads shall not protrude from the floor of the wood deck during the warranty period.

Corrective Measure: The contractor will refasten nails with heads protruding from the floor of the deck so that the heads are flush with the surface.

Discussion/Helpful Hints: Nails should be driven flush when the deck is installed, but they may pop from the deck over time as the wood shrinks and expands.

13-8 1 yr.

Observation: Nails on wood deck are "bleeding."

Performance Guideline: Nail strains extending more than 1/2 inch from the nail and readily visible from a distance of more than 3 feet are not acceptable.

Corrective Measure: The contractor will eliminate nail stains to meet the performance guideline.

Discussion/Helpful Hints: This guideline does not apply if "natural weathering" or semi-transparent stains are specified.

13-9 1 yr.

Observation: Wood deck railing lacks sufficient rigidity.

Performance Guideline: Wood deck railings shall be attached to structural members in accordance with applicable codes.

Corrective Measure: The contractor will repair wood deck railings as necessary to comply with applicable codes.

14. Miscellaneous

ARTICLE

WARRANTY PERIOD

14-1 1 yr.

Observation: Garage doors allow entry of snow or water.

Performance Guideline: Garage doors shall be installed as recommended by the manufacturer. Some snow or water can be expected to enter under unusual conditions.

Corrective Measure: The contractor will adjust or correct garage doors to meet the performance guideline.

14-2 1 yr.

Observation: Garage doors fail to operate properly under normal use.

Performance Guideline: Garage doors shall operate properly

Corrective Measure: The contractor will correct or adjust garage doors as required, except where the owner's actions or negligence caused the problem.

14-3 **Driveways** 1yr.

Observation: Asphalt/Binder driveway develops cracks, settles, shows tire marks.

Performance Guideline: This is a normal condition. Asphalt/Binder is intended as a base for future topping and some settlement is to be expected.

Corrective Measure: None.

Discussion: It is normal for asphalt to crack, settle and to show wear/tire marks and indentations. If any patching is done at a later date, the patching will be visible and will not match/blend with the already existing asphalt.

15. Structural System

ARTICLE

WARRANTY PERIOD

15-1

6 years

Observation: The home will be free from latent major structural defects.

Performance Guideline: The home will not have latent major structural defects as defined below, and that constitute: a) defective workmanship performed by the contractor, and agent or the contractor or subcontractor of the contractor; b) defective materials provided by Builder, and agent of the contractor or subcontractor of the contractor; or c) defective design, provided by an architect, landscape architect or other design professional engaged solely by the contractor. Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code, or if they fail to meet the definition of a major structural defect as stated above. A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the home caused by failure of such load bearing portions which affects their load bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams girders, lintels, columns, walls and partitions, floor systems, and roof framing systems. Damage to the following non-load bearing portions of the Home do not constitute a Materials Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering materials; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets and counters; hardware; insulation; walks, driveways; plantings; planting beds; retaining walls.

Corrective Measure: Contractor will at its sole option repair, replace or pay the owner the reasonable cost of repairing or replacing the structural defect to meet this standard.



Rochester Home Builders' Association, Inc.

Upstate Building Industry Alliance

20 Wildbriar Road

Rochester, New York 14623

Phone: 585-272-8222 Fax: 585-272-8206

www.FindTheHomePros.com

info@FindTheHomePros.com

67.51

FORM OF DEED TO THE ASSOCIATION

WARRANTY DEED

This indenture, made this _____, between

S&J Morrell, Inc., a corporation organized under the laws of the State of New York, with an office and place of business located at 1501 Pittsford Victor Road, Victor, New York 14564, party of the first part, and

Piper Meadows Association, Inc., a corporation organized under the laws of the State of New York, with an office and place of business located at 1501 Pittsford Victor Road, Victor, New York 14564, party of the second part.

WITNESSETH, that the party of the first part, in consideration of ONE AND NO/100 DOLLAR (\$1.00) lawful money of the United States, and other good and valuable consideration, paid by the party of the second part, do hereby grant and release unto the party of the second part, his successors and assigns forever,

ALL THAT TRACT OR PARCEL OF LAND, described in Schedule A attached hereto and made a part hereof.

This conveyance is made and accepted subject to all public utility easements, easements, covenants and restrictions of record affecting said premises, if any.

Being and hereby intending to convey a portion of the same premises conveyed to the party of the first part by deed recorded in the Ontario County Clerk's Office on _____, in Liber ____ of Deeds, page ___.

Tax Account No.:

Tax Mailing Address:

Together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

To have and to hold the premises herein granted unto the party of the second part, his successors and assigns forever.

And said party of the first part covenant as follows:

FIRST. That the party of the second part shall quietly enjoy the said premises.

SECOND. That said party of the first part will forever warrant the title to said premises.

THIRD. That, in compliance with Sec. 13 of the Lien Law, the grantors will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

Engineer's Description

Engineer's Description
for
Piper Meadows Association, Inc.

Located in:

Town of Victor
Ontario County, New York

Prepared for:

S&J Morrell Inc.
1501 Victor-Victor Road
Suite 100
Victor, NY 14564

Prepared by:

Marathon Engineering
39 Cascade Drive
Rochester, NY 14614

Project No.

0916-18

September 10, 2020



I. Location of Property and General Site Features

The proposed Piper Meadows Association, Inc., residential community includes twenty (20) "for sale" townhomes in the Town of Victor, Ontario County, New York.

The Piper Meadows Subdivision is comprised of two adjacent parcels, 860 and 870 High Street, totaling approximately 41.87 acres located on the west side of High Street, across from the Victor Central School Campus. The parcels, and the parcels to the north and south, are zoned, "R1" (Residential District), Residential Overlay District C; the three parcels to the west (abutting Route 96) are zoned Commercial, Route 96/251 Overlay District.

Access to the site will be from High Street. The townhouse lots will be served by the 60-foot-wide right-of-way, Cassidy Court, to be dedicated to the Town.

Permitted uses in R-1 zoning are single-family dwellings, essential services, customary accessory operations, customary agricultural operations. The townhomes are permitted via the planning board approval of the project.

Section 1 of the Piper Meadows Subdivision comprises a total of ± 25.57 acres, includes nineteen (19) single-family lots and 2 existing single-family homes. These 21 lots are not included in Piper Meadows Association, Inc. The 'HOA LANDS A' totaling ± 9.15 acres, will be owned by Piper Meadows Association, Inc.

Section 2 comprises a total of ± 16.30 acres, of the total 41.9-acre site, and includes twenty (20) single-family townhouse lots. Section 2 will include ± 12.79 acres of Homeowners' Association parcel 'HOA LANDS B', which will be owned and maintained by Piper Meadows Association, Inc.

The site features, and proposed construction improvements, are shown on drawings entitled "Piper Meadows Subdivision, Section 1 & 2", prepared by Marathon Engineering, having project number 0916-18. The Town of Victor Planning Board approved Final Section 1 & 2 site plans on September 24, 2019

II. Description of Lands of the Piper Meadows Homeowners' Association

1. Section 1 common HOA lands include parcels 'HOA LANDS A' totaling ± 9.15 acres. Section 2 common HOA lands include parcels 'HOA LANDS B' totaling ± 12.79 acres. The Piper Meadows Association, Inc., will be responsible for the maintenance of all common and landscaped areas, including features located within these common areas.
2. The Right-of-Ways know as Cassidy Court will be built to local government specifications and be dedicated to the Town of Victor. The Right of Way will consist of a 27-foot-wide road and gutter system and 5' wide sidewalk. A letter of credit has been posted with the Town of Victor for the completion of the work.

3. Pavements

A. Individual driveways:

The Piper Meadows Association, Inc., will maintain the individual driveways for all lots within Section 2, which are to be 16 feet in width. The Homeowners' Association shall be responsible for maintenance of such items as snow removal, pavement repairs, and periodic sealing and resurfacing.

1. Driveway Materials and Thickness:

2 Stone Crusher Run 7" thickness followed by Number #1 Stone Crusher Run 1" thickness followed by 2.5" Blacktop Binder Driveway compacted to 2".

B. Sidewalks:

1. Sidewalks along Cassidy Court and Individual Homeowner sidewalks from driveway to front entry are poured concrete @ 5' wide with concrete thickness of 4" on a 6" base of #2 crusher run stone. All sidewalks will be free of tripping or ponding hazards. ADA access to the townhomes is provided via an internal garage no-step entry.
2. Individual homeowners shall be responsible for all clearing and long-term maintenance of the sidewalks from the driveway to the front entry.
3. All sidewalks have been designed for positive drainage and to be flush with adjoining grades with the intent to be free of tripping or ponding hazards.
4. Sidewalks along the road will be owned and maintained by the Town of Victor.

C. Other pavements within the development:

The Town of Victor will own and maintain, by dedication, Cassidy Court. This road will be built to conform to the latest specifications of the Town of Victor, with an approved pavement width of 22 feet and 2.5-foot-wide gutter, in place of curbing. The Town of Victor shall be responsible for the maintenance of this road, including such items as sweeping, snow removal, pavement repairs, periodic resurfacing, stormwater capture and conveyance features.

1. Gutters (material): Poured concrete to the latest Town of Victor specifications.
2. Road drainage: Catch basins are periodically spaced along the road connected to the storm sewer system. They dedicated to the Town—Not maintained or owned by the Association.

D. Parking Areas:

Individual homeowner shall park in driveways and garages of their respective unit. No additional parking areas are provided.

4. Soil Conditions

Several test pits were completed on the site and soils observed were primarily clays and loams. The area appears to be suitable for the proposed development, and no conditions are expected that cannot be handled through normal construction practices, drainage improvements, erosion control, and de-siltation measures.

On-site infiltration testing has revealed poor infiltration rates or water saturation across the whole site, however, no corrective action is needed. The project is not located in flood zone and not in danger from flooding. No hazardous materials and/or environmental restrictions are present on the property.

The proposed final grades of the building lots consist of varying depths of soil removal (cut) and soil placement (fill). Fill within building areas is made with suitable onsite soils, placed in approximate one-foot lifts and each lift will be compacted. Generally, fill placement depth is less than the basement depth and is suitable for foundation placement on undisturbed soil. Lots with fill placement that is greater in depth than the foundation will have the foundation excavation taken to undisturbed soil for placement of the foundation with additional block courses added to the foundation wall.

5. Utilities

The design plans for utilities to serve the project have been approved by the appropriate District, Town Engineer, and authorities having jurisdiction, and will be constructed in accordance with the most recent specifications of the appropriate agency.

A. Water Distribution System:

The water distribution system will be constructed in accordance with the most recent standards of the Monroe County Water Authority (MCWA). The system shall provide services for both domestic and fire fighting purposes. There are two (2) hydrants spaced out along the interior of Cassidy Court. The watermains, hydrants, valves, and all other appurtenances within the dedicated easement shall be owned and maintained by the MCWA. Each unit will be provided with an individual service and usage will be metered on an individual unit basis by the MCWA. Individual homeowners shall be responsible for the maintenance of their own individual water service from the service valve to their home.

A letter of credit is posted with the Town of Victor for the completion of work.

B. Sanitary Sewer System:

The sanitary sewer system will be constructed in accordance with the most recent standards of the County of Ontario and Town of Victor. A sanitary sewer district exists for the community, with all lots participating in the annual maintenance and administration of the District. Each unit will be served by a four (4) inch PVC sanitary lateral that ties into a PVC sanitary sewer main with a diameter of eight (8) inches. The sanitary sewer system within the dedicated easement shall be owned and maintained by the Town of Victor, which includes the 8" mains and manholes. Individual homeowners shall be responsible for the maintenance of their own individual sanitary lateral from the easement line to their home.

Each home within the Piper Meadows Association will need to obtain a permit to connect to the sanitary sewer system at the time of construction. A letter of credit is been posted with the Town of Victor for the completion of work, and a bond is posted with the NYSDOT for the sanitary connection work within the Right-of-Way on New York State Route 96.

C. Storm Drainage System:

The storm drainage system will be constructed in accordance with the most recent standards of the Town of Victor. There will be a two stormwater detention ponds located within HOA lands on both sides of the wetlands. The stormwater detention ponds shall be owned and maintained by the Piper Meadows Association.

Each unit will be served by a six (6) inch PVC roof storm drainage/ sump pump lateral which will be tied into the storm sewer system. Individual homeowners shall be responsible for the maintenance of their own individual storm laterals and, if necessary, installation and maintenance of sump pumps to drain the sump to the storm lateral. The roadways and lawn areas shall be graded to direct surface runoff to various storm inlets and swales. The storm drainage system (inclusive of swales and dry swales) will convey drainage to the on-site stormwater detention facility. The structures, piping and swales for the purpose of draining, shall be maintained by the Town of Victor. A letter of credit has been posted with the Town of Victor for the completion of work.

D. Gas and Electric Service:

The Rochester Gas and Electric Corporation will provide all units with gas and electric service. All gas and electric services will be installed using underground conduits and will be maintained as indicated by the appropriate private corporation.

E. Telephone Service:

Telephone services will be provided by Frontier Telephone Corporation and will be by underground conduit. Telephone services will be maintained as indicated by the appropriate private corporation.

F. Television Cable Service:

Each individual unit will be equipped to receive television cable service. The homeowner shall be responsible for contracting with the cable company to receive services.

5. Landscaping Areas:

The Piper Meadows Subdivision is situated on two ridges and features a stream between Section 1 and 2. Proposed slopes are no greater than 33%, no retaining walls or permanent stabilization measures are required.

The maintenance of the lawn and landscaped areas within Section 2 shall be the responsibility of the Piper Meadows Association, Inc. The lands to be transferred to the Piper Meadows Association, Inc., for Section 1 & 2, are indicated on subdivision drawings entitled "Piper Meadows Subdivision, Section 1 & 2", prepared by Marathon Engineering, having project number 0891-17, SV1.0 & SV1.1, and as described in Section I (1) above. Additionally, front yards of the townhomes in Section 2 within the dedicated Right-of-Way shall be maintained by the Piper Meadows Association, Inc.

1. Entrance monuments: An entrance monument and sign will be installed on the corner of the road entrance.
2. Grass cover (type, location): Lawn Seed is to be installed on all the townhouse lots. The HOA area (outside of the lots) is to be seeded with a combination of a lawn seed mix and a steep slope seed mix. These shall be applied to all areas of disturbed or exposed soil.

Lawn Seed Mixture shall be provided as follows:

	% BY WEIGHT	% BY PURITY	% GERM
'REPELL', 'CITATION' & 'MORNING STAR'			
PERENNIAL RYE GRASS	40	85	85
'JAMESTOWN II', 'FORTRESS', 'ENSYLVA'			
RED FESCUE	20	97	80
'BARON' & 'MIDNIGHT'			
KENTUCKY BLUEGRASS	40	85	80

SEEDING RATE: 6.0 LBS PER 1,000 SF.

NATIVE STEEP SLOPE MIX WITH ANNUAL RYE GRASS – ERNMX-181

20% LOLIUM MULTI FLORUM ANNUAL RYEGRASS
20% SCHIZACHYRIUM 'CAMPER' LITTLE BLUEDSTEM
16% ELYMUS CANADENSIS CANADA WILD RYE
10% PANICUM VIRGATUM 'SHELTER' 'SHELTER' SWITCHGRASS
8% AGROSTIS PERENNANS AUTUMN BENTGRASS
8% TRIDENS FLAVUS PUPLETOP
5% COREOPSIS LANCEOLATA LANCE LEAVE COREOPSIS
4% AGROSTIS SCABRA TICKLEGRASS
4% ELYMUS VIRGINICUS VIRGINIA WILD RYE
3% PENSTEMON DIGITALIS TALL WHITE BEARD TONGUE
2% MONORADA FISTULOSA WILD BERGAMONT

SEEDING RATE: 30 LBS PER ACRE OR 1 LB PER 1,000 SF.

3. Plants (type, location): Townhome foundation plantings will generally consist of, but are not limited or restricted to the following:

- Green Velvet Boxwood
- Crimson Pygmy Japanese Barberry
- Gold False Cypress
- Blue Princess Blue Holly
- Wichita Blue Juniper
- Dwarf Mugo Pine
- Little Princess Spirea
- Old Fashioned Weigela
- Cleveland Select Callery Pear (tree)

Seller/Builder has the right to substitute both the type and/or quantity of foundation plantings based on availability.

4. Trees (locations, species, number, caliper/size; specify tree pit treatment): See Response #3 for foundation plantings. All trees outside of the clearing limits are to remain as indicated on subdivision drawings entitled "Piper Meadows Subdivision, Section 1 & 2", prepared by Marathon Engineering, having project number 0891-17, C8.0.

Acceptable species of proposed trees:

- Celebration Maple
- State Tree Maple,
- Red Sunset Maple
- Skyline Honeylocust
- Cleveland Select Pear

There is a total of 26 trees in Section 2 that will be owned and maintained by the Piper Meadows Association. All trees are to be a minimum of 2.5" caliper at the time of planting.

5. Fencing (specify material, location, length and height): Not applicable – none being installed.
6. Gates (specify material, location, dimensions): Not applicable – none being installed.
7. Garden walls (specify material, location, length and height): Not applicable – none being installed.
8. Retaining walls (specify material, coping & anchor, location, dimensions, structural integrity, drainage): Not applicable – none being installed.
9. Display pools and fountains (material and location): Not applicable – none being installed

6. Lighting:

Individual homeowner lamps and posts will be installed for each townhome unit. Individual outdoor building mounted lights will be on each townhome. Electric service, bulb replacement, and maintenance will be the responsibility of the individual homeowner.

Manufacturer, model, lamping requirements; Not applicable

7. Site Plan Detail:

The legible and full-size Site Plan is on file with the Town of Victor with specific reference to drawings entitled "Piper Meadows Subdivision, Section 1 & 2", prepared by Marathon Engineering, having project number 0891-17, documenting site elements. Watermains and associated valves and hydrants will be owned and maintained by the Monroe County Water Authority. Storm sewer including any manholes and inlets will be owned and maintained by the Town. Pond outlet structures are to be owned or maintained by the Association.

8. Open Space Lands:

The Piper Meadows Subdivision includes open space lands dedicated to the Piper Meadows Association totaling ± 20.0 acres. The Association will be responsible for the maintenance of all areas within the Open Space, including the stormwater facilities and features located within these areas.

III. Refuse Disposal

As set forth in the offering plan, the Piper Meadows Association, Inc. will contract for removal or disposal of all refuse materials for the townhomes. The expense of refuse removal will be included in monthly common charges billed by the Association. There will be no common refuse disposal areas, each home will have separate trash totes. Necessary permits for disposal of potentially toxic materials must be secured by the individual homeowner to ensure proper transportation of all waste materials to protect the health, safety, and well being of the public. Existing laws will strictly regulate any toxic waste products.

Architect's Description

Architect's Description:

Piper Meadows Association, Inc.

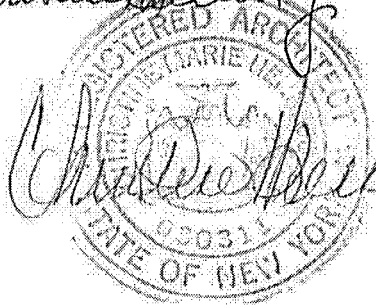
**Town of Victor
Ontario County, New York**

Prepared for:

S&J Morrell, Inc.
1501 Pittsford Victor Rd., Suite 100
Victor, NY 14564

Prepared by:

CKH Architecture
1501 Pittsford Victor Rd., Suite 100
Rochester, NY 14564

Christine Morrell

Christine Morrell

September 10, 2020

I. Townhouse Buildings

Year built: Construction will commence in the spring of 2020 and, subject to demand and weather conditions, is anticipated to be completed by December 01, 2025. The construction that will commence in the spring of 2020 consists of site work only. The first Townhome is expected to be completed by January 01, 2021, weather conditions permitting.

Class of construction: Townhouse buildings type 5-A will comply with all NYS building codes, local building codes, and 2015 IRC.

Certificate of Occupancy: None available at this time

Permit number and description of work done: None available at this time

Electrical system: Service entrances – 1 phase, 200A, 120/240v, 4/0awg aluminum, no main. Individual units – 1 phase, 200A, 120/240v, 4/0awg aluminum, 200A main breakers

Additional: Final dimensions of townhomes are undetermined. Building envelope shown on the subdivision plan is illustrative only. Floor plans are not available

II. Exterior Townhouse Building Materials Warranties

<u>Building Material</u>	<u>Warranty</u>
Roofing – IKO Cambridge Architectural - IKO Marathon Hip & Ridge	- Limited lifetime warranty - 15-year Iron Clad Protection Period warranty (100% material and reasonable allowance for cost of applying the new shingles) - 10-year Algae-Resistant warranty period (warranty against streaking and discoloration caused by airborne blue-green algae) - 177-months, 110 mph wind-resistance warranty - (Full warranty attached to this document)
Decking - TimberTech Tropical Decking Or	25 year limited residential warranty. This warranty is transferable once within 5 years from date of purchase (full warranty

- TimberTech Edge Decking	attached to this document)
Deck Railing - RDI Endurance Vinyl Rail	Lifetime, limited warranty. This warranty (full warranty attached)
Doors - Thermatru Fiberglass Entry Door - Kolbe Sliding Patio Door Or - Plygem Sliding Patio Door	- Thermatru Residential lifetime, limited non-transferable warranty (warranty attached) - Kolbe patio door 10 year limited warranty (warranty attached) - Limited lifetime warranty (Full warranty attached to this document)



Limited Warranty Information for Asphalt Shingles



Owner's Name: _____

Address: _____

Contractor's Name: _____

Address: _____

Phone #: _____

Contractor's Signature: _____

Date of Application: _____

(mm) (dd) (yy)

Product Applied: _____

Color: _____

Contract Price: _____

Number of Bundles: _____

Complete and retain for your records - do not send to IKO.

Note: This Limited Warranty form does not constitute proof of product purchase.

IKO Asphalt Shingle Limited Warranty

Congratulations on your purchase of IKO asphalt roof Shingles. Your choice gives you a roof backed by over 60 years of experience in making high quality products for homes across North America.

This document explains the details of the limited warranty IKO provides on your Shingles after they have been installed on your roof. Read it carefully to ensure you are well-informed about the warranty coverage for your purchase. Also, remember that your contractor or roofer is not an employee or representative of IKO. This limited warranty can only be changed if such change is in writing and signed by an authorized corporate officer of IKO. IKO is not bound by any guarantees, warranties or representations or any change to this limited warranty made by your contractor, roofer or by any other person who is not an authorized corporate officer of IKO. IKO's Limited Warranty and your coverage is detailed in this booklet (the "Limited Warranty"). If you have questions about that coverage, contact IKO directly for assistance.

There are many terms in this Limited Warranty that have specific meanings. For your convenience some of the terms are defined below:

"AR" means certain Shingles which are covered by the Limited Algae Resistance Warranty set out herein that provide for the cleaning or discoloration on the exposed face of certain Shingles should that discoloration be caused by blue-green algae growth. Only Shingles shown as "AR" in the Information Tables, and Armourshake, Cambridge, Crowne Slate, Nordic, Dynasty, RoofShake HW and Royal Estate Shingles are covered by a Limited Algae Resistance Warranty. See the section titled "Limited Algae Resistance Warranty" for more details on this coverage.

"High Wind Application" means the installation of Shingles using the specific instructions that appear on the Shingle wrapper. Some local building codes may require additional fasteners. For "High Wind Application" of all IKO Shingles, except for Nordic and for Dynasty, additional fasteners are required during installation. Please check your local building code and the application instructions specific to your Shingles for proper nailing and application requirements.

"IKO" in the United States means IKO Industries Inc. / In Canada it means IKO Industries Ltd.

"Iron Clad Protection" means the limited non prorated coverage provided by the IKO Limited Warranty during the Iron Clad Protection Period. Please read the section titled "IKO Iron Clad Protection Period" for more details on this coverage. The length of the Iron Clad Protection period for each Shingle is listed in the Information Tables.

"Iron Clad Protection Period" means the initial period of the Warranty Period during which IKO provides Iron Clad Protection coverage. Please read the section titled "IKO Iron Clad Protection Period" for more details. The length of the Iron Clad Protection period for each Shingle is listed in the Information Tables.

"Limited Warranty" means the limited warranties and your coverage provided by IKO for your Shingles as expressly set out in this document, and are the only warranties being provided by IKO.

"Maximum Liability" means the maximum obligation of IKO under the Limited Warranty, as described in the sections titled "Iron Clad Protection Period", "Beyond Iron Clad Protection Period", "Limited Wind Resistance Warranty" and "Limited Algae Resistance Warranty" whichever is applicable. Please read each of these sections carefully for more details.

"Owner" means the individual owner(s) of the single family residential home at the time that the Shingles were installed on that building. If you purchase a new residence from the builder of the home and are the first person to live in it, IKO will consider you to be the Owner, even though the Shingles had already been installed.

"Purchase" or "Purchased" means the retail purchase of the Shingles covered by this Limited Warranty.

"Shingle" or "Shingles" means the IKO asphalt shingle product identified in this Limited Warranty that was installed on the roof of the building owned by the Owner.

"Square" means 100 square feet of roof area.

"The Information Tables" means collectively the Limited Warranty Information Table and the Limited Lifetime Warranty Information Table below.

In addition to any other specific conditions set forth in this Limited Warranty, the "Warranty Conditions" are standard conditions that must be met for your IKO warranty claim to be valid. The Warranty Conditions include:

- The Shingles were properly installed, in strict accordance with both IKO's written installation instructions and local building code requirements; and
- The person making the Warranty claim is the Owner of the Shingles, or the person to whom the Limited Warranty was validly transferred as set out herein. For details on Warranty Transfers, please read "Transferability of Warranty" below; and
- The Shingles have a manufacturing defect that has resulted in a leak; and
- The repair or replacement must be with IKO Shingles and must be completed on the same building/structure to which the Shingles covered under this Limited Warranty were originally applied.

Depending on the type of Shingles used on the Owner's roof, other conditions described herein may also apply in order for the IKO warranty to be valid or applicable.

Limited Warranty Information Table

Name of Shingle	Warranty Period (months)	IKO "Iron Clad Protection Period" (months)	Reduction Figure (first 180 months) n*	Reduction Figure (after 180 months) m*	Maximum Liability / Dollar Limit per Square	Standard Application/ High Wind Application Warranty - mph [km/h]	Algae Resistance Warranty (months)
Armourshake™ ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	95	110/130 [177/210]	120
Crowne Slate™ ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	95	110/130 [177/210]	120
Royal Estate™ ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	45	110/130 [177/210]	120
Dynasty® ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	40	130 [210]	120
Nordic™ ³	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	75	130 [210]	120
Cambridge™ Cool Colors ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	40	110/130 [177/210]	N/A
Cambridge™ ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	40	110/130 [177/210]	120
RoofShake HW™ ²	Limited Lifetime ¹	180	Refer to Chart A	Refer to Chart A	40	110/130 [177/210]	120
Marathon™ Plus AR ²	300	60	n/225	m/600	30	60 [97] ⁴	60
Marathon™	240	36	n/225	m/300	30	60 [97]	N/A

Chart A – Limited Lifetime Warranty Information Table for Armourshake, Crowne Slate, Royal Estate, Dynasty, Nordic, Cambridge Cool Colors, Cambridge and RoofShake HW Shingles

Warranty Period	IKO "Iron Clad Protection Period"	Reduction Figure for months 181-206	Reduction Figure for months 207-480	Reduction Figure for months 481+
Limited Lifetime ¹	180	n/260	384/480	432/480

¹ For any non-individual owner, such as a corporation, religious entity, condominium, government entity or homeowner association, or for any non-single family residential home, the Warranty Period for these Shingles is limited to 40 years.

² Hip and ridge shingles used for installation of these shingles must be either Marathon, Marathon Plus AR, IKO UltraHP, IKO Hip & Ridge 12, IKO Hip & Ridge Plus or an IKO approved equivalent product.

³ Hip and ridge shingles used for installation of these shingles must be IKO UltraHP IR or an IKO approved equivalent product.

n* - refers to the number of months that have passed since the Shingles were installed on the building.

m* - refers to the number of months greater than 180 that have passed since the Shingles were installed on the building.

⁴ In Canada the Wind Warranty for Standard Application is 70mph [112 km/h] and the High Wind Application Warranty is 80mph [129 km/h]. There is no High Wind application Warranty for Marathon Plus AR shingles in the U.S.

EXAMPLE - A manufacturing defect resulting in leaks is found in January 2034 in Shingles Purchased with a 25 year limited warranty. The Shingles were purchased in January 2016, 18 years, or a total of 216 months have elapsed since Purchase. IKO's warranty obligation will be reduced by $(180/225 = .80) + (36/600 = .06) = .86$. So IKO's maximum obligation would be 14% $(100 - 86)$ of the cost of the replacement Shingles.

Asphalt Shingle Limited Warranty

LIMITED WARRANTY

IKO provides a Limited Warranty to the original Owner of its Shingle products. The coverage provided by this Limited Warranty is subject to the terms and conditions listed herein. This Limited Warranty is intended to provide coverage only to the Owner and only for a manufacturing defect that results in leaks. The Limited Warranty starts on the day that the original installation of the Shingles on the roof is completed, and coverage is limited to the length of time listed in the Information Tables for the specific Shingles product installed on the Owner's roof (the "Warranty Period"). The Limited Warranty provides the Owner specific legal rights, but the Owner may also have other legal rights. Those rights will vary from state to state or province to province. In situations where the coverage given includes a dollar value, it is meant to be given in the currency of the country in which the building is located.

IRON CLAD PROTECTION PERIOD

IKO offers Iron Clad Protection as set out below for every Shingle listed in the Information Tables. The length of the Iron Clad Period varies by Shingle product. Refer to the Information Tables to find the Iron Clad Protection Period for your Shingles. The Iron Clad Period starts on the day of installation of the Shingles on the Owner's roof. This coverage is limited to the amount of time shown in the Tables for your Shingles. During the Iron Clad Protection Period, IKO will, at its option, either repair or replace affected Shingles if all Warranty Conditions are met (the "Iron Clad Protection").

If there is a valid claim during the Iron Clad Period, IKO's Maximum Liability is limited to the reasonable cost of placing new Shingles on the Owner's roof. This means that IKO will supply replacement Shingles similar to those already on the roof, plus a reasonable allowance for the cost of applying the new Shingles. Other costs, such as flashings, metal work, vents or repair of any other damages or expenses incurred or claimed, removal of the existing Shingles from the roof (tear-off), and disposal of the existing Shingles, are not covered by the Iron Clad Protection or by other terms of the Limited Warranty, including during the Iron Clad Protection Period.

BEYOND IRON CLAD PROTECTION PERIOD

Once the Iron Clad Period expires, the Limited Warranty provides certain outlined coverage to the Owner for the remainder of the Warranty Period outlined in the Information Tables for the Shingle product on your roof (the "Beyond Iron Clad Protection Period"). This coverage during the Beyond Iron Clad Protection Period will apply only if the Warranty Conditions have been met.

During the Beyond Iron Clad Protection Period, IKO's Maximum Liability is the prorated portion of the replacement Shingles required at the time the claim was reported to IKO. Alternatively, if IKO decides it cannot reasonably provide replacement Shingles, IKO may offer coverage based upon the prorated value of the maximum liability per Square as shown in the Information Tables. Other costs, including labor, tear-off and disposal of the existing Shingles, other Shingles, roof, flashings, metal work, vents or repair of any other damages or expenses incurred or claimed are not covered by the Limited Warranty. The formula used to calculate the coverage available is shown in the Information Tables.

LIMITED WIND RESISTANCE WARRANTY

For Armourshake, Crowne Slate, Royal Estate, Dynasty, Nordic, Cambridge Cool Colors, Cambridge and RoofShake HW Shingles only during the first 15 years after they are installed on the Owner's roof, the IKO Shingles carry a Limited Warranty for wind "blow-off" for Shingles lost from the roof due to wind gusts not exceeding certain maximum speeds (a "Limited Wind Resistance Warranty"). Each type of these Shingles carries a maximum wind resistance limit for this coverage. Please refer to the Information Table for the wind speed limits for the Shingles on your roof.

For all other Shingles, during the first 5 years after they are installed on the Owner's roof, the IKO Shingles carry a Limited Wind Resistance Warranty for wind "blow-off" for Shingles lost from the roof due to wind gusts not exceeding certain maximum speeds. Each type of these Shingles carries a maximum wind resistance limit for this coverage. Please refer to the Information Tables for the wind speed limits for the Shingles on your roof.

For the shingles specified in the Limited Warranty Information Table above, the use of a High Wind Application will increase the limit of the maximum wind resistance under the Limited Wind Resistance Warranty (a "High Wind Resistance Limited Warranty"). The wind speed limits for the High Wind Resistance Limited Warranty for those Shingles are listed in the Information Tables. If additional nails as listed are used for the following shingles, the maximum wind speed increases to one hundred thirty (130) mph (two hundred ten (210) km/h), for Marathon Plus AR it increases to 80 mph (129 km/h), in Canada only.

- (i) three (3) additional (8 in total) nails for Crowne Slate.
- (ii) two (2) additional (6 in total) nails for Royal Estate, Cambridge Cool Colors, Cambridge, RoofShake HW and for Canada only, Marathon Plus AR.
- (iii) one (1) additional (6 in total) nail for Armourshake.

In addition, for the High Wind Resistance Limited Warranty to apply, IKO starter strip shingles must be installed at all eaves and rakes, and IKO Hip and Ridge shingles or approved equivalent must be used on all hips and ridges. Rake application of starter strip shingles not required for Nordic or for Dynasty Also:

- (i) the Limited Wind Resistance Warranty will only apply if: (a) the Shingles were installed using roofing nails (not staples) in strict accordance with the instructions on the wrapper and (b) for installations in Canada during the fall, winter or in cool weather, the Shingles have been manually sealed at the time of installation, and for installations at all other times in Canada, and at all times in the U.S., the Shingles have been manually sealed at the time of installation, or have had the opportunity to seal down;
- (ii) the High Wind Resistance Limited Warranty will only apply if: (a) the Shingles were installed using roofing nails (not staples) in strict accordance with the instructions on the wrapper and (b) for installations in Canada, the Shingles have been manually sealed at the time of installation, and (c) for installations in the U.S., the Shingles have been manually sealed at the time of installation, or have had the opportunity to seal down. Manual sealing is not required in the state of Florida. For Nordic and for Dynasty in Canada provision (b) does not apply if the shingles have had an opportunity to seal down.

Shingles that are installed in cool seasons or weather may not seal until weather conditions are adequate to allow the self seal down strip to activate. Please see the NO LIMITED WIND RESISTANCE WARRANTY COVERAGE FOR WIND DAMAGE BEFORE SELF SEALING STRIPS SEAL paragraph in this Limited Warranty for more information regarding the self sealing strip. Please consult your roofer, shingle dealer, the product packaging or our website at www.iko.com/na for more information on the application instructions for your Shingles.

For valid claims under the Limited Wind Resistance Warranty (where the warranty conditions are satisfied), IKO's Maximum Liability is to provide replacement Shingles for those Shingles lost from the roof due to 'blow-off', or alternatively, IKO will pay for the reasonable cost of manually sealing unsealed Shingles. Other costs, such as labor, tear-off, removal or disposal costs of Shingles, other shingles, roof, flashings, metal work, vents or repair of any other damages or expenses incurred or claimed, are not covered by the Limited Wind Resistance Warranty or otherwise.

NO LIMITED WIND RESISTANCE WARRANTY COVERAGE FOR WIND DAMAGE BEFORE SELF-SEALING STRIPS SEAL

All Shingles that contain a factory applied self sealing strip must be subjected to direct sunlight and warm temperatures for several days before full sealing will occur. Shingles installed in the fall or winter may not seal until the following spring. Shingles which do not receive direct sunlight, or which are not exposed to adequate surface temperatures may never seal. Damage to the factory self sealing strip by dust, sand or foreign matter will prevent the sealing strip from activating. This is the nature of shingles and failure to seal down under such circumstances is not a manufacturing defect. IKO will not be responsible for any blow-offs or wind damage that may occur prior to thermal sealing having occurred. After the Shingles have sealed, the Limited Warranty that commenced at installation will cover wind damage or blow-offs, in accordance with the terms listed in the "Limited Wind Resistance Warranty" section of this booklet.

LIMITED ALGAE RESISTANCE WARRANTY

Some IKO Shingles carry a Limited Warranty against discoloration caused by the development of blue-green algae on the exposed face of the Shingles (Please refer to the Information Tables to see whether your Shingles carry this coverage and for the period of coverage provided). If there is a valid claim under the Limited Algae Resistance Warranty (where all the Warranty Conditions are satisfied), IKO's Maximum Liability is to provide the Owner with a labor payment certificate. The certificate will pay the reasonable costs of cleaning the affected Shingles up to a maximum value of \$15 per Square. This maximum value will be prorated based upon the number of months that the Shingles have been installed on the Owner's home at the time the claim is filed, divided by the maximum period of coverage listed in the Information Tables.

NON-TRANSFERABILITY OF LIMITED WARRANTY

This Limited Warranty provides rights to, and can only be enforced by, the original Owner, or to a person to whom the Limited Warranty is allowed to be and is validly transferred as detailed below in the section titled "Limited Transferability of Limited Warranty". No other person or business can claim coverage or has rights under the Limited Warranty.

NO LIABILITY OR COVERAGE OUTSIDE TERRITORY

IKO does not provide any warranty for Shingles purchased in Canada, whether by the Owner or by any other party, and that are installed in the United States or elsewhere not in Canada. Also, IKO does not provide any warranty for Shingles purchased in the United States, whether by the Owner or by any other party, and that are installed in Canada or elsewhere not in the United States.

LIMITED TRANSFERABILITY OF LIMITED WARRANTY

The Limited Warranty for your Shingles is intended to primarily provide coverage only to the original Owner of the Shingles. Certain limited provisions of the Limited Warranty and only for a limited period, as outlined below, may be transferred by the original Owner to the next property owner only once during the Limited Warranty period, and only during the first 10 years of the Warranty Period. If the original Owner dies, the Limited Warranty cannot be transferred to the Owner's estate or to anyone else. In the absence of a permissible and valid transfer of the Limited Warranty as set out herein, the Limited Warranty ends on the sale or other transfer of the property.

To transfer certain provisions of the Limited Warranty from the original Owner during the first 10 years of the Warranty Period, the Owner must complete the following steps:

- Notification of a request for transfer must be received in writing by IKO at the Warranty Services Office. Both the Canadian and US Office addresses are listed below in the section entitled "Notification of Claims". Notification must be received within 30 days of the completion of the real estate transfer.
- The transfer request must attach the original Proof of Purchase for the Shingles, and a copy of the property transfer documents.
- The transfer request must also include payment in full of a \$100 transfer fee to complete the transfer.

Except for Armourshake, Crowne Slate, Royal Estate, Dynasty, Nordic, Cambridge Cool Colors, Cambridge and RoofShake HW Shingles, upon the sale or transfer of the property, the Iron Clad Protection Period shall automatically terminate and for an allowable and valid transfer of the Limited Warranty, the IKO Shingles will then be covered for a limited Beyond Iron Clad Protection Period on a prorated basis for the Shingles only for a period of two (2) years following the transfer of the property. Please see the Limited Warranty Information Table for the method used to calculate the Limited Warranty coverage for the two (2) year period. The Reduction Figure for these Shingles will be n/225. For Armourshake, Crowne Slate, Royal Estate, Dynasty, Nordic, Cambridge Cool Colors, Cambridge and RoofShake HW Shingles, if the transfer of the Limited Warranty occurs within the first 7 years (84 months) after installation, the remaining Iron Clad Protection Period will remain intact. See the section titled "Iron Clad Protection Period" for more information. If the transfer takes place more than 7 years after installation, the Iron Clad Protection Period shall automatically terminate and coverage will be calculated on a prorated basis for the Shingles, using the formula shown in the Information Tables. (The Reduction Figure in Chart A for months 85-120 shall be n/260.) Regardless of when the transfer occurs, the Warranty Period for a transferred Limited Warranty for Armourshake, Crowne Slate, Royal Estate, Dynasty, Nordic, Cambridge Cool Colors, Cambridge and RoofShake HW Shingles is limited to 15 years from the date of completion of original installation.

EXCLUSIONS AND LIMITATIONS

Except as and limited to what is explicitly set out in this Limited Warranty with respect to the Limited Wind Resistance Warranty and the Limited Algae Resistance Warranty, the coverage under this Limited Warranty is only for manufacturing defects that result in a leak of the Shingles on the Owner's roof, and for no other cause whatsoever. Conditions that do not result in a leak, or are not due solely to a manufacturing defect in the Shingles are not covered by the Limited Warranty or otherwise.

As a result, and without limiting the generality of the foregoing, IKO will not have any liability or obligation under the Limited Warranty or otherwise for the following:

1. Any damage that occurs during or after any improper application process, including one that fails to follow IKO's printed application instructions.
2. Any variation in the color or shading between installed Shingles on the building, including the fading or weathering of colored granules used in any of IKO's Shingle blends, backsurfacing transfer between Shingles, or asphalt staining of Shingles. IKO reserves the right to discontinue or modify any of its products, including the color blend of any Shingles, without notice to the original Owner. IKO will not be liable for any costs as a result of such modification or discontinuance of any product.
3. Any damage to the interior or exterior of any building, or any property or contents within or outside any building.
4. Any damage caused by Acts of God or other causes beyond IKO's control, including, without limitation, lightning, gale or wind (except for the coverage in the Limited Wind Resistance Warranty), hail, hurricane, tornado, earthquake, explosion, flood, fungus, contamination, solid objects falling on the roof, or any other causes. This exclusion does not apply to ordinary wear and tear of Shingles caused by the elements.
5. Any damage caused by settlement, distortion or cracking of the roof deck, walls or foundation of a building. This includes failure in the materials used as a roof base, or by the presence of people, animals, machinery, equipment or any traffic of any kind on the roof.
6. Any damage caused by buckling of Shingles. The installation of Shingles on dimensional lumber (including shiplap or board decks) is not recommended as it may cause buckling of Shingles.
7. Any damage that arises after the roof is altered following the original installation of the Shingles. This includes any alteration including structural additions, changes, or replacement, or equipment installations (including but not limited to, signs, water towers, fan housings, air conditioning equipment, solar heaters, water heaters, television and /or radio antennas, satellite dishes, skylights, and equipment or machinery of any kind).
8. Any costs incurred for any work, repairs (whether temporary or permanent) or replacements not authorized in advance in writing by IKO.
9. Costs incurred for materials, repairs or replacements where materials produced by someone other than IKO (unless authorized in advance in writing by IKO to do so).
10. Any damage that arises from any cause other than a manufacturing defect that results in a leak.
11. Any discoloration or damage due to the presence of mold, mildew, fungus, algae, biological growth or pollutant or other matter on the Shingles or roof (except for the coverage in the Limited Algae Resistance Warranty).
12. Any damage or distortion caused by inadequate ventilation either at the eaves or on the rooftop of the building. This includes failure of ventilation caused by blocked, non operative or defective vents or any other condition that renders the ventilation system ineffective. Roof system ventilation should meet local building code standards for total vent area. Ventilation must also be distributed evenly between the rooftop and the eaves of the building.
13. Any costs related to the replacement of the Shingles that is not expressly covered in this Limited Warranty. This means that unless otherwise explicitly set out in this Limited Warranty, the Limited Warranty does not cover the cost of installation, application, tear-off, removal and disposal of Shingles, other shingles, roof flashings, metal work, vents or repair of any other damages caused by or associated with any leakage, or any other costs or expenses the Owner may incur or claim.
14. Any costs related to the removal of any asbestos present in the roof on which the Shingles have been installed.
15. Any damage due to the effects of debris, resins or drippings from trees in contact with or near the Shingles. Such damage may include blisters on the Shingle surface or premature aging caused by debris or matter on the roof.
16. Any damage due to the effects of chemicals on the Shingles, whether applied to the Shingles or roof, airborne or which otherwise come in contact with the Shingles or roof. This means that this Limited Warranty does not cover the effects on Shingles or roof of any chemical including but not limited to aliphatic or aromatic solvents, chlorinated hydrocarbons, turpentine, oils, organic or inorganic polar materials or any other related materials.
17. Any damage due to the excessive use of roofing cement.
18. Any damages or failure in performance of Shingles installed over insulated roof deck panels, except as outlined below under the section "REDUCED WARRANTY COVERAGE FOR INSTALLATION OF SHINGLES ON INSULATED ROOF DECKS".
19. Any Shingle product sold with or bearing "ECONOMY NO WARRANTY" tape or marking. Such Shingle product is sold on an "As Is", no warranty basis.
20. Any damage to Shingles applied in a closed valley application, where Shingles are used to construct the valley or run-off areas on the roof. Open metal valleys are recommended for best roof performance.
21. Any claim under this Limited Warranty where the Owner deliberately or negligently misrepresents any material fact.

NO LIABILITY OR COVERAGE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES

The Limited Warranty provides coverage only for certain limited damage to Shingles that is directly caused by a manufacturing defect. IN NO EVENT SHALL IKO OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, ASSOCIATED, INCIDENTAL OR CONSEQUENTIAL DAMAGES. This means, without limiting the foregoing, that this Limited Warranty does not cover claims for damages to homes or other structures, interiors, exteriors, furniture, contents, appliances, loss of income, loss of enjoyment, storage fees, economic loss, or any other loss or damage. Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so this condition may not apply to you in those jurisdictions.

REDUCED WARRANTY COVERAGE FOR LOW SLOPE ROOFS

The Limited Warranty terms set out in this document only apply to Shingles installed on roof slopes of 4 in 12 (1:3) and steeper. The limited Warranty Period for Shingles installed on low slope roofs (i.e. those with a slope of less than 4 in 12 (1:3) and down to 2 in 12 (1:6)) is 12 years, and will be prorated for material only (with no Iron Clad Protection coverage) at an annual reduction rate of 8.33%. If certain application procedures are followed as detailed in the application instructions printed on the Shingle wrapper, the regular Limited Warranty may be available for slopes between 3 in 12 and 4 in 12 (1:4 and 1:3). Please see the product packaging or visit www.iko.com/na for application procedures and instructions for your Shingles, as certain Shingles may not be suitable for use on slopes below 4:12.

If you do not know the slope of your roof, please contact your contractor or roofer for assistance.

REDUCED WARRANTY COVERAGE FOR INSTALLATION OF SHINGLES ON INSULATED ROOF DECKS

The coverage under this Limited Warranty is reduced for any Shingles, which are applied to any of the following:

- a) roof deck assemblies (of slopes greater than 2 in 12) where foam insulation is prefabricated into the roof deck system (commonly known as 'nail board insulation'), or
- b) where insulation is installed immediately beneath an acceptable roof deck system.

In the event that such Shingles are installed on insulated or unventilated decks the Warranty Period available to the Owner is reduced to 10 (ten) years with no Iron Clad Protection coverage. The annual reduction figure in this case shall be 10% per year.

LIMITED COVERAGE FOR REPLACEMENT SHINGLES

If IKO provides coverage under this Limited Warranty for a submitted claim, the replacement Shingles are covered by the Limited Warranty only for the remainder of the Warranty Period starting from the date of the completion of original installation of the replaced Shingles.

SEVERABILITY

Each provision of this Limited Warranty is intended to be severable. If any provision hereof is illegal, invalid or unenforceable in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remainder hereof. Any provision hereof that is held to be illegal, invalid or unenforceable in any jurisdiction shall be illegal, invalid or unenforceable in that jurisdiction without affecting any other provision hereof in that jurisdiction or the legality, validity or enforceability of that provision in any other jurisdiction, and to this end the provisions hereof are declared to be severable.

NOTIFICATION OF CLAIMS

To receive coverage under the Limited Warranty, the following steps must be followed. This allows IKO the opportunity to review the claim and determine if the reported condition is covered by the Limited Warranty terms. To file a claim, the Owner must:

1. Contact IKO Warranty Services within thirty (30) days of becoming aware of the alleged concern. The Owner may reach IKO toll free at the numbers listed below:
Eastern Canada 1-800-361-5836 Western Canada 1-800-521-8484 United States 1-800-433-2811
2. Provide all information requested by the IKO Warranty Claims Representative in order to open a claim. The Warranty Claims Representative will then forward a Homeowner Inquiry Survey to your attention.
3. Complete and sign the Homeowner Inquiry Survey. Return the completed Survey along with the following additional items:
 - a. A valid Proof of Purchase for your Shingles, which must identify that the Shingles are IKO Shingles, the model of IKO Shingle, the quantity of Shingles Purchased and the date of original Purchase.
 - b. The required clear color photos as detailed in the Survey information.
 - c. Two complete sample Shingles from the roof which demonstrate the alleged concern. (If claim is for color concerns, please send two full sample Shingles of the lighter color and two full samples of the darker color.)
 - d. Any other information requested by the Warranty Claims Representative during the original reporting call.
4. All requested materials should be provided to IKO within 30 days of the discovery of the alleged concern at the address listed below. The cost of shipping the materials required for the claim is the responsibility of the Owner. Claims materials should be sent to:

Canada	United States
IKO Industries Ltd.	IKO Industries Inc.
80 Stafford Drive	235 West South Tec Drive
Brampton ON	Kankakee IL
L6W 1L4	60901-8426
5. Provide IKO and its representative(s) with access to all of the IKO Shingles in question, and the roof and outside and inside of the building upon which it was installed for the purpose of investigating the claim, if IKO requests access. This request may include physical inspection of the roof surface, taking sample Shingles, and photographing the roof surface and the attic space, should IKO determine that such information is needed.

If the Owner fails to send in all requested information or does not otherwise comply with these steps, it may result in a delay in response to the claim and IKO is entitled to conclude that the claim is not valid and decline coverage under the Limited Warranty.

IKO will evaluate and respond according to any obligations under the Limited Warranty within approximately 60 days of receiving all necessary information needed to assess reported claim.

IMPORTANT NOTICES

This Limited Warranty replaces all other oral or written warranties, liabilities or obligations of IKO. There are no other warranties which extend beyond the limited warranty described in this document. IKO will not be liable for any oral statement or other written statement about any IKO Shingle, whether such statements are made by an agent or employee of IKO or by any other person. IKO does not authorize its representatives, distributors, contractors or dealers to make any changes or modifications to this limited warranty. EXCEPT WHERE PROHIBITED BY LAW, THE OBLIGATION CONTAINED IN THIS LIMITED WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER OBLIGATIONS, WARRANTIES, CAUSES OF ACTION, CONDITIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND EXCEPT FOR THE OBLIGATION EXPRESSLY CONTAINED IN THIS LIMITED WARRANTY, LIABILITY IS EXCLUDED RELATING TO, IN CONNECTION WITH, OR ARISING FROM ANY RIGHT, CLAIM, REMEDY AND CAUSE OF ACTION AGAINST IKO OR ANY OF ITS AFFILIATED OR RELATED COMPANIES, OR THEIR AGENTS, OFFICERS, DIRECTORS AND EMPLOYEES, INCLUDING, WITHOUT LIMITATION, STRICT LIABILITY, STATUTE, TORT, NEGLIGENCE, WAIVER OF TORT AND INDIRECT, ASSOCIATED, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

BINDING ARBITRATION: EVERY CLAIM, CONTROVERSY OR DISPUTE OF ANY KIND WHATSOEVER (EACH AN "ACTION") BETWEEN YOU AND IKO (INCLUDING ANY OF IKO'S EMPLOYEES AND AGENTS) RELATING TO OR ARISING OUT OF THE SHINGLES OR THIS LIMITED WARRANTY SHALL BE RESOLVED BY FINAL AND BINDING ARBITRATION, REGARDLESS OF WHETHER THE ACTION SOUNDS IN WARRANTY, CONTRACT, STATUTE OR ANY OTHER LEGAL OR EQUITABLE THEORY. **YOU AND IKO AGREE THAT ANY ACTION WILL BE ARBITRATED ON AN INDIVIDUAL BASIS AND THAT NO CLAIM(S) WILL BE CONSOLIDATED OR AGGREGATED WITH THE CLAIM(S) OF ANY OTHER PERSONS BY CLASS ACTION, CLASS ARBITRATION, IN A REPRESENTATIVE CAPACITY OR OTHERWISE.** TO ARBITRATE AN ACTION AGAINST IKO, YOU MUST INITIATE THE ARBITRATION, FOR U.S. CLAIMS IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT, TO BE CONDUCTED BY A SINGLE ARBITRATOR IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND FOR CANADIAN CLAIMS, IN ACCORDANCE WITH THE ARBITRATION ACT, R.S.A. 2000, c. A-43, ALBERTA, (AS MAY BE AMENDED) AND YOU MUST COMMENCE THE ARBITRATION AND PROVIDE WRITTEN NOTICE TO IKO BY CERTIFIED MAIL AT THE APPLICABLE ADDRESS NOTED ABOVE, WITHIN THE APPLICABLE TIME PERIOD PRESCRIBED IMMEDIATELY BELOW. IF YOU PREVAIL ON YOUR CLAIMS IN THE ARBITRATION, IKO WILL REIMBURSE YOU FOR ANY FILING AND ADMINISTRATIVE FEES PAID BY YOU TO THE ARBITRATION ORGANIZATION. Some jurisdictions do not allow mandatory arbitration, so the above arbitration provision may not apply to you in those jurisdictions. An Action may also be referred to another arbitration organization if you and IKO agree in writing. IKO will not elect arbitration for any Action you file in court in which you agree not to seek to recover more than \$25,000, including attorneys' fees and costs, so long as the claim is individual and pending only in that court. You may also reject this arbitration provision by notifying IKO in writing within 45 days after the installation of the Shingles or the valid transfer of this Limited Warranty to you. If any portion of this arbitration provision is not enforced in the arbitration, then either you or IKO can file a lawsuit in court to adjudicate the arbitrability of the Action and the enforceability of the portion of the arbitration provision at issue.

NO ACTION OR BREACH OF THIS LIMITED WARRANTY OR ANY OTHER ACTION AGAINST IKO RELATING TO OR ARISING OUT OF THE SHINGLES, THEIR PURCHASE OR THIS TRANSACTION SHALL BE BROUGHT LATER THAN ONE (1) YEAR AFTER ANY CAUSE OF ACTION HAS ARISEN OR ACCRUED. IN JURISDICTIONS WHERE STATUTORY CLAIMS OR IMPLIED WARRANTIES AND CONDITIONS CANNOT BE EXCLUDED, ALL SUCH STATUTORY CLAIMS, IMPLIED WARRANTIES AND CONDITIONS AND ALL RIGHTS TO BRING ACTIONS FOR BREACH THEREOF EXPIRE AFTER ONE (1) YEAR, OR SUCH LONGER PERIOD OF TIME IF MANDATED BY APPLICABLE LAWS, AFTER THE PURCHASE OF THE SHINGLE PRODUCT. SOME JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY OR CONDITION LASTS, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU IN THOSE JURISDICTIONS.

This Limited Warranty applies to IKO Shingles sold on or after February 18, 2019 and supersedes all previously published warranties.

TIMBERTECH® PRO™ DECKING FADE AND STAIN WARRANTY – TERRAIN, TROPICAL, AND LEGACY COLLECTIONS

30-Year Limited Fade and Stain

Statement of Warranty: This warranty is given to either (1) the original residential purchaser or (2) the owner(s) of the property at the time of installation, if different from the original purchaser (collectively hereinafter "Purchaser"), of PRO™ Decking including the Terrain, Tropical or Legacy Collection decking (the "Product"). For purposes of this warranty, a residential Purchaser shall refer to a single-family residential homeowner.

The AZEK Company LLC (hereinafter "Manufacturer") warrants to Purchaser that, for a period of thirty (30) years from the date of the original consumer purchase (the "Term"), under normal use and service conditions:

(1) The Product's color will not fade from light and weathering exposure, as measured by a color change of more than 5 Delta E (CIE) units. While the Product is designed to resist fading, no material is fade proof when subjected to years of exposure to ultraviolet (UV) rays and the elements.

(2) The Product will resist permanent staining from food and beverage items that may be spilled onto the surface of the Product, including items such as condiments (barbecue sauce, ketchup, mustard, mayonnaise), salad dressing and salad oils, grease, tea, wine, coffee, fruit punch, sodas and other food and beverage related items that would typically be present on a residential deck, provided that such substances are removed from the Product with soap and water or mild household cleaners after no more than one (1) week of exposure of the substances to the surface of the Product.

Notwithstanding the foregoing, Manufacturer does not warrant that the Product is stain-proof and does not warrant stain resistance resulting from spilled or otherwise applied food and beverage substances which are not properly cleaned as provided above within one (1) week of exposure. In addition, this warranty does not cover any staining or damage to the Product resulting from abrasive compounds of acidic or basic pH, paints or stains, strong solvents, metallic rust or other abnormal residential deck use items, and non-food and non-beverage substances, including, but not limited to, biocides, fungicides, plant foods or other bactericides. All warranties are subject to the exclusions, limitations and restrictions set forth in the foregoing paragraph and below.

Standard TimberTech 30-Year Limited Residential Warranty. This warranty is in addition to the standard TimberTech Limited 30-Year Limited Residential Warranty that applies to PRO™ Decking.

Obtaining Warranty Performance: Purchaser must do as follows in order to make a claim under this warranty:

Claims Regarding Stain-Resistance: If the Purchaser is making a claim relating to the warranty on stain resistance, Purchaser must do all of the following (in addition to the procedures set forth below for All Claims):

1. Attempt to clean the affected area of the Product by using the cleaning procedures described above within one (1) week of exposure of the food or beverage to the surface of the Product.
2. If, after completing step 1 above, the affected area remains reasonably unsatisfactory, then Purchaser must have the affected area of the Product cleaned by a professional deck cleaner at Purchaser's expense.
3. If, after completing steps 1 and 2 above, the affected area still remains reasonably unsatisfactory, Purchaser may make a claim under this warranty as provided herein, provided that such claim is made within thirty (30) days after the professional cleaning is completed.

All Claims: Purchaser must no later than the end of the Term, notify Manufacturer of a warranty claim using TimberTech's online warranty claim form process available at <http://TimberTech.com/warranty/warranty-claims-center>. Purchaser must provide proof of purchase, a description and photographs of the affected area of the Product, and, if the claim relates to the warranty on stain resistance, and reasonable proof of compliance with the requirements set forth above under "Claims Regarding Stain-Resistance." Alternatively, Purchaser may send this information to the Manufacturer at the following address:

TimberTech
894 Prairie Avenue
Wilmington, Ohio 45177
Attn: Claims Department

Manufacturer reserves the right to request additional information in connection with the warranty claim.

TIMBERTECH® PRO™ DECKING FADE AND STAIN WARRANTY – TERRAIN, TROPICAL, AND LEGACY COLLECTIONS

After reviewing all information, Manufacturer will make a determination regarding the validity of the claim submitted. If Manufacturer determines that the Purchaser's claim is valid, Manufacturer will, at its sole option, either replace the affected item or refund the portion of the purchase price paid by the Purchaser for such affected item (not including the cost of its initial installation). Replacement material will be provided that is as close as possible in color, design and quality as the replaced material, but Manufacturer does not guarantee an exact match as colors and design may change. In the event of repair or replacement, the original warranty shall apply to the repaired or replaced portion of the Products and will extend for the balance of the warranty period in effect at the time the material proved defective.

If Purchaser makes a valid warranty claim hereunder during years eleven (11) through thirty (30) after the original purchase, then Purchaser's recovery will be prorated as indicated below. If Manufacturer is providing replacement materials, it may elect to replace the percentage listed below of boards otherwise meeting the requirements for a claim; if Manufacturer is refunding the purchase price, it may elect to refund the percentage listed below of the purchase price of boards otherwise meeting the requirements for a claim.

Year of Claim	Recovery	Year of Claim	Recovery	Year of Claim	Recovery	Year of Claim	Recovery
11	90%	16	70%	21	40%	26	20%
12	90%	17	60%	22	40%	27	10%
13	80%	18	60%	23	30%	28	10%
14	80%	19	50%	24	30%	29	10%
15	70%	20	50%	25	20%	30	10%

This warranty shall not cover, and Manufacturer shall not be responsible for, costs and expenses incurred with respect to the removal of affected Product or the installation of replacement materials, including but not limited to, labor and freight. The foregoing remedies are the **SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY.**

Transfer of Warranty: This warranty may be transferred one (1) time, within the five (5) year period beginning from the date of original purchase by Purchaser, to a subsequent buyer of the property upon which the Product was originally installed.

Exclusions from Warranty Coverage: Manufacturer does not warrant against and is not responsible for, and no implied warranty shall be deemed to cover, any product failure, product malfunction, condition or damages attributable to the following: (1) improper installation of the Product and/or failure to abide by TimberTech's installation guidelines, including but not limited to improper gapping; (2) use of the Product beyond normal residential use, or in an application not recommended by the TimberTech installation guidelines and local building codes; (3) movement, distortion, collapse or settling of the ground or the supporting structure on which the Product is installed; (4) exposure to, or direct or indirect contact with extreme heat sources including reflected sunlight from low-emissivity (Low-E) glass which may damage the surface of the product and/or cause the Product to fade; (5) any act of God (such as flooding, hurricane, earthquake, lightning, etc.) or environmental condition (such as air pollution, mold, mildew, etc.), (6) improper handling, storage, abuse or neglect of the Product by Purchaser, the transferee or third parties; (7) any fading or staining not on the surface of the Product (i.e., the underside or the ends of the Product); or (8) ordinary wear and tear.

In addition, this warranty will be voided if (1) paint, stain or other coating materials are applied to the Product, or (2) the surface of the Product has been damaged or punctured, including as a result of contact with shovels or similar sharp-edged tools. Such tools should not be used under any circumstance to remove snow, ice, or other debris from the surface of the product.

Purchaser is solely responsible for determining the effectiveness, fitness, suitability and safety of the Product in connection with its use in any particular application.

Limitations: DISCLAIMER OF WARRANTIES: EXCEPT FOR THE EXPRESS WRITTEN WARRANTY CONTAINED HEREIN AND IN THE MANUFACTURER LIMITED 30 YEAR LIMITED RESIDENTIAL WARRANTY, MANUFACTURER MAKES NO OTHER WARRANTIES, GUARANTEES OR INDEMNITIES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, COURSE OF DEALING, USAGE OF TRADE, CUSTOM OR OTHERWISE, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY AND IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ALL SUCH OTHER WARRANTIES, GUARANTEES AND INDEMNITIES ARE HEREBY DISCLAIMED, OVERRIDDEN AND EXCLUDED FROM THIS TRANSACTION.

TIMBERTECH® PRO™ DECKING FADE AND STAIN WARRANTY – TERRAIN, TROPICAL, AND LEGACY COLLECTIONS

Some states do not allow limitations on how long an implied warranty lasts so the above limitation may not apply to you.

LIMITATION OF REMEDIES AND EXCLUSION OF CONSEQUENTIAL AND INCIDENTAL DAMAGES: MANUFACTURER'S LIABILITIES ARE LIMITED SOLELY AND EXCLUSIVELY TO THE OBLIGATIONS SPECIFICALLY UNDERTAKEN HEREIN, AND UNDER NO CIRCUMSTANCES WILL MANUFACTURER BE LIABLE OR OBLIGATED FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE OR ANY OTHER DAMAGES OF ANY KIND WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST SALES, LOSS OF GOODWILL, USE OF MONEY, USE OF GOODS, STOPPAGE OF WORK, OR IMPAIRMENT OF ASSETS), WHETHER FORESEEABLE OR UNFORESEEABLE, ARISING OUT OF BREACH OR FAILURE OF EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, FRAUD, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, EXCEPT AND ONLY TO THE EXTENT THIS LIMITATION IS SPECIFICALLY PRECLUDED BY APPLICABLE LAW OF MANDATORY APPLICATION. MANUFACTURER'S LIABILITY WITH RESPECT TO DEFECTIVE PRODUCTS SHALL IN NO EVENT EXCEED THE REPLACEMENT OF SUCH PRODUCTS OR REFUND OF THE PURCHASE PRICE, AS DESCRIBED ABOVE.

Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you. This warranty gives you specific legal rights, and you may also have other rights that vary from state to state.

Miscellaneous: This writing is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. This warranty may not be altered or amended except in a written instrument signed by Manufacturer and Purchaser or permitted transferee. No agent, employee or any other party is authorized to make any warranty in addition to that made in this agreement and Manufacturer shall not be bound by any such statements other than those contained in this warranty.

This warranty is effective for purchases by residential purchasers made on or after January 1, 2019.

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TIMBERTECH® EDGE™ DECKING WARRANTY

25-Year Limited Residential Warranty
10-Year Limited Commercial Warranty

Statement of Warranty: This warranty is given to either (1) the original purchaser or (2) the owner(s) of the property at the time of installation, if different from the original purchaser (collectively hereinafter "Purchaser"), of TimberTech® EDGE™ alternative decking materials manufactured by The AZEK Company LLC (hereinafter "Manufacturer"). For purposes of this warranty, a "Residential Purchaser" shall refer to a single-family residential homeowner and a "Commercial Purchaser" shall refer to any Purchaser other than a single-family residential homeowner.

Except as set forth in the exclusions, limitations and restrictions set forth below, Manufacturer warrants to a Residential Purchaser that for a period of twenty-five (25) years (10 years for a Commercial Purchaser), the Products will, from the date of the original purchase, be free from material defects in workmanship and materials that (1) occur as a direct result of the manufacturing process, (2) occur under normal use and service, (3) occur during the warranty period and (4) result in splitting, splintering, rotting or structural damage from termites or fungal decay.

Exclusions from Warranty Coverage: Manufacturer does not warrant against and is not responsible for, and no implied warranty shall be deemed to cover, any product failure, product malfunction, or damages attributable to: (1) improper installation of the Products and/or failure to abide by the Manufacturer's installation guidelines, including but not limited to improper gapping; (2) use of the Products beyond normal use, or in an application not recommended by the Manufacturer's installation guidelines and/or local building codes; (3) movement, distortion, collapse or settling of the ground or the supporting structure on which the Products are installed; (4) any act of God (such as flooding, hurricane, earthquake, lightning, etc.), environmental condition (such as air pollution, mold, mildew, etc.), or staining from foreign substances (such as dirt, oil, etc.); (5) variations or changes in color of Products; (6) normal weathering of surfaces; (7) improper handling, storage, abuse or neglect of the Products by Purchaser, the transferee or third parties; (8) exposure to, or direct or indirect contact with extreme heat sources including reflected sunlight from low-emissivity (Low-E) glass which may damage the surface of the product and/or cause the Product to fade; (9) fabrication or remanufacturing by third parties; (10) minor dripping from DrySpace; (11) any fasteners not supplied by Manufacturer; or (12) improper application of paint or other surface chemicals not recommended by the Manufacturer in writing;

Purchaser is solely responsible for determining the effectiveness, fitness, suitability and safety of the Products in connection with their use in any particular application.

Obtaining Warranty Performance: If Purchaser discovers a defect in any of the Products covered under this Limited Warranty during the applicable warranty period, Purchaser must, within thirty (30) days from the discovery of the alleged defect, but no later than the end of the applicable warranty period, notify Manufacturer. Purchaser may notify Manufacturer of a warranty claim using TimberTech's online warranty claim form process available at <http://TimberTech.com/warranty/warranty-claims-center>. Alternatively, Purchaser may submit a warranty claim by contacting the Manufacturer in writing at the following address:

TimberTech
894 Prairie Avenue
Wilmington, Ohio 45177
Attn: Claims Department

Purchaser must include in this notification proof of purchase and a statement explaining the defect. Manufacturer may request additional information. After reviewing all information, Manufacturer will make a determination regarding the validity of such claim. If Manufacturer determines Purchaser's claim is valid, Manufacturer will, at its option, either replace the defective Products or refund the portion of the purchase price paid by Purchaser for such defective Products (not including the cost of its initial installation). Replacement material will be provided that is as close as possible in color, design and quality as the replaced material, but Manufacturer does not guarantee an exact match as colors and design may change. In the event of repair or replacement, the original warranty shall apply to the repaired or replaced portion of the Products and will extend for the balance of the warranty period in effect at the time the material proved defective.

If a Residential Purchaser makes a valid warranty claim during years eleven (11) through twenty-five (25) after the original purchase date, then the Residential Purchaser's recovery will be prorated as indicated below. If Manufacturer is providing replacement materials, it may elect to replace the percentage listed below of Products; if Manufacturer is refunding the purchase price, it may elect to refund the percentage listed below of the purchase price of the Products.

TIMBERTECH® EDGE™ DECKING WARRANTY

Year of Claim	Recovery
11-13	80%
14-16	60%
17-19	40%
20-22	20%
23-25	10%

This warranty shall not cover, and Manufacturer shall not be responsible for, costs and expenses incurred with respect to the removal of the defective Products or the installation of replacement materials, including but not limited to, labor and freight. The foregoing remedies are the Purchaser's SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY.

Transfer of Warranty: This warranty may be transferred one (1) time, within the five (5) year period beginning from the date of original purchase by Purchaser, to a subsequent buyer of the property upon which the Products were originally installed.

Limitations: DISCLAIMER OF WARRANTIES: EXCEPT FOR (1) THE EXPRESS WRITTEN WARRANTY CONTAINED HEREIN, MANUFACTURER MAKES NO OTHER WARRANTIES, GUARANTEES OR INDEMNITIES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, COURSE OF DEALING, USAGE OF TRADE, CUSTOM OR OTHERWISE, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY AND IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ALL SUCH OTHER WARRANTIES, GUARANTEES AND INDEMNITIES ARE HEREBY DISCLAIMED, OVERRIDDEN AND EXCLUDED FROM THIS TRANSACTION FOR THE WARRANTY TERM AND BEYOND THE WARRANTY TERM.

LIMITATION OF REMEDIES AND EXCLUSION OF CONSEQUENTIAL AND INCIDENTAL DAMAGES: MANUFACTURER'S LIABILITIES ARE LIMITED SOLELY AND EXCLUSIVELY TO THE OBLIGATIONS SPECIFICALLY UNDERTAKEN HEREIN, AND UNDER NO CIRCUMSTANCES WILL MANUFACTURER BE LIABLE OR OBLIGATED FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE OR ANY OTHER DAMAGES OF ANY KIND WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST SALES, LOSS OF GOODWILL, USE OF MONEY, USE OF GOODS, STOPPAGE OF WORK, OR IMPAIRMENT OF ASSETS), WHETHER FORESEEABLE OR UNFORESEEABLE, ARISING OUT OF BREACH OR FAILURE OF EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, FRAUD, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, EXCEPT AND ONLY TO THE EXTENT THIS LIMITATION IS SPECIFICALLY PRECLUDED BY APPLICABLE LAW OF MANDATORY APPLICATION. MANUFACTURER'S LIABILITY WITH RESPECT TO DEFECTIVE PRODUCTS SHALL IN NO EVENT EXCEED THE REPLACEMENT OF SUCH PRODUCTS OR REFUND OF THE PURCHASE PRICE, AS DESCRIBED ABOVE.

Some states and provinces do not allow the exclusion or limitation of incidental or consequential damages and/or limitations on how long an implied warranty lasts so the above exclusions and/or limitations may not apply to you. This Warranty gives you specific legal rights, and you may also have other rights that vary from state to state or province to province.

Miscellaneous: This writing is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this warranty. This warranty may not be altered or amended except in a written instrument signed by Manufacturer and Purchaser or permitted transferee. No agent, employee or any other party is authorized to make any warranty in addition to that made herein and Manufacturer shall not be bound by any such statements other than those contained in this warranty. Manufacturer reserves the right to discontinue or modify the Products covered under this warranty at any time without notice. In the event that repair or replacement of the Products pursuant to this warranty is not possible, Manufacturer may fulfill any repair or replacement obligation under this warranty with a product of equal value.

This warranty is effective for purchases of Products on or after January 1, 2019.

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BARRETTE – LIMITED WARRANTY (VINYL & RESALITE™ RAILING)

Who is covered:

- The limited lifetime warranty covers single-family residential properties only. This limited warranty extends to the original purchaser and one (1) individual transferee as specified herein.
- A twenty (20) year limited warranty covers any other type of building or property including those owned by corporations, governmental agencies, partnerships, trusts, religious organizations, schools, condominiums, homeowner associations, cooperative housing arrangements and apartment buildings. The warranty period will be twenty (20) years following the original date of Product purchase.

What is covered: Barrette Outdoor Living warrants that its vinyl railing products ("Product") will be free from defects in material and workmanship for the warranty period. This limited warranty is valid beginning on the date of Product purchase.

Barrette Outdoor Living warrants the Product against peeling, flaking, rotting, chipping, cracking, rusting, blistering, or abnormal discoloration/fading" under normal atmosphere and weather conditions; structural damage due to weather influences, fungal decay or wood boring insects.

"After prolonged exposure to outdoor environments, all products will experience some gradual fading over time and is considered normal (up to a standard variation determined by Delta E color measurement, not to exceed Delta 5). Degrees of fading vary depending on geographical location, air pollution, exposure and other factors.

What this warranty does not cover: This limited warranty does not cover damage resulting from: a change in color due to a build-up of surface mold and mildew; misuse, abuse, improper storage or handling, improper installation, other vinyl products and accessories that are not manufactured by Barrette Outdoor Living, or manufactured for specific use in vinyl railing applications; impact of foreign objects, fire, earthquake, flood, lightning, hail, hurricane, tornado, high winds or other casualty or act of God; movements, distortion, collapse or settling of ground or structure on which the railing is installed; pollutants and chemicals including salt water, pool and ice removal chemicals and staining from foreign substances. This limited warranty does not cover costs of removal or disposal of product, or reinstallation of replacement product.

What Barrette Outdoor Living does to remedy the problem: Should your Barrette Outdoor Living product prove defective under warranty, visit the website or call the phone number listed below. Barrette Outdoor Living requires written notice or phone call within thirty (30) days of discovering the defect and you must show original proof of purchase receipt. You will be required to provide to Barrette Outdoor Living pictures and/or samples of the defective Product. If it is determined by Barrette Outdoor Living, in its sole discretion, the Product has a manufacturer defect in material or workmanship, Barrette Outdoor Living will replace with new or equivalent products; labor is not included in warranty. If the Product is discontinued, Barrette Outdoor Living will repair or replace the Product with a product in comparable quality or price range.

Barrette Outdoor Living reserves the right to discontinue or modify any of its products, including the color of its products without notice to the purchaser. Barrette Outdoor Living does not warrant that any replacement material will match or be identical to the original Product as replacement products may vary in color or gloss in comparison to the original Product as a result of normal weathering.

Transferee Coverage: Limited lifetime warranty coverage will be extended to one (1) transferee with the following limitations: the one (1) transfer shall only be from residential homeowner (original Product purchaser) to a second homeowner. After a transfer, the warranty is valid twenty (20) years from the date of the original purchase.

The twenty (20) year limited warranty for commercial installations cannot be transferred.

Registration: To activate this warranty, fill out the product registration form on the website listed below, or mail the completed registration card to Barrette Outdoor Living. Registration of Product must be within thirty (30) days from date of Product purchase for warranty to be valid.

Except as expressly set forth in this warranty, Barrette Outdoor Living HEREBY EXPRESSLY DISCLAIMS ANY REPRESENTATION, WARRANTY, PROMISE, GUARANTEE OR OTHER ASSURANCE OF ANY KIND, EXPRESS OR IMPLIED, ORAL OR WRITTEN, STATUTORY OR OTHERWISE, RELATING TO THE PRODUCT. STATE LAW WILL DETERMINE THE PERIOD OF TIME FOLLOWING THE SALE THAT YOU MAY SEEK A REMEDY UNDER THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

NO DISTRIBUTOR, DEALER OR OTHER PERSON IS AUTHORIZED BY BARRETTE OUTDOOR LIVING TO CHANGE THIS WARRANTY OR TO MAKE ANY ADDITIONAL REPRESENTATION, WARRANTY, PROMISE, GUARANTEE OR OTHER ASSURANCE ON BEHALF OF BARRETTE OUTDOOR LIVING RELATING TO THE PRODUCT. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY STATE TO STATE.

LIMITATION OF LIABILITY: THE REMEDIES DESCRIBED ABOVE ARE YOUR SOLE AND EXCLUSIVE REMEDIES AND BARRETTE OUTDOOR LIVING'S ENTIRE LIABILITY FOR ANY BREACH OF THIS LIMITED WARRANTY. BARRETTE OUTDOOR LIVING'S LIABILITY SHALL UNDER NO CIRCUMSTANCES EXCEED THE ACTUAL AMOUNT PAID BY YOU FOR THE DEFECTIVE PRODUCT, NOR SHALL BARRETTE OUTDOOR LIVING BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES OR LOSSES, WHETHER DIRECT OR INDIRECT. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

THIS WARRANTY IS VALID ONLY IN THE UNITED STATES AND CANADA.

This warranty is effective for products purchased after January 1, 2017.

This warranty can also be found online at www.rdirail.com/warranty

To register your product, visit www.rdirail.com

In case of a warranty claim, call (877) 420-7245.

Therma-Tru® Fiberglass and Steel Door Systems

Fiberglass – Classic-Craft®, Fiber-Classic®, Smooth-Star®, and Pulse Door Systems
 Steel – Pulse®, Profiles®, Traditions®, and Therma-Tru Fire Door Steel-Edge Door Systems

Residential Limited Warranty

For Purchases Made on or After January 1, 2015

1. WHAT THE LIMITED WARRANTY COVERS AND FOR HOW LONG

a) PRODUCT DEFINITION:

THERMA-TRU® DOOR SYSTEM ("Product") consists of a Therma-Tru fiberglass or steel door slab(s) named above and the following parts when they are genuine Therma-Tru components: sidelites, any applied or inserted panels, dentil shelf, simulated divided lites on doors and sidelites, glass lite inserts with Therma-Tru logo glass temper blaze, wood grilles, hinges, weatherstrip, door bottom sweep (gaskets), rain deflector, rain guard, sill pan, screens, internal grids, corner seal pads, door sill, astragal, steel door frame, rot-resistant jambs, rot-resistant mullions, rot-resistant brickmould and multi-point locking system door handles and lockset (on fiberglass Products only). This Limited Warranty applies only when all of these parts are genuine Therma-Tru components. Other all-wood parts including primed Pine jambs, primed Pine mullions, primed Pine brickmould, Oak jambs, Oak mullions, Oak brickmould, mull casing, and steel Product's locking systems are not covered by this Limited Warranty.

b) COVERAGE:

Subject to the limitations and exclusions below, and for the duration of the applicable stated Warranty Period, Therma-Tru warrants that Products purchased and installed in the USA or Canada:

NON-GLASS COMPONENTS: Are free from non-conformities in material and workmanship. All hinges in fiberglass and steel Product, and multi-point locking systems installed in a fiberglass Product are also warranted against non-conformities in the mechanical and locking mechanism (excluding (i) installations within 5 miles of a body of salt water, (ii) the finish, and (iii) multi-point locking systems installed in steel Products). See Section 2a "WHAT THIS LIMITED WARRANTY DOES NOT COVER" for clarification.

GLASS COMPONENTS: Are free from non-conformities in material and workmanship resulting in internal glazing failure, seal failure, Internal Insert slippage, and permanent and material visual obstruction from moisture or dust film formation in the air space of the sealed glass unit.

NOTES ABOUT TIMELY FINISHING OF DOOR SYSTEMS:

- For continued warranty coverage, all fiberglass Therma-Tru door systems (Products) must be finished within 6 months of the installation date; and all steel Therma-Tru door systems (Products) must be finished within several days of the installation date. However, all bare or unprotected wood surfaces (such as door frames) on all steel and fiberglass Products (including any bare or unprotected wood surfaces used or exposed by builders, contractors, dealers, or distributors on or in conjunction with the Products) should be primed and painted, or stained and top coated within the lesser of 2 weeks of installation or exposure to weather. All doors must have all 6 sides finished. (Note: If a genuine Therma-Tru door bottom sweep (gasket) is properly applied by the builder, contractor, dealer, or distributor to the bottom edge of the door, then only the 5 remaining sides of the door require finishing.) For all doors, sides, top and bottom must be inspected and maintained as regularly as the front and back face surfaces. All PVC lite frames and simulated divided lite bars must be finished within 30 days of installation and are not recommended for use behind storm doors or if exposed to direct sunlight to be painted dark colors.
- Improper or untimely finishing of the Product by the Warranty Holder or its agents (i) increases the chance for Product damage of the type which is NOT COVERED by this Limited Warranty and (ii) increases the preparatory work that must be performed by the Warranty Holder or its agents in order to properly finish and maintain the Product in a manner not inconsistent with Therma-Tru's recommendations and instructions. This is particularly a consideration for steel Products.
- Therma-Tru Same-Day® Stain finishing product is recommended for staining and top coating fiberglass Products that do NOT have a Therma-Tru factory-applied exterior finish, that is, for Classic-Craft®, Fiber-Classic®, and Pulse® Product, and is covered by a separate 5-year limited warranty from the date of purchase. (Request a copy for all terms and provisions from Therma-Tru as indicated in Section 6 below

or from your builder, dealer, or contractor who installed or sold the Product.)

- See Therma-Tru's recommendations and guidance for proper finishing of fiberglass and steel Products at www.thermatru.com (i) "Recommendations For Proper Finishing and Painting or Staining", and (ii) "Frequently Asked Questions".

SUMMARY OF LIMITED WARRANTY PERIODS FOR PRODUCTS – for Residential Warranty Holders Effective January 2015

This table summarizes for Residential Warranty Holders the Warranty Periods under this Limited Warranty that apply to Products when the following genuine Therma-Tru® manufactured or recommended components are incorporated into the Door System. This table is provided for your convenience ONLY. READ the entire Limited Warranty for the conditions and limitations that apply to this information. Commercial/Multi-Resident Warranty Holders are subject to different Warranty Coverage, Warranty Periods and Transferability restrictions which are stated in Section 1(c) "Warranty Duration".

See Notes (*)	Fiberglass	Steel		
		Profiles Wood-Edge Pulse	Traditions Wood-Edge	Therma-Tru® Fire Door Steel-Edge
Door System*	Classic-Craft Fiber-Classic Smooth-Star Pulse	Profiles Wood-Edge Pulse	Traditions Wood-Edge	Therma-Tru® Fire Door Steel-Edge
Warranty Period	Lifetime	10 Years	5 Years	15 Years (10 Years within 5 Miles of Salt Water)
Door a/k/a Door Slab and Panels – Applied or Inserted	Yes	Yes	Yes	Yes
Fire-Rated **	Select Product Codes (20-minute**)	Select Product Codes (20-minute**)	Select Product Codes (20-minute**)	90-minute**
Glass Lites – Clear, Low-E, Deco, and lite Frames Glazing, seal, internal insert placement, absence of permanent/material obstruction from moisture or dust formation in air space and applied wood grilles	Yes	Yes	Yes (10 Years)	No
Hardware – Hinges Mechanical (excluding (i) installations within 5 miles of a body of salt water and (ii) the finish)	Yes	Yes	Yes	Yes

See Notes (*)	Fiberglass	Steel		
		Profiles Wood-Edge Pulse	Traditions Wood-Edge	Therma- Tru® Fire Door Steel-Edge
Door System*	Classic-Craft Fiber-Classic Smooth-Star Pulse			
Lockset – Multi-Point Locking System Mechanical and locking mechanisms (excluding (a) installations within 5 miles of body of salt water, (b) the finish and (c) multi-point locking systems installed in steel Products)	Yes	No	No	No
Corner Seal Pad – (excluding normal wear and tear)	Yes	Yes	Yes	Yes
Sills	Yes	Yes	Yes	Yes
Door Bottom Sweep (Gasket) and Weatherstrip – (excluding normal wear and tear)	Yes	Yes	Yes	Yes
Rain guard/Rain deflector – (Optional)	Yes	Yes	Yes	Yes
Aluminum or Stainable Astragal – (Optional)	Yes	Yes	Yes	Yes
Frames – Rot-resistant and sourced from Therma-Tru	Yes	Yes	Yes	Yes
Frames and Framing Components – of any type that are <u>not sourced from Therma-Tru</u> (see Sections 2(e), 12th bullet)	No	No	No	No
Tru-Defense® Door System eligibility and Warranty Rider	***			

*A "door" and a "door system" are not the same. A "door system" is assembled by a person (for example, your builder, contractor, dealer, or distributor) who sources and combines various separate components, including the "door Slab", into an entry system. If your door system is assembled using all genuine Therma-Tru parts, then you receive far more than just a beautiful door. You are purchasing an entry system in which every component has been manufactured or recommended by Therma-Tru to work together as an integral "door system" ... AND you will get the full benefit of a Therma-Tru door system limited warranty.

**A 20-minute Fire-rated door must be permanently labeled with a fire door certification label to signify that the Product is qualified as Fire-rated. To determine if an eligible door has been machined and is certified for use as a fire door, an official fire door certification label will be affixed, usually between the top and middle hinge, on the edge of the hinge side of the door slab. In the event that a fire door certification label is missing or has been removed, for a Fire-rated door to retain its fire rating it must be field labeled by the certification entity that originally certified the door (usually Warnock Hersey Intertek or Underwriters Laboratories). A Therma-Tru Fire Door (TR12-24) Steel-Edge must be installed with a Therma-Tru Adjusta-Fit® 2 frame with a lock bore sleeve, and a smock and draft intumescent seal to achieve a 90-minute or 60-minute positive pressure rating.

***Tru-Defense Fiberglass Door System: A Therma-Tru Fiberglass door system may qualify for supplemental reimbursement under the Tru-Defense® Door System Warranty Rider that provides for additional payment to the Warranty Holder of up to a maximum of \$2,000 reimbursement if water infiltrates under a properly assembled, installed, and maintained fiberglass door system that meets the additional provisions stated in the Tru-Defense® Door System Warranty Rider. A copy of the Tru-Defense® Door System Warranty Rider for Fiberglass Door Systems is available from Therma-Tru Corp., 1750 Indian Wood Circle, Maumee, Ohio 43537, at 1-800-537-5322 or at www.thermatru.com, or from the builder, dealer, or contractor who installed or sold the Product.

c) WARRANTY PERIOD:

Product	Warranty Holder Classification	
	Residential Warranty Holder	Commercial/Multi-Resident Warranty Holder
Fiberglass: <ul style="list-style-type: none"> • Classic-Craft Doors • Fiber-Classic Doors • Smooth-Star Doors • Pulse Doors 	Lifetime ¹	3 Years ³
Steel: <ul style="list-style-type: none"> • Profiles (Wood-Edge Doors) • Pulse (Wood-Edge Doors) 	10 Years ²	1 Year ³
Steel: <ul style="list-style-type: none"> • Traditions (Wood-Edge Doors) 	5 Years ²	1 Year ³
Steel: <ul style="list-style-type: none"> • Therma-Tru Fire Door Steel-Edge Doors 	15 Years ² (10 Years ² within 5 Miles of Salt Water)	1 Year ³

¹ Measured from date Product was originally purchased from an authorized dealer and continuing for as long as the original Residential Warranty Holder owns and resides in the premises in which the Product was installed ("Lifetime Limited Warranty"), unless a shorter duration is expressly stated for the Product component. Not transferable.

² Measured from date Product was originally purchased from an authorized dealer and continuing for the stated duration period as long as the original Residential Warranty Holder owns and resides in the premises in which the Product was installed during that entire duration period. Not transferable.

³ Measured from the earlier of the date Product was shipped from Therma-Tru or an authorized dealer; transferable to successor Commercial/Multi-Resident Warranty Holder during and for the balance of the original Commercial/Multi-Resident Warranty Period.

d) WARRANTY HOLDER CLASSIFICATIONS:

RESIDENTIAL WARRANTY HOLDERS: If the Product is installed in (i) a new residential dwelling and the first occupant owns the dwelling or (ii) an existing owner-occupied residential dwelling, and in each case, at the time of installation such owner is also responsible for Product replacement, then that owner is a Residential Warranty Holder. For example, assume the Product is installed in a condominium unit (a "dwelling") in a multi-resident building. If the first occupant of the condominium unit is the first owner of that unit and is also responsible for Product replacement, then that owner is a Residential Warranty Holder; however, if the owner is not the first occupant or if someone else other than the owner (for example, the condominium association) is responsible for Product replacement, then the owner is not a Residential Warranty Holder.

COMMERCIAL/MULTI-RESIDENT WARRANTY HOLDERS: If the Product is installed under conditions in which no one qualifies as a Residential Warranty Holder as described above, then the warranty holder is the owner of the dwelling or building in which the Product has

been installed at the time of installation (and its builder and contractor). That owner is classified as a Commercial/Multi-Resident Warranty Holder. For example, this includes owners of commercial or investment buildings, or multi-resident premises in which the occupant is not responsible (other than through periodic fees/other assessments) for Product replacement whether or not the occupant owns the residential dwelling unit in the premises (including by example, certain condominiums, town homes, duplexes, apartments, cooperatives).

2. WHAT THIS LIMITED WARRANTY DOES NOT COVER

This Limited Warranty does not include non-conformities or damages attributable to or arising from:

a) GENERALLY:

- General wear and tear, including without limitation wear and tear of weatherstrip, corner seal pads, door bottom sweep (gasket), or the multi-point locking system.
- Minor scratches or minor visual imperfections outside the Product's standard manufacturing and quality specification parameters.
- The finish on a multi-point locking system (door handles and lockset) and hinges is not warranted and is purchased "AS IS". This includes but is not limited to finish discoloration, tarnishing, scratches, abrasions, and visual imperfections. Exposure to certain environmental conditions, including but not limited to salt spray, acid rain, high humidity, or other corrosive elements may adversely affect the coatings on finishes (as well as the mechanical and multi-point locking system (door handles and lockset mechanisms). Timely and proper cleaning of hinges and a multi-point locking system will help to extend the finish appearance (and mechanical mechanisms) and discourage the possibility of rust and corrosion. Hinges and a multi-point locking system (door handles and lockset) should be wiped down periodically with a soft, water-dampened cloth and dried off with a soft dry cloth. Abrasive cleaners or other harsh chemicals should never be used on hinges or a multi-point locking system (door handles and lockset). Maintenance of the finish (and mechanical mechanisms) is the responsibility of the Warranty Holder.
- The mechanical mechanism on hinges installed within 5 miles of a body of salt water.
- The mechanical and locking mechanism on the multi-point locking system if the Product is installed within (5) miles of a body of salt water or installed on any steel Products. The Warranty Holder is responsible for maintaining the mechanical features of hinges and the multi-point locking system in the same manner as noted in the 3rd bullet above. Therma-Tru does not recommend the use of multi-point locking systems with steel Products. If any multi-point locking system is used with steel Products, its use is "AS IS" WITH NO WARRANTIES.
- EXPRESS OR IMPLIED WARRANTIES, INCLUDING NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND THE OTHER PROVISIONS OF SECTIONS 4 AND 5 OF THIS LIMITED WARRANTY APPLY.
- Negligence; improper use; incorrect installation or finishing (with stain, paint, or varnish, or in any manner); lack of maintenance (including failure to properly maintain finish, see "NOTES ABOUT TIMELY FINISHING OF DOOR SYSTEMS" above); or operation inconsistent with Therma-Tru® recommendations and written instructions that are generally available in Therma-Tru Product Manual as updated by bulletins or other written communications, or on the Therma-Tru website at www.thermatru.com. STEEL PRODUCTS, PARTICULARLY THOSE INSTALLED WITHIN FIVE (5) MILES OF A BODY OF SALT WATER, REQUIRE PROMPT AND CAREFUL INITIAL FINISHING AND MAINTENANCE BY THE WARRANTY HOLDER, INCLUDING PERIODIC CLEANING, FINISHING, AND REFINISHING, AND OTHER REPAIRS in accordance with Therma-Tru's above referenced recommendations and written instructions.
- Improper pre-installation storage, including inadequate shelter or inadequate venting of shipping wrap in humid locations.
- Misapplication of Products or faulty building design or construction, including inadequate flashings, caulking, building settlement, or structural failures of walls or foundations, or inadequate overhangs.
- Installation in locations or a manner that exceeds or deviates from Product design standards and/or testing and certified performance specifications, and/or not in compliance with building codes.
- Product reinstalled after removal from its original installation, except in connection with proper and timely maintenance of components which incur normal wear and tear, such as the weatherstrip, door bottom sweep (gasket), and corner seal pads.
- Rotting, splitting, warping, swelling, or other adverse condition, of or attributed to or arising from a frame system, unless the frame system is a genuine Therma-Tru rot-resistant component part (Therma-Tru Primed Pine or Therma-Tru Oak jambs, mullions and brickmould are not Rot-Resistant components). Use of a non-Therma-Tru frame system by the Warranty Holder (or its door system dealer, distributor, builder, installer, contractor, or other agent) will not automatically void this Limited Warranty. However, while Therma-Tru recommends the use of a rot-resistant or rot-free frame, Therma-Tru does NOT warrant the performance or integrity of any third party frame product (even if the manufacturer claims that its frame product is rot-resistant or rot-free), and therefore, this Limited Warranty will not apply to Product non-conformities or damages attributed to or arising from the rotting, splitting, warping, swelling, or any other condition of a third-party frame product.
- Damages aggravated or worsened because of failure by the Warranty Holder or its agents to timely take reasonable actions to mitigate any alleged damages or failure to file a claim for alleged damages promptly and during the Warranty Period.
- Harsh natural environmental conditions, including by example from substantial exposure to sun, salt spray, or airborne pollutants; other severe conditions including exposure to harsh chemicals or solvents, such as acidic brick washes or stucco leach; or damage from vandalism, or domestic or wild animals.
- Therma-Tru does not manufacture storm doors and is not responsible for any failure of, or any damage caused to, the storm door. PVC lite frames and simulated divided lite bars are not recommended to be installed behind a storm door or to be painted dark colors, if exposed to direct sunlight. However, the use of a properly installed and properly vented storm door along with a Therma-Tru door system does not void this Limited Warranty. The Therma-Tru door system will continue to be subject to the terms and provision of this Limited Warranty.
- Labor for removing, installing, or replacing Product or components or labor for other materials that are removed, reinstalled, or refinished in conjunction with repairing or replacing the Product or component.
- Any painting, staining, scratching, or other alteration of a Therma-Tru factory-applied exterior coating surface of the Products.
- Fading, discoloration, or color change of a Therma-Tru factory-applied color coating that equals or is less than five (5) Delta E units, calculated in accordance with ASTM E 308-85, ASTM E 805-81 and ASTM D 2244-85, effective on the date the Product is manufactured, and which covers less than a material portion of the exterior of the Product. Color change will be measured on an exposed color surface of the Product that has been properly maintained and cleaned of soils, and the corresponding values measured on the original or unexposed color surface. Non-uniform fading or color change is a natural occurrence if the exterior surfaces of the Product are not equally exposed to the sun and other environmental conditions.
- Products not installed in the USA or Canada.

b) GLASS:

- Minor variations in glass color or imperfections that do not affect the structural integrity of the glass or do not permanently and materially obstruct vision from moisture formation between the panes.
- Glass covered with aftermarket window films.
- Accidental glass breakage, including by example caused by debris or foreign objects striking the glass, or breakage that may occur under conditions exceeding the Product's performance parameters.
- Condensation, frost, or mold resulting from humidity within the building and interior/exterior temperature differentials. Note: There is no such thing as a "condensation-free" window in high-humidity conditions. Controlling the amount of moisture in your home is the most effective action you can take to avoid condensation.
- Stresses from localized heat which cause excessive temperature differentials over the glass.
- Post-manufacture dissipation of inert gases (as argon) or the amount of gas in Products with inert gas-filled insulating glass.
- Scratches or other imperfections, unless readily observable more than 4 feet away.
- Any sound that occurs from decorative grids striking the glass due to vibrations from daily use or outside traffic is not considered an imperfection, nor is the grid touching the glass (primarily in triple-pane window units) considered a defect.

- Mineral deposits.
- The alteration or application of any aftermarket films, coatings, tints, or other similar products not originally supplied by Therma-Tru will void this Limited Warranty.

c) **ADDITIONAL LIMITATIONS, EXCLUSIONS AND CONSIDERATIONS:**

- This Limited Warranty does not guarantee safety for persons or property, nor make a premises hurricane-proof or impact-proof. Follow weather and news reports in order to assess severe weather situations, and obey local authorities' shelter and evacuation orders.
- This Limited Warranty does not cover damage attributable to or caused by acts of God that include, but are not limited to, stresses, high winds, floods, fire and other conditions that exceed Product designs and testing specifications that are test evaluated and certified as referenced in Therma-Tru's published literature. CERTIFICATION APPROVAL, RATING AND REFERENCES TO OTHER PERFORMANCE STANDARDS MEAN THAT THE PRODUCT MEETS THE ESTABLISHED SPECIFICATION PARAMETERS OF THE CERTIFICATION PROCESS OR STANDARD TESTING AT THE TIME THE PRODUCT IS MANUFACTURED. However, with exposure over time to environmental conditions, including by example high-wind events and other forces of nature, the Product will be subjected to normal and abnormal wear, and its performance capability may change. It is the Warranty Holder's (and its building agents) responsibility to consult local building code laws, and the certification and rating agencies published materials and websites for guidelines on the standards necessary to meet all regulations and codes in the area where the Product will be installed.
- Product features designed to help address pressurization of a building during high-wind or other severe storm events are not a guarantee against water and air infiltration, and Therma-Tru is not responsible for claims or damages caused by water or air infiltration of Product.
- Product selection is the sole responsibility of the Warranty Holder and its building agents, not Therma-Tru.
- Damage from failure to inspect Product following each high-wind or impact event is not covered under this Limited Warranty.
- This Limited Warranty will be void if the Product rusts due to reasons other than non-conformities in material and workmanship, including without limitation rusting (on steel Products) arising from misuse, abrasions, environmental conditions, solvents, corrosives, salts, chemicals, excessive moisture, or any other damage due to normal wear and tear that could have been addressed by routine, timely, and proper initial finishing or periodic corrective maintenance.

3. THIS LIMITED WARRANTY'S EXCLUSIVE REMEDY

If the Product or any components fail to meet this Limited Warranty, Therma-Tru's sole obligation is to either (as Therma-Tru elects):

- Repair the component(s) (color and graining matching not guaranteed), or
- Provide replacement component(s) to the Warranty Holder or Therma-Tru's dealer designated (color and graining matching not guaranteed), or
- Refund the Warranty Holder's purchase price (the lesser of the original Product/component purchase price or the original catalog list price).

Repaired or replaced components are warranted only on the same terms and for the remainder of the Warranty Period. Therma-Tru reserves the right to discontinue or change any Product. If the Product or component is not available, Therma-Tru may select and provide a replacement Product or component of equal quality and price. This is the Warranty Holder's sole and exclusive remedy for the Product under this Limited Warranty. By example but not limitation, this Limited Warranty does not cover any of the following costs and expenses: (i) labor for removing, reinstalling, refinishing Product (or other materials that are removed, reinstalled, or refinished to repair or replace the Product); (ii) shipping/freight expenses to return the Product to Therma-Tru; (iii) normal maintenance; (iv) consequential, special, or indirect losses or damages of any kind.

4. DISCLAIMER OF WARRANTIES

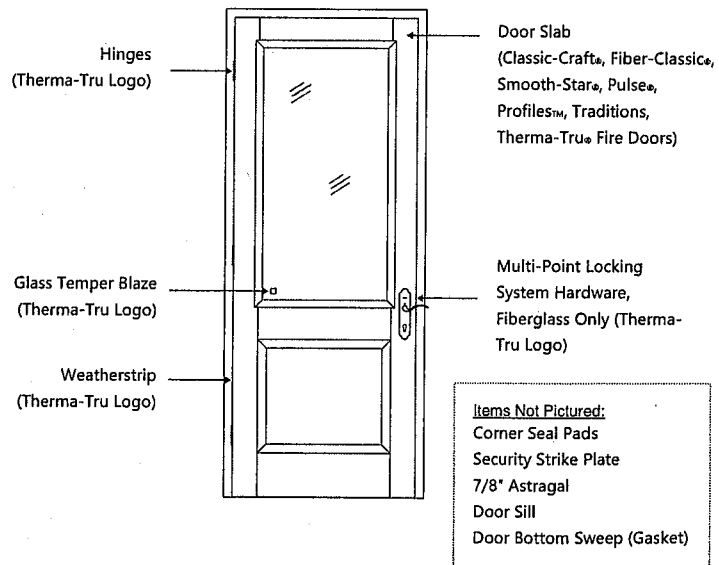
THIS LIMITED WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT THAT ANY IMPLIED WARRANTIES MAY NONETHELESS EXIST BY OPERATION OF LAW, SUCH WARRANTIES ARE LIMITED TO THE DURATION PROVIDED BY LAW. SOME STATES/PROVINCES/TERRITORIES DO NOT ALLOW LIMITATIONS ON HOW LONG AN

IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATIONS MAY NOT APPLY. THERMA-TRU DOES NOT AUTHORIZE ANYONE TO CREATE FOR IT ANY OBLIGATION OR LIABILITY IN CONNECTION WITH PRODUCTS.

5. LIMITATION OF LIABILITY

THERMA-TRU'S SOLE LIABILITY UNDER THIS LIMITED WARRANTY IS REPLACEMENT, REPAIR, OR REFUND OF THE PURCHASE PRICE AS SET FORTH ABOVE. IN NO EVENT WILL THERMA-TRU BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGE OF ANY KIND TO A PREMISES, LOSS OF PRODUCT USE, REINSTALLATION, LABOR, REMOVAL, REFINISHING, TEMPORARY/PERMANENT RELOCATION OF RESIDENTS OR PROPERTY, LOSS OF PROFITS/REVENUE, INTEREST, LOST GOODWILL, WORK STOPPAGE, IMPAIRMENT OF OTHER GOODS OR WORK, INCREASED OPERATING EXPENSES, EMOTIONAL DISTRESS CLAIMS OR CLAIMS OF THIRD PARTIES FOR SUCH DAMAGES, WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING BUT NOT LIMITED TO, STRICT LIABILITY OR NEGLIGENCE OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES). SOME STATES/PROVINCES/TERRITORIES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY. THIS LIMITED WARRANTY PROVIDES SPECIFIC LEGAL RIGHTS, BUT THE WARRANTY HOLDER MAY HAVE OTHER RIGHTS WHICH VARY BY LOCATION. IF THIS LIMITED WARRANTY IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, IN NO EVENT WILL THERMA-TRU'S ENTIRE LIABILITY EXCEED THE LESSER OF THE PRODUCT'S OR THE NON-CONFORMING COMPONENT'S PURCHASE PRICE.

**Therma-Tru Door System Genuine
Component Part Identification**



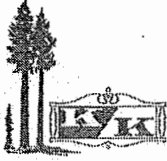
6. CLAIMS

Claims must be initiated during the Warranty Period. To initiate a claim, please contact the builder, dealer, or contractor who installed or sold the Product. If that party is unknown or unreachable, contact Therma-Tru Corp., 1750 Indian Wood Circle, Maumee, Ohio 43537 at 1-800-537-5322 or at www.thermatru.com. Claimant will be required to provide proof of premise ownership and the date of Product purchase and may be required to return the Product or component to Therma-Tru (at Claimant's expense).

Note: This Limited Warranty applies only to Products purchased and installed in the USA or Canada. For Products purchased or installed outside the USA or Canada, Therma-Tru disclaims any and all warranties of any kind, express or implied, by operation of law or otherwise, and any and all liability for damages of any kind.

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Effective January 1, 2015



Kolbe & Kolbe Millwork Co., Inc.
EXPRESS LIMITED WARRANTY FOR WINDOW AND DOOR PRODUCTS



Kolbe & Kolbe Millwork Co., Inc. (hereinafter referred to as "Kolbe"), warrants that, if installed, finished, maintained and operated in accordance with Kolbe's instructions, non-vinyl WINDOW and DOOR products manufactured by Kolbe (with the exception of special items and products for which there is no warranty) shall be free from defects in material and workmanship that would render them unserviceable or unfit for the ordinary use for which each window or door is manufactured, for a period of TEN (10) YEARS from the date of shipment by Kolbe.

As to Kolbe's PVC Vinyl Products line, Kolbe warrants that the (PVC vinyl) frame and sash parts on its vinyl windows and doors will not, for the LIFE of the structure into which the product is installed, warp, distort or split such that it would negatively affect operation or appearance under ordinary conditions as a result of manufacturing defects in the extrusions. Field painting or staining and/or exposure to unusual temperature situations will void this warranty with respect to such parts on vinyl units.

In the event of a defect in material or workmanship, which is covered by this Express Limited Warranty, Kolbe reserves the right, at its option, to determine the best method needed to correct the situation as follows: (1) provide part/product to repair or replace any window/door in whatever stage of fitting and/or finishing it was in when originally supplied by Kolbe (all replacement parts will be pursuant to the standards and/or specifications in effect at time of claim and not at the time of original manufacture), or (2) refund the price received by Kolbe for any window/door. Labor is not covered under this warranty. The Warranty for replacement products (including upgrades thereto) furnished pursuant to this Warranty will be limited to the remainder of the warranty period of the original product.

This Warranty is extended to all first end users of Kolbe products and is transferable to subsequent end users for the remainder of the stated Warranty period for the products as installed in the original structure. This Warranty applies only if the Kolbe products are installed in a structure located within the United States of America or Canada. It applies only to products as originally installed and does not apply to any tear outs or reinstallations. Should Kolbe determine that a replacement part or product is warranted, it may request return of the original item at issue.

This warranty is not meant to cover the items of glass/insulated glass and/or the prefinishing of Kolbe products. These items are covered by their own warranties. Also, please refer to the section on OTHER EXCLUDED ITEMS for mention of hardware and other items not covered herein.

WARRANTY EXCLUSIONS AND LIMITATIONS

Kolbe does not warrant any of the following:

- (a) Unsatisfactory service or appearance of the product caused by failure to follow the standard handling, job finishing, installation instructions and maintenance requirements,
- (b) Condensation, frost and/or mold on exposed surfaces (condensation, frost and/or mold is not a defect in the product, but a result of excessive humidity),
- (c) Decomposition of wood as a result of moisture penetration if caused by condensation or lack of maintenance,
- (d) The appearance of field finished windows/doors,
- (e) Normal wear or discoloration of finishes, including, but not limited to, the tarnishing of brass and/or oil-rubbed finishes,
- (f) Natural variations in the color or texture of wood,
- (g) Any special product or item which is manufactured according to specifications provided by the customer, its agents or representatives (see the following paragraph titled "Special Items and Products"),
- (h) Any 1-1/8" or 1-3/8" thick door,
- (i) Product performance in the event the product has been modified/ordered in any way from the product as tested and/or certified, such as, for example, a door unit without a multi-point locking system,
- (j) Panel shrinkage in a door,
- (k) Cutting into mortise and tenon joints and/or door dowels,
- (l) Surface grain separation or "checking" of door panels,
- (m) Custom doors of any style, species, size and quantity are excluded from this Warranty under the provision herein on Special Items and Products,
- (n) Any door slab that contains a panel (not including Ultra clad to the exterior door panels), whether flat or raised panel, shall be limited to a period of one (1) year under this warranty, allowing for other exclusions herein,
- (o) Door unit performance when supplied with optional oak and/or mahogany sills, handicap sills and accessories, adjustable sills, and/or any sill other than our standard weep sill, or outswing bumper sill,
- (p) Warping of: (1) Doors that are improperly hung and/or do not swing freely. (2) 1-3/4" or thicker doors that are wider than 3'6" or higher than 7'0". Hinged doors that do not exceed 3'0" in width and 8'0" in height will be covered under this Warranty provided that: (a) the door panel(s) must be factory ordered with our KPII primer on the interior and/or immediately field interior finished/sealed, and (b) also ordered with our K-Kron II finish and/or KPII primer on the exterior (clad doors are covered as they are exterior protected), and (c) use our 3-point/5-point locking system, and (d) a 3/8" warp tolerance is allowed. (3) Door panels that do not exceed 3'0" in width and 8'0" in height must be interior primed, be exterior factory K-Kron'd, or be clad, and must have a 3-point/5-point locking system to be covered. (4) Door panels that are 3'6" x 7'0" or less are covered without having to be factory interior primed, exterior K-Kron'd or clad, or having our 3-point/5-point locking system. (5) Action on any claim for warp may be deferred, at the option of Kolbe, for a period not to exceed twelve (12) months from the date of the claim. If a door/sash has been installed prior to such claim being made, the door/sash must remain hung in the original installation during the period of deferment to permit conditioning to humidity and temperature,
- (q) Any product installed in structures that do not allow for proper management or drainage of moisture such as Exterior Insulation and Finish Systems (EIFS), also known as "Synthetic Stucco", and/or other barrier types of construction,

(r) Environmental conditions or use exceeding design standards,

(s) Corrosion, wear or failure of standard hardware, in seacoast high salt concentration areas and/or other highly corrosive environments (Corrosion resistant hardware is available as an option. High salt concentration areas include but are not limited to 5,000 feet from a sea shoreline at mean high tide and/or other salt water source and/or pool enclosures with a high chlorine atmosphere.),

(t) Products which have non-Kolbe products milled/attached to them and/or field-milled units if not milled to Kolbe's specifications,

(u) Excessive lock bore/route sizes will void door warranty regarding stile cracking and or warping.

THIS EXPRESS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTIES THAT EXTEND BEYOND THIS EXPRESS LIMITED WARRANTY. KOLBE DOES NOT WARRANT ANY SPECIAL PRODUCT OR ITEM WHICH IS MANUFACTURED ACCORDING TO SPECIFICATIONS PROVIDED BY THE CUSTOMER, ITS AGENTS OR REPRESENTATIVES. UNDER NO CIRCUMSTANCES WILL KOLBE BE LIABLE FOR ANY COSTS OF SHIPPING, TAXES, LABOR FOR DISASSEMBLY, REMOVAL OR REINSTALLATION OF THE PRODUCT OR ANY PART, INCLUDING THE INSULATING GLASS, PAINTING (EXCEPT AS PROVIDED BY THIS WARRANTY), STAINING OR ANY OTHER ACTIVITY NECESSARY IN FINISHING THE REINSTALLATION OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOSS TO OTHER PROPERTY. THE REMEDIES PROVIDED UNDER THIS EXPRESS LIMITED WARRANTY ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES AT LAW OR EQUITY.

OTHER EXCLUDED ITEMS

There are numerous components used in our products which are covered by their manufacturers' separate warranties. These include, but are not limited to, such items as electric operators, fiberglass screen cloth, numerous hardware items such as mechanical parts of locks and window operators/locks, fiberglass doors and Kolbe Advantage Interior Doors. Kolbe will provide copies of these warranties upon request.

DOOR ALLOWABLE TOLERANCES

Warp shall not be considered a defect unless it exceeds 1/4" in the plane of the door itself for doors up to 3'6" x 7'0" and/or 3/8" for doors over 3'6" x 7'0". Warp is any distortion in the door itself, and does not refer to the relation of the door to the frame or jamb in which it is hung. The term warp shall include bow, cup and twist, and shall be measured by placing a straightedge, taut wire or string on the suspected concave face of the door at any angle (i.e. horizontally, vertically, diagonally), with the door in its installed position. The measurement of bow, cup and twist shall be made at the point of maximum distance between the bottom of the straightedge, taut wire or string and the face of the door.

SPECIAL ITEMS AND PRODUCTS

A "Special Item" or "Special Product" is an item or product manufactured by Kolbe to meet the specific requirements of a customer or construction project and which does not conform in every respect to Kolbe's standard manufacturing specifications. Representation in product literature does not qualify products for non-special/standard status. Special items and products also include items manufactured for special or unique uses or are designated as such prior to or at the time of the acceptance of a purchase order wherein Kolbe disclaims existence of a warranty to the purchaser as part of the purchase contract. Kolbe does not warrant or guarantee any such items or products, nor is any such item or product warranted or guaranteed to meet any specific window/door test. Under the circumstances, Kolbe will not assume responsibility in any respect for these items or products with respect to either their operation or function. Because of the variety of items and products customers request Kolbe to make, Kolbe cannot foresee how each of these units will perform when installed at various construction and job site projects.

LIFT & SLIDE AND EXTERIOR FOLDING DOORS

Kolbe's Lift & Slide and/or exterior folding doors are covered under this Limited Product Warranty, Kolbe's Limited Glass Warranty, and Kolbe's Limited Prefinish Warranty. Exceptions to the application of Kolbe's warranties include, but are not limited to, the following: (a) Meeting of local building code requirements is the customers responsibility; (b) All Lift & Slide doors and/or exterior folding doors are custom made and may be of very large sizes that may exert limits on materials such as glass due to the size. For example, minor glass imperfections inherent in large pieces of tempered glass are not considered defects and are excluded from this warranty; (c) Prefinish of the product for protection of all wood components must be performed immediately upon arrival of the product to the job site; and (d) Installation is of critical importance to the operation and function of these units. Not following Kolbe's suggested installation instructions/maintenance/finishing instructions will void this warranty. It's the customer's responsibility to determine weather conditions, water drainage methods, and the structural integrity of the residence for this type of product.

PROCEDURE FOR CUSTOMER TO FOLLOW IN SEEKING PERFORMANCE UNDER THIS LIMITED WARRANTY

Written notice of any claim under this Warranty must be given to Kolbe & Kolbe Millwork Co., Inc., 1323 S. Eleventh Avenue, Wausau, Wisconsin 54401-5998, within thirty (30) days of discovery, and in any event, within the above stated Warranty period. No warranty shall apply in the absence of such notice. After receipt of notice, a representative of Kolbe, or a representative of Kolbe's Distributor or Dealer, will examine the claim and advise the customer concerning its disposition. Kolbe shall not be liable for any product repaired or replaced without its prior written consent.

NOTICE OF RIGHTS

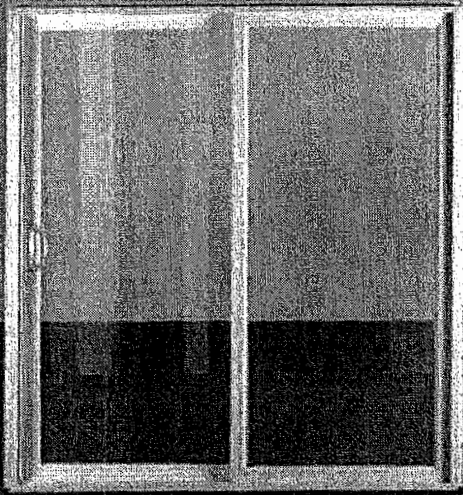
Some states do not allow limitation on how long an implied warranty lasts, and some states do not allow the exclusion or limitation of incidental or consequential damages, so these limitations or exclusions may not apply to you. This Warranty gives you specific legal rights and you may also have other rights, which may vary from state to state. No customer, distributor, salesperson, dealer, retailer or other representative of Kolbe has the authority to alter or change these warranties either orally or in writing.

MEDIATION AND ARBITRATION

In the event of any disagreement or dispute between Kolbe and any customer relating to this Warranty, any agreement between Kolbe and a customer, any Kolbe product or any dealings between Kolbe and a customer, or any claims under state or federal law, the parties shall submit such disagreement or dispute initially to mediation. If they are unable to resolve the disagreement or dispute by mediation, the matter will be submitted to binding arbitration pursuant to the rules of the American Arbitration Association or another similar association or service mutually agreeable to the parties. The mediation and arbitration shall be carried out in Wausau, Wisconsin and judgment upon the award rendered pursuant to such proceeding may be entered in any court having jurisdiction thereof.

GOVERNING LAW

This Express Limited Warranty shall be governed by and construed in accordance with the laws of the State of Wisconsin.



1500 Vinyl Collection

Patio Door

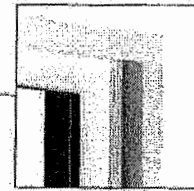
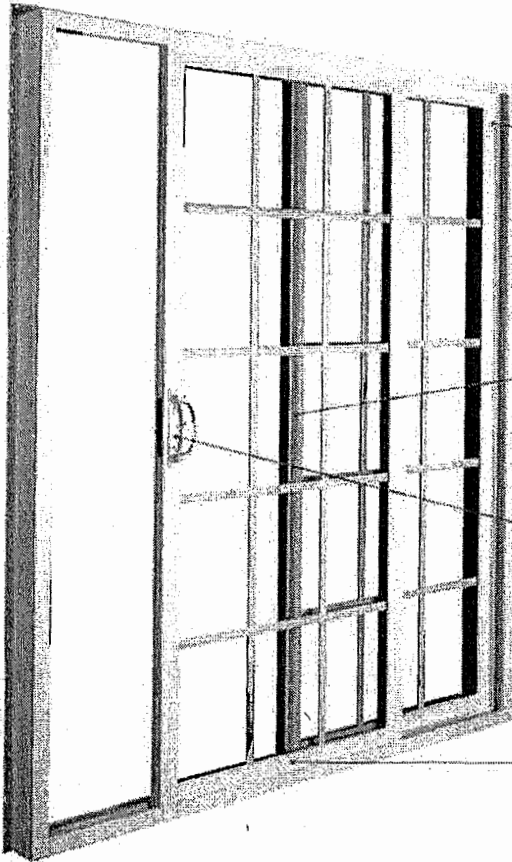


Dramatic Entry

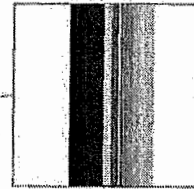
Our 1500 Vinyl Collection Sliding Patio Doors are available with matching fixed panel, side lites, transoms and segmented transoms.



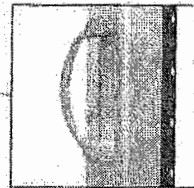
Home Innovation
NGS GREEN CERTIFIED



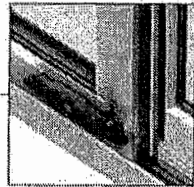
Sturdy Construction
Multi-chamber construction with fusion-welded corners and pre-punched nail fin. Full perimeter weatherstripping ensures tight seal.



Interlocking Panels
Self-centering interlock satisfies forced entry requirements.



Durable Hardware
Powder-coated handles resist scratches and fading. Exterior handles available with or without keyed lock.



Smooth Operation
Adjustable rollers ensure smooth operation; durable aluminum threshold and sill track.

Product Type	Test Unit Size (inches)	Overall Rating	Air Infiltration (scfm/ft2)	Water Pressure (psf)	Structural Pressure (psf)	Florida FL Number
Sliding Patio Door	95.5 X 95.5	SGD-R35	0.09	6.00 psf	+35/-35	15297.3
Sliding Patio Door	71.5 X 95.5	SGD-R40	0.09	6.00 psf	+40/-40	15297.3
Sliding Patio Door	71.5 X 81.5	SGD-R50	0.09	7.50 psf	+50/-55	15297.3

Color options



Grille types *Also available with no grilles



GBG Grilles
3/4" Flat 1/8" or 1" Spigots



SDL Grilles
7/8" or 1 1/8" HPL with Spigots

Glass options Compare U-Factor ratings

All values 8.6mm glass. Warm Edge Spacers, no fillers.

Low-E



1/4" Low-E	.33	SHGC .29
One lite of Low-E		
1/4" Low-E ^{SG}	.33	SHGC .23
One lite of solar control Low-E		
1/4" Low-E2+	.28	SHGC .28
One lite of Low-E2+ and one lite of interior Surface Low-E		

Low-E with Argon



1/4" HP	.30	SHGC .29
One lite of Low-E with argon		
1/4" HP ^{SG}	.29	SHGC .22
One lite of solar control Low-E with argon		
1/4" HP2+	.26	SHGC .28
One lite of Low-E2+ and one lite of interior Surface Low-E with argon		

Triple-Glazed



1/4" HP2 ^{SG}	.25	SHGC .25
Two lites of Low-E with two lites of argon		
1/4" HP3 ^{SG}	.23	SHGC .22
Two lites of Low-E with two lites of argon and one lite of interior Surface Low-E		
1" HP3 ^{SG}	.21	SHGC .22
Two lites of Low-E with two lites of argon and one lite of interior Surface Low-E		

WINDOWS & PATIO DOORS CONSUMER LIFETIME LIMITED WARRANTY

I. DESCRIPTION OF LIMITED WARRANTY

Ply Gem Windows does hereby provide the following limited warranty with respect to the Vinyl Window, subject to the terms, conditions and limitations set forth herein.

A. VINYL COMPONENTS LIFETIME LIMITED WARRANTY

All Vinyl Components of the Vinyl Window are warranted during the lifetime of the Original Homeowner (defined in Section II below) to be free of any defects in material and workmanship and to be free from peeling, flaking, and blistering, under normal use and proper care. Ply Gem Windows obligation under this limited warranty shall be limited to providing to the Original Homeowner replacement Vinyl Components (or any component part thereof) for those Vinyl Components (or any component part thereof), which are determined to be defective by Ply Gem Windows. Ply Gem Windows shall supply to the Original Homeowner, free of charge, the replacement Vinyl Components. Ply Gem Windows is not responsible for installing the replacement Vinyl Components nor for any costs incurred by the Original Homeowner in removing the defective Vinyl Components. The replacement Vinyl Components may vary slightly in color or gloss in comparison to the original Vinyl Components. Ply Gem Windows shall not be responsible or liable as a result of such variance.

B. 2 YEAR HARDWARE LIMITED WARRANTY

Ply Gem Windows also warrants that the metal and vinyl hardware components in Ply Gem Windows products will be free from manufacturing defects for a period of two (2) years from the date of manufacture. This warranty is for the benefit of the Original Homeowner who purchased the product and resides in the home and may not be transferred. Defective Ply Gem Windows hardware (including locks, balances and handle sets) that fails during the warranty period will be furnished by Ply Gem Windows without charge. Freight and installation will be at homeowner's expense.

C. 20 YEAR INSULATED GLASS LIMITED WARRANTY

Ply Gem Windows also warrants the Ply Gem Windows' Insulating Glass will be free from moisture infiltration between the two pieces of glass for 20 years from date of manufacture. This warranty is for the benefit of the Original Homeowner who purchased the product and resides in the home, and may not be transferred. If condensation appears between the two pieces of glass within years 1-10, Ply Gem Windows will furnish replacement glass without charge. Freight and installation will be at homeowner's expense. If condensation appears within years 11-20, Ply Gem Windows will furnish replacement glass at 50% of the current list price. Freight and installation will be at homeowner's expense. Condensation on the interior surfaces of the Insulated Glass (surfaces exposed to the interior of the dwelling only, not between the panes), which may occur as a natural result of humidity within the house or building area and interior/exterior temperature differential, does not indicate a defect in the Insulated Glass and is not covered by this limited warranty. Any films applied to the Insulated Glass, will void any and all warranties.

D. 1 YEAR GLASS DEFECT LIMITED WARRANTY

Ply Gem Windows warrants against glass scratches, in the insulated unit, spots and stress cracks, for a period of one (1) year from date of manufacture. Not to include any abuse, mishandling, vandalism, wrongful leaning, improper care and or acts of God causing damage to the glass. For the purposes hereof, the Insulated Glass shall not be considered defective unless the reported defects contained in the Insulated Glass

warrant these imperfections allowable in accordance with Specification ASTM 1036 and 1048 for heat treated or tempered glass, as maybe amended from time to time. Freight and installation will be at homeowner's expense.

II. LIMITATION ON WARRANTIES & ADDITIONAL TERMS & CONDITIONS

The limited warranty covers only the Original Homeowner of the Vinyl Window provided that: (i) such Homeowner is an individual and (ii) the Original Homeowner uses the Vinyl Window in residential property owned by said Original Homeowner (herein referred to as the "Original Homeowner"). Accordingly, this limited warranty does not provide remedies for Vinyl Windows installed upon any property other than a residential dwelling owned by the Original Homeowner. Accordingly, Vinyl Windows installed upon commercial property, schools, apartment buildings, or cooperative housing arrangements, are specifically excluded from remedies provided by this warranty. All sales, however, are subject to time exclusions set out below. Ply Gem Windows' obligation under this limited warranty is conditioned upon the normal use and proper care of the Vinyl Window by the Original Homeowner and the proper installation thereof. The Original Homeowner's sole remedy for a covered defect is as specifically set forth herein, and Ply Gem Windows shall not be liable for any incidental or consequential damages arising out of said defect or the use or inability to use the product. Under no circumstances will Ply Gem Windows be liable for damages including, but not limited to, damage or loss of other property or equipment, or for the cost of removing, installing or reinstalling any replacement part or parts furnished here under. In the event the defective parts(s) are not available for whatever reason, Ply Gem Windows reserves the right to replace any of the defective parts with replacement parts of substantially equal quality. None of the above warranties applies to products that have not been installed per Manufacturer's installation recommendations or finished properly. Products that have been altered, modified or subjected to unauthorized repair, including but not limited to, products to which films have been applied, paint applied to vinyl components or non-standard parts have been added to, shall be deemed out of warranty. None of the above warranties cover normal wear or product failure caused by accident, abuse (including the use of corrosive or abrasive products) or acts of God. The foregoing warranty does not apply to the product's normal deterioration, accidents, acts of God, fire, mishandling, acts of nature, chemical pollutants in the atmosphere, improper care, glass breakage, ripped, torn, punctured or creased screens for any cause whatsoever, vandalism, misuse, abuse, neglect, use of harmful cleaning components, installation other than as recommended by Ply Gem Windows or any other cause or damage beyond the control of Ply Gem Windows. This warranty gives you specific legal rights and you may also have other rights that vary from state to state. Enforceability of this warranty is limited to the Original Homeowner. Ply Gem Windows reserves the right to discontinue or make changes in any of its products, including color changes in its vinyl product line. In the event the products covered by these warranties are not available, Ply Gem Windows reserves the right to substitute a product or component that, in Ply Gem Windows' sole discretion, is of equal quality or price. The Dealer is not authorized to change or add to this warranty. Proof of purchase must be supplied before warranty work is performed.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. PLY GEM WINDOWS EXPRESSLY EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PLY GEM WINDOWS EXPRESSLY EXCLUDES RESPONSIBILITY FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES. THESE EXPRESS EXCLUSIONS APPLY TO ALL SALES OF PLY GEM WINDOWS, WHETHER INSTALLED IN RESIDENTIAL OR COMMERCIAL BUILDINGS.

HOW TO MAKE A WARRANTY CLAIM

To make a warranty claim write to the address on this warranty describing the product and the product failure, including the date and place where you purchased the product. The claim must be made within 30 days after the product failure occurred. Ply Gem Windows reserves the right to inspect any product that is the subject of a warranty claim before honoring the claim.

To assure full warranty benefits, please complete and mail this card. The information will help us process warranty claims smoothly, and provide us with important marketing information on our valued customers.

HOMEOWNER INFORMATION

Name _____
Street _____
City _____ State _____ Zip _____
Phone _____

BUILDER INFORMATION

Name _____
Street _____
City _____ State _____ Zip _____
Phone _____
Date of Installation _____

Is this your first purchase of Ply Gem Windows products?

Yes No

Type of project:

New Construction
 Remodel/Room Addition
 Window Replacement

How old is your house: _____ years

Square Footage of Your Home:

Less than 1,800 1,801-2,500
 2,501-3,500 Over 3,500

Product Style(s) Purchased: (Check all that apply)

Single Hung Casements Round/Elliptical Tops
 Double Hung Awnings Special Shapes
 Sliding Window Patio Door

Glass Type: (Check all that apply)

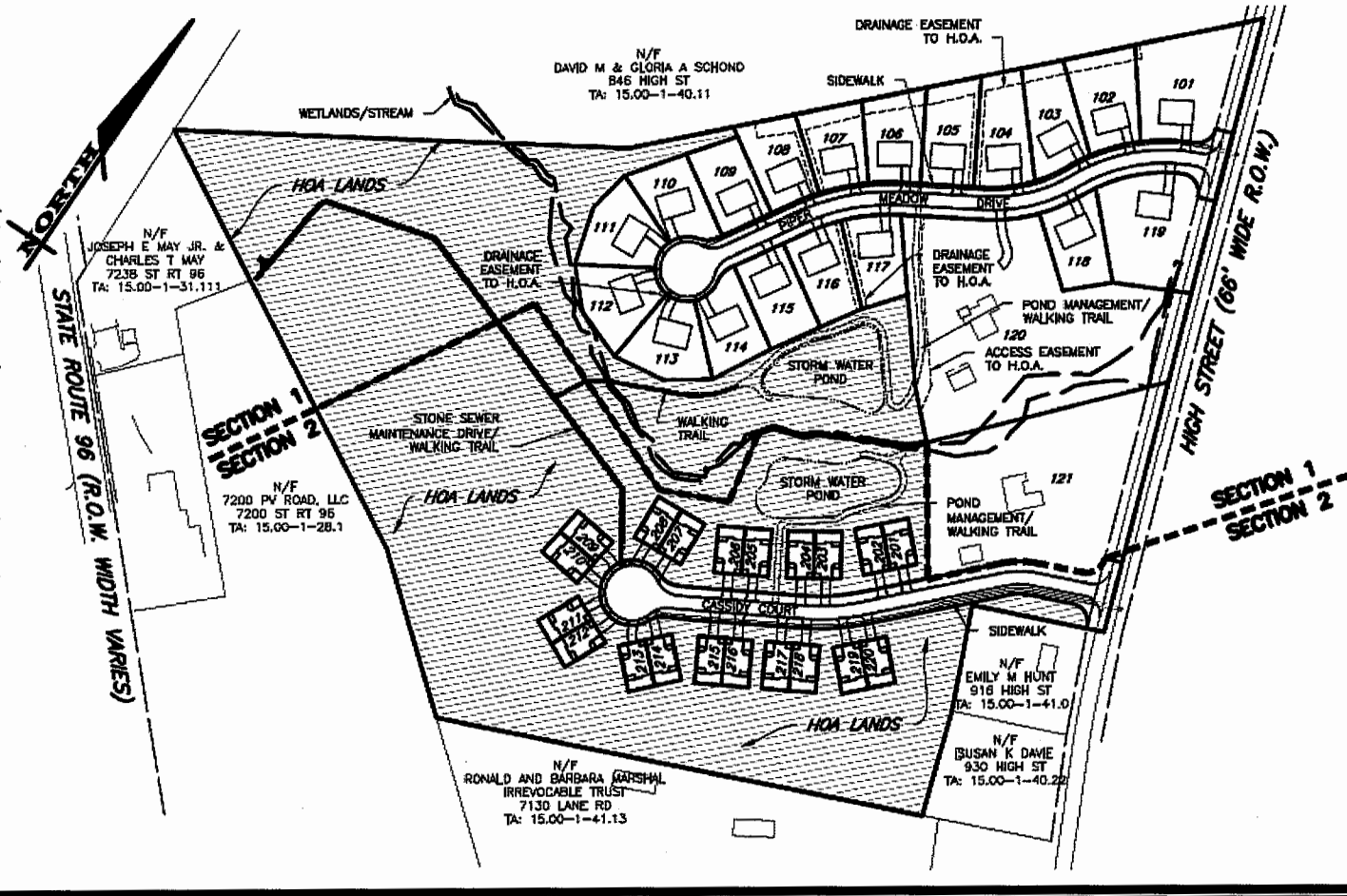
Clear Glass HP Glass Obscure
 Low-E HP^{sc} Glass Tempered
 Low-E^{sc} Tinted GBG

Why Did You Select Ply Gem Windows Products? (Check all that apply)

Advertisements Price
 Product Variety Low Maintenance
 Warranty Overall Quality
 Builder's Decision Style/Aesthetics
 Energy Efficiency Recommended by Dealer

71.26

File: Z:\Engineering\Job Files\0816-18\Drawings\Temporary - Concept\Overall Plan For HOA.dwg, Plot Date: 3/13/2020, By: COLE PASIENZA



Site Plan

TITLE:

OVERALL PLAN

PIPER MEADOWS SUBDIVISION

NOTE:
BUILDINGS SHOWN ARE REPRESENTATIVE OF THE TYPICAL BUILDING. INITIAL BUILDING LAYOUT AND CONSTRUCTION WILL BE AS AGREED UPON BY EACH INDIVIDUAL HOMEOWNER.

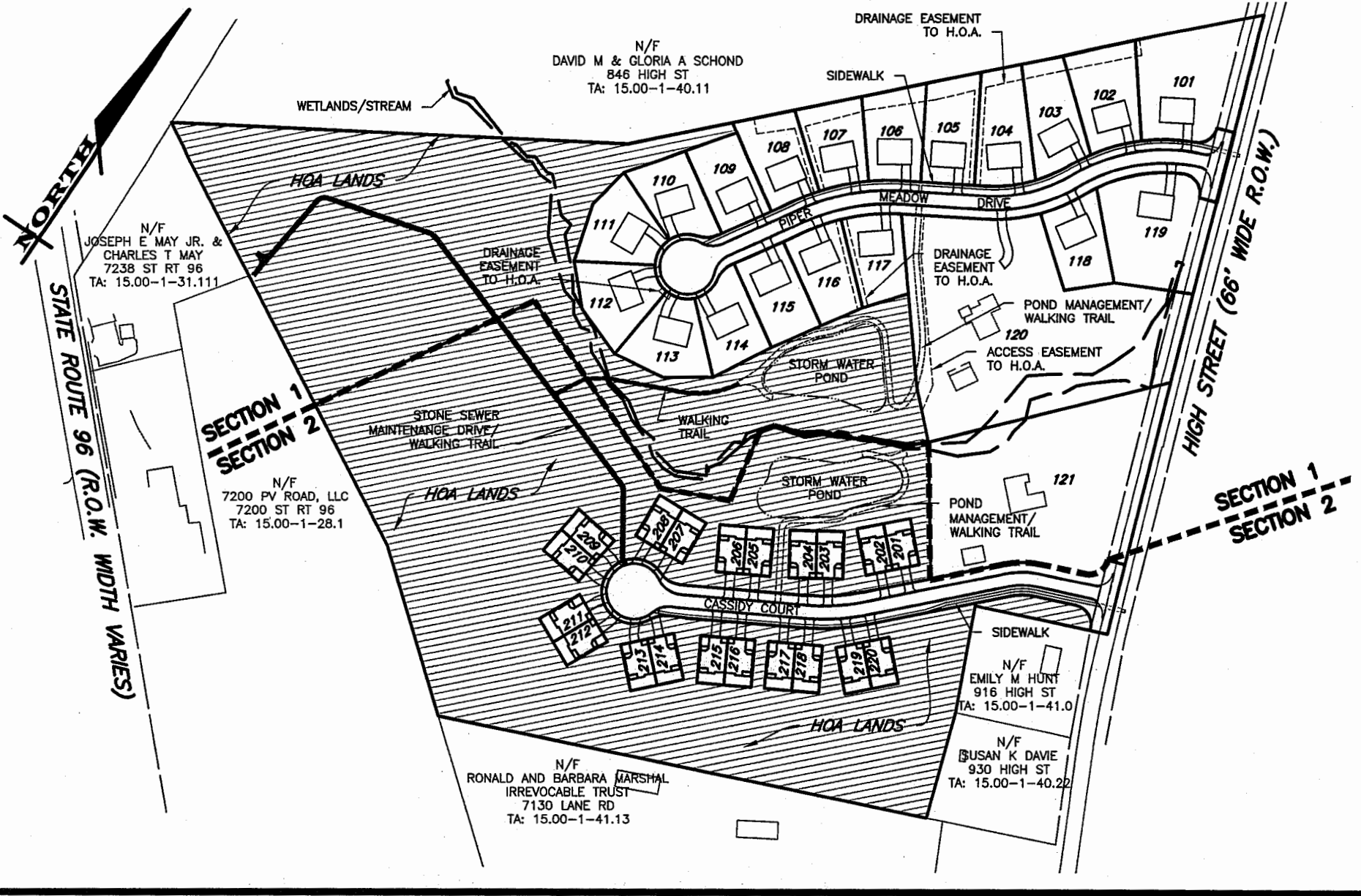
JOB NO: 0818
SCALE: 1" = 250'
DRAWN: CMP
DATE: 03/12/20

TOWN OF VICTOR ONTARIO COUNTY NEW YORK

MARATHON ENGINEERING
ROCHESTER LOCATION
 39 CASCADE DRIVE
 ROCHESTER, NY 14614
 585-450-7770
ITHACA LOCATION
 640 HARTSHAW RD, STE 12
 ITHACA, NY 14850
 607-241-2917
 www.marathoneng.com

File: Z:\Engineering\Job Files\0916-18\Drawings\Temporary - Concepts\Overall Plan For HOA.dwg, Plot Date: 3/13/2020, By: COLE PAPAISERGI

72.1



TITLE:

OVERALL PLAN

PIPER MEADOWS SUBDIVISION

NOTE:
BUILDINGS SHOWN ARE REPRESENTATIVE OF THE TYPICAL BUILDING. INITIAL BUILDING LAYOUT AND CONSTRUCTION WILL BE AS AGREED UPON BY EACH INDIVIDUAL HOMEOWNER.

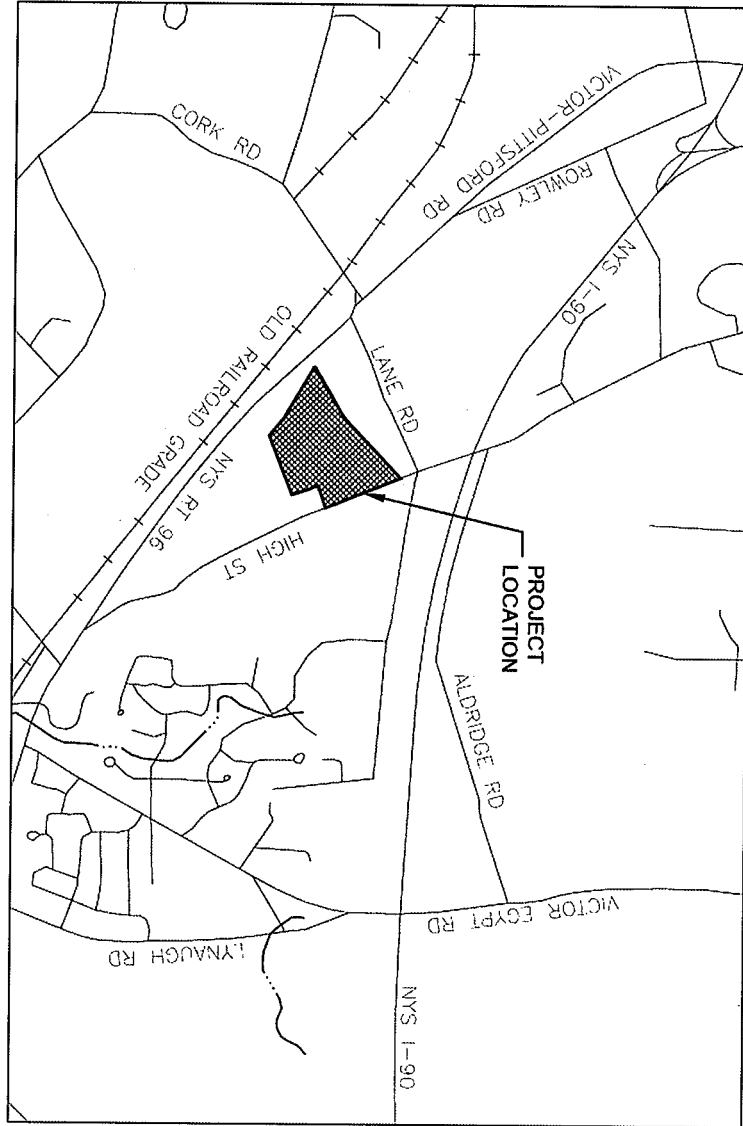
MARATHON
ENGINEERING

ROCHESTER LOCATION
39 CASCADE DRIVE
ROCHESTER, NY 14614
585-458-7770

ITHACA LOCATION
840 HANSHAW RD, STE 12
ITHACA, NY 14850
607-241-2917
www.marathonene.com

JOB NO: 0916-
SCALE: 1" = 250'
DRAWN: CMP
DATE: 03/12/20

Location Map



*** THIS SECTION IS CURRENT THROUGH CH. 45, 04/28/2003 ***
*** WITH THE EXCEPTION OF CHS. 1-3 ***

GENERAL BUSINESS LAW
ARTICLE 36-B. WARRANTIES ON SALES OF NEW HOMES
NY CLS Gen Bus § 777 (2003)

§ 777. Definitions

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed

such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777-b. Exclusion or modification of warranties

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the

exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

DECLARATION

establishing

PIPER MEADOWS ASSOCIATION, INC.

S&J MORRELL, INC.
1501 Pittsford Victor Road
Victor, New York 15464

SPONSOR

_____, 2020

DATED

WOODS OVIATT GILMAN LLP
1900 Bausch & Lomb Place
Rochester, New York 14604

ATTORNEYS FOR THE SPONSOR

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

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

THIS DECLARATION, made this ____ day of _____, 2020, by S&J Morrell, Inc., a New York corporation, which has offices at 1501 Pittsford Victor Road, Victor, New York, being hereinafter referred to as the "Sponsor".

WHEREAS, the Sponsor is the owner of the real property described in Article II of this Declaration, being Piper Meadows Subdivision, Section 2, as the same is shown on a map of said subdivision recorded in the Ontario County Clerk's Office in Liber ____ of Maps, at page ____, which the Sponsor desires to develop as a residential community with open spaces and other common facilities for the benefit of said community, and

WHEREAS, the Sponsor desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and other common facilities, and, to this end, desires to subject the real property described above to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof, and

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

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

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

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

**ARTICLE I
DEFINITIONS**

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

- A. "ASSOCIATION" shall mean and refer to the PIPER MEADOWS ASSOCIATION, INC.
- B. "ASSOCIATION PROPERTY" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by or in possession of the Association.
- C. "DECLARATION" shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens as it may from time to time be supplemented, extended or amended in the manner provided for herein.
- D. "LOT" shall mean and refer to any portion of the property (with the exception of Association Property as heretofore defined) under the scope of this Declaration and (i) identified as a separate parcel on the tax records of the Town of Victor or (ii) shown as a separate lot upon any recorded or filed subdivision map.
- E. "MEMBER" shall mean and refer to each holder of a membership interest in the Association, as such interests are set forth in Article III.
- F. "OWNER" shall mean and refer to the holder of record title, whether one (1) or more persons or entities, of the fee interest in any Lot or Townhome, whether or not such holder actually resides in such Townhome or on such Lot.
- G. "PROPERTY" shall mean and refer to all properties as are subject to this Declaration.
- H. "SPONSOR" shall mean and refer to S&J Morrell, Inc.
- I. "TOWNHOME" shall mean and refer to each completed dwelling, as evidenced by issuance of a Certificate of Occupancy by the Town of Victor, including garage, situated upon the Property or any such structure or improvement on the Property which is intended to be occupied as a residence or in conjunction with a residence.

**ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION**

Section 2.01. Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the Town of Victor, County of 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 "Property".

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

association may, by operation of law, be added to the properties, rights and obligations of this Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants, conditions and restrictions established upon any other properties. Any such merger or consolidation, however, may not result in the revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

Section 2.03. Additional Property. The Sponsor shall have the right but not the duty or obligation to incorporate and bring into and within the scheme of this Declaration additional lands by amending this Declaration. The amendment shall contain such terms and conditions reflecting the uniqueness of the additional lands and its improvements.

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

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

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

Section 3.03. Voting. There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including Lots which may be incorporated by amendment hereto, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote, regardless of the number of Lots owned. There is no other difference between the Class A and Class B membership.

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

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

In the case of an entity Owner, votes may be cast by an appropriate member, partner, or officer of such entity.

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

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

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

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

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

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

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

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

During Sponsor control, the Sponsor will not exercise veto power over the expenses in the Projected Schedule of Receipts and Expenses, nor over expenses required to (1) comply with applicable law or regulation; (2) remedy and notice of violation; (3) remedy any work order issued by an insurer; or (4) ensure the health and safety of the occupants of the building, provided such maintenance action is otherwise the obligation of the Association.

Until the Sponsor, or its designee, no longer owns a Lot then subject to this Declaration, this Section of the Declaration or any other section of the Declaration shall not be amended without the prior written consent of the Sponsor.

ARTICLE IV PROPERTY RIGHTS AND EASEMENTS

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

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

Every Member (and such Member's guests, licensees, tenants and invitees) also shall have an easement for ingress and egress by vehicle or on foot over Association Property and the common utility and conduit easements described in Section 4.06 hereof. These easements will be subject to the rights of the Association as set forth in Section 4.03 herein.

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

- (a) to promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation of the facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members;
- (b) to grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration;
- (c) to dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of the total votes of all Members who shall vote upon written ballot which shall be sent to every Owner not less than 30 days nor more than 60 days in advance of the canvass thereof. No such conveyance shall be made if lending institutions which together are first mortgagees on 33 1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees, whose names appear on the books or records of the Association, not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance;
- (d) to enter into agreements, reciprocal or otherwise, with other Homeowners' and residents' associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than ten (10) days nor more than 60 days in advance of the vote on the proposed agreement;
- (e) to use electricity for *incidental* maintenance of Association Property without charge;

- (f) Owners shall have the responsibility for watering their lawns as weather dictates.

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

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

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

Section 4.05. Rights of Individual Townhome Owners. Each Townhome Owner shall have an easement over Association Property and over the property of adjacent Townhome Owners for the performance of routine maintenance on a Townhome Owner's Townhome, provided, however, the right of entry shall be exercised upon reasonable notice to the adjoining Townhome Owner, except in the case of an emergency, shall be limited to reasonable times, and shall be exercised so as not to impair the enjoyment of the adjacent Lot. The easement area shall be limited to that area reasonably necessary to effect repairs and maintenance of the Owner's Townhome. The easement area shall be used for actual repairs and maintenance only; the storage of material, supplies and other objects associated with the work to be completed shall not be permitted. The Owner entering upon an adjacent Lot shall perform the contemplated work with dispatch, and shall be responsible for all costs for the repair and restoration of any damage caused to the adjacent Lot, including but not limited to structural repairs, replacement of lawns, bushes and similar objects. An Owner entering upon an adjacent Lot shall indemnify and hold harmless the adjacent Townhome Owner against any and all claims which may arise by virtue of the repair or maintenance work performed.

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

Each Townhome Owner also shall have an easement for the exclusive use and enjoyment of the Townhome Owner's deck or patio, if any, as constructed by the Sponsor, servicing the Owner's Townhome.

Section 4.06. Common Utility and Conduit Easement. All pipes, wires, conduits and public utility lines located on each Lot shall be owned by the Owner of such Lot. Every Townhome Owner shall have an easement in common with other Townhome Owners to maintain and use all pipes, wires, conduits, drainage areas and public utility lines located

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

Section 4.07. Rear Yard Access Easement. Each Townhome Owner shall have an access easement over the side and rear ten feet (10') of the unimproved portion of all Lots for routine and necessary maintenance purposes.

Section 4.08. Maintenance of Association Facilities. In order to preserve and enhance the property values and amenities of the Property, the Association shall at all times maintain the facilities in good repair and condition, as set forth in this Declaration.

Section 4.09. Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank, or other entity for the performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with other associations, both within and without the Property.

Section 4.10. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, and in particular the provisions of Articles IX and X herein, the Association and the Architectural Committee shall consider the environmental impact of any existing or proposed activities on the Property or any portion thereof and, in its discretion, may establish standards or guidelines aimed at reducing or eliminating any adverse environmental impact of such activities or take affirmative action to improve the quality of the environment.

Section 4.11. Common Access Easement. The Sponsor and all Owners and their guests, licensees and invitees shall have an easement for ingress and egress in common with one another over all walkways and drives located on the Association Property and the Association shall have an access easement to each Lot for the maintenance, repair and replacement of paved areas and any other property or facilities, the maintenance of which is the responsibility of the Association.

The Sponsor and all Owners and their guests, licensees and invitees shall have an easement of ingress and egress by foot and vehicle for the use and enjoyment of the paved common access drives.

Section 4.12. Distribution of Condemnation Awards. In the event all or part of the Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors of the Association shall arrange for the repair and restoration of the Association Property not so taken and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the remaining Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds, in accordance with Article IX of this Declaration.

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

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

ARTICLE V ASSESSMENTS

Section 5.01. Imposition, Personal Obligations, Lien. Each Townhome Owner, excluding the Sponsor, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments or charges for the maintenance and operation of Association Property ("Maintenance Assessments"); (b) special assessments for capital improvements or for repairs which may become necessary as a result of a casualty loss caused by nature, not otherwise covered by insurance and creating a budget deficit for the fiscal year ("Special Assessments"); hereinafter collectively referred to as "Assessments".

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

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

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

Section 5.04. Assessments for Specific Lots. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Lot subject to this Declaration, excluding the Sponsor, shall be liable for the payment of full Maintenance Assessments, and Special Assessments, if any. For so long as Sponsor owns a Lot then subject to the Declaration, the Maintenance Assessment for Lots owned by someone other than Sponsor shall not be less than the amount set forth in the Offering Plan on file with the NYS Attorney General's Office, without the prior written consent of the Sponsor. The Maintenance Assessment on the Lots owned by the Sponsor shall be an amount calculated in accordance with the following: The Sponsor shall be obligated for the difference between the actual Association expenses, exclusive of reserves applicable to completed improvements, and the Association charges levied on owners who have closed title to their Lots. For those Lots owned by Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of a Certificate of Occupancy. In no event, however, will the Sponsor be required to make a

deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. This Section may not be amended without the prior written consent of the Sponsor.

Section 5.05. Basis for Maintenance Assessment. The annual Maintenance Assessment chargeable to each Lot transferred to a third party purchaser for which Assessments have commenced pursuant to this Declaration shall be apportioned by multiplying the total annual Maintenance Assessment by a fraction, the numerator of which is one (1), and the denominator of which is the total number of Lots then subject to this Declaration, as amended.

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

Section 5.07. Special Assessments for Capital Improvements and Other Needs. 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 for the purpose of defraying, in whole or in part, the cost of any capital improvements or for repairs which may become necessary as a result of a casualty loss caused by nature, not otherwise covered by insurance and creating a budget deficit for the fiscal year, including without limitation, the construction, reconstruction or replacement of, or repair of a capital nature to, the Association Property, including the necessary fixtures and personal property related thereto, provided that for any Special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any Special Assessment amounting to more than 20% of the then current amount of annual Maintenance Assessments, the consent is obtained of two-thirds (2/3) of the total votes of Townhome Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Townhome Owners at least 30 days in advance, setting forth the purpose of the meeting. The Association shall establish one (1) or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least 30 days prior to the first such due date.

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

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

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

against the Owner personally obligated to pay the same or foreclose the lien against the property, and the cost of such proceedings, including reasonable attorneys' fees, shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

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

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

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

Late charges, penalties and attorney fees shall not be payable or collectable for unpaid common charges or assessments owed by the Sponsor.

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

Section 5.10. Assessment Certificates. Upon written request of an Owner or lessee with respect to a Lot which he or she owns or leases, (or any prospective purchaser, lessee, occupant, mortgagee or title insurer of such Lot), the Association within a reasonable period of time, shall issue and furnish a certificate in writing signed by an officer or designee of the Association setting forth with respect to such Lot, as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; (iii) whether any other amounts or charges are owing to the Association, e.g. for the cost of extinguishing a violation of this Declaration. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser or lessee of, or lender on, or title insurer of, the property in question.

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

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

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

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

ARTICLE VI MAINTENANCE BY THE ASSOCIATION

Section 6.01. Maintenance and Repair by the Association. All maintenance and repair of and replacements to the improvements on Association Property, the maintenance, repair and replacement of all paved areas on the Association Property, snow removal from all paved areas, and the maintenance of all landscaped areas within Lots and Association 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 owned by the Association and, for which a utility company or other entity is not responsible (whether such lines and facilities are on individual Lots or Association Property) also shall be the responsibility of, and an expense of the Association. Such cost shall be funded from the Maintenance Assessments.

a. Maintenance of Association Property. With respect to Association Property, the Association shall maintain, repair and replace all improvements, including the entrance monument, paved areas, walkways and landscaped areas within Lots and Association Property. The Association also shall be responsible for snow removal from paved areas, excluding walks. Individual Townhome Owners are responsible for snow removal from the walks and entryways abutting their dwellings.

The Common Area, owned and maintained by the Association, will include the following improvements: driveways serving the individual townhomes; entrance monument; drainage ponds; open space and landscaped areas.

The Association is solely responsible for the maintenance of the Common Area and the improvements within the area, including but not limited to the above items, in accordance with maintenance plans on file with the Association and the Town of Victor. Under no circumstances is the Town of Victor responsible for the maintenance of the Common Area and the improvements located thereon.

b. Maintenance of Townhomes. The Association will be responsible for maintenance asphalt driveways, roofing, exterior painting/staining of trim materials (not wrapped in aluminum) and front doors, for which replacement reserves have been established. All other Townhome components are the responsibility of the Townhome Owner, including but not limited to vinyl siding, vinyl clad windows, insulated metal doors, overhead garage doors, aluminum gutters and downspouts, masonry windows, skylights, window panes, doors, garage doors, storm doors, decks, or maintain, repair or replace porches, stone pavers or stoops, patios or concrete walks. The Association shall not be responsible for the removal of snow from roofs.

Those portions of sewer, water, and utility laterals servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity, will be maintained by the Association, limited however to repair necessitated by leakage or structural failure only. A lateral shall be deemed to terminate at the outer surface of the foundation wall.

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

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

Section 6.02. Repairs and Maintenance Which Are Not the Responsibility of the Association. Except as provided in Section 6.01 above, the Association shall not be responsible for (i) the maintenance, repair or replacement of any buildings or structures not owned by the Association, or (ii) the maintenance, repair or replacement of any sewer lines, water lines or other utility lines which are maintained, repaired and replaced by a municipality, public authority or utility company, (iii) the maintenance, repair or replacement of the dedicated improvements, or (iv) obstructed sewer laterals.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 6.01 above, but which is occasioned by a negligent or willful act or omission of a Townhome Owner, excluding the Sponsor, shall be made at the cost and expense of such Townhome Owner ("Owner Repair"). In addition to the above, if the Association's master insurance policy covers the Owner Repair, the Townhome Owner shall be solely responsible for payment of the deductible under the Association's master insurance policy. If such Owner Repair is performed by the Association, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Lot and such cost shall be added to that Townhome Owner's Maintenance Assessment and, as part of that Assessment, shall constitute a lien on the Lot to secure the payment thereof.

The Townhome Owner shall maintain the improvements in a clean and good condition, employing a high and proper standard, and in a manner equal to the maintenance standards of the Association. Upon the Townhome Owner's failure to maintain, the Association may maintain the area or remove the improvement and restore the area to its original condition at the defaulting Townhome Owner's expense, the cost of said maintenance or restoration to be assessed against the defaulting Townhome Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such.

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

Section 6.04. Access for Repairs. The Association (and its employees, contractors and agents) upon reasonable notice to the Owner(s), shall have the right to enter upon any portion of the Property and into and upon any Unit

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

ARTICLE VII ARCHITECTURAL CONTROLS

Section 7.01. Control by Association. After transfer of title by the Sponsor to any Lot or other completed portion of the Property, enforcement of those provisions of the Declaration pertaining to exterior appearance of the Property and control over any change in use or any additions, modifications or alterations to any exterior improvement on said Lot or other portion of the Property, shall be the responsibility of the Association, acting through the Architectural Standards Committee (hereinafter referred to as the "Architectural Committee") as provided in Section 7.02 below. ***Townhome Owners may NOT make any exterior modifications or improvements to their home or the Lot, including but not limited to landscaping or foundation plantings, without Architectural Committee written approval.***

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

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

Section 7.04. Basis for Disapproval of Plans by Architectural Committee. The Architectural Committee, working within guidelines and policies established by the Board of Directors, may disapprove any plans submitted pursuant to Section 7.03 above for any of the following reasons:

- a. failure of such plans to comply with any protective covenants, conditions and restrictions contained in the Declaration and which benefit or encumber the Lot or other portion of the Property;
- b. failure to include information in such plans as requested;
- c. objection to the site plan, exterior design, appearance or materials of any proposed improvements, including without limitation, colors or color scheme, finish, proportion, style of architecture, or proposed parking;
- d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses in the vicinity;

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

f. any other matter which in the judgment and sole discretion of the Architectural Committee would render the proposed improvements, use or uses inharmonious or incompatible with the general plan of improvement of the Property or portion thereof or with improvements or uses in the vicinity.

Section 7.05. Approval of Architectural Committee. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 7.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record, together with such qualifications, or provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any Lot or portion of the Property shall be final as to such Lot or portion of the Property and such approval may not be revoked or rescinded thereafter provided (i) that the improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Lot or portion of the Property, and (ii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, preservation, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Property shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or portion of the Property.

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

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

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

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

Section 7.09. Delegation of Functions. The Architectural Committee may authorize its staff, subcommittees, or individual members of the Architectural Committee to perform any or all of the functions of the Architectural Committee as long as the number and identity of such staff or members, and the functions and scope of authority have been established by a resolution of the entire Architectural Committee. The approval or disapproval of plans by the staff member, individual

member or subcommittee will be subject, however, to the reasonable review of the Architectural Committee, in accordance with procedures to be established by the Architectural Committee.

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

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

ARTICLE VIII PARTY WALLS AND ENCROACHMENTS

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

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

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

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

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

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

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

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

ARTICLE IX INSURANCE AND RECONSTRUCTION

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

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

The policy shall have the following provisions, endorsements and coverage: (i) extended coverage, vandalism and malicious mischief, (ii) inflation guard, (iii) coverage for loss of Maintenance Assessment from Owners forced to vacate

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

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

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

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

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

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

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

If the Board of Directors decides not to insure the Townhomes or decides to insure the Townhomes in an amount less than that necessary to provide for the full replacement or reconstruction of the damaged improvements taking into account coinsurance provisions, each Owner shall, at the Owner's sole cost and expense, purchase and maintain fire and extended coverage insurance in such amounts as from time to time may be required by the Board of Directors, from a company licensed to do business in the State of New York. Such insurance shall be in the standard New York State form and shall cover loss and damage to the Lot, Townhome (including garage), and all other improvements on the Lot. All insurance policies shall cover the interest of the Owner, the Association, and mortgagees, if any, as their interests may appear.

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

Until the first meeting of the Board of Directors elected by the Owners, this public liability insurance shall be in a combined single limit of \$1,000,000.00 covering all claims for bodily injury and property damage, with an excess umbrella of \$1,000,000.00.

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

Until the first meeting of the Board of Directors elected by the Owners, the directors' and officers' liability coverage shall be in the amount of \$1,000,000.00.

4. **Fidelity Bond.** The fidelity bond shall cover all directors, officers and employees of the Association and of the Association's managing agent, if any, who handle Association funds. Until the first meeting of the Board of Directors elected by the Owners, the coverage shall be \$5,000.00 for forgery.

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

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

7. **Deductible.** The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense for those claims relating to Association maintenance responsibility. The Board of Directors of the Association shall assess any deductible amount necessitated by the gross negligence or wantonly malicious act of an Owner against such Owner, as well as any deductible amount necessitated by a fire within the Townhome Owners dwelling and not caused by the Association's negligence or activities. The Association may pay the deductible portion for which such Owner is responsible, and the amount so paid, together with interest and costs of collection, including attorney's fees, shall be a charge and continuing lien upon the Lot involved, shall constitute a personal obligation of such Owner, and shall be collectible in the same manner as assessments under Article V of this Declaration.

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

Section 9.02. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any Townhome, insured through insurance obtained by the Board of Directors, as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property and the Board of Directors, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments; provided, however, that if the Owners of 75% or more of all Townhomes do not duly and promptly resolve to proceed with repair or restoration, the net proceeds of insurance

policies, if any, shall be divided among the Townhome Owners in proportion to the damage to their insured property in relation to the total damage to all the insured property, provided, however, that no payment shall be made to a Townhome Owner until there has first been paid out of such Townhome Owner's share of such funds all liens on such Owner's Townhome. In the event that insurance proceeds are, for any reason, insufficient to pay all of the costs of restoring or repairing the property to the same condition as formerly existed, the Board of Directors shall levy a Special Assessment to make up the deficiency against all Owners of the damaged Townhomes in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhome and any negligence which, in the opinion of the Board, contributed to the damage and loss. In the event that insurance proceeds exceed the cost of repair and reconstruction, such expenses shall be paid over to the respective mortgagees and Townhome Owners in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhome and Lot, provided, however, that no part of a distribution that results from an Assessment paid by a Townhome Owner, shall be made to all Townhome Owners and their mortgagees as their interest may appear.

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

ARTICLE X GENERAL COVENANTS AND RESTRICTIONS

Section 10.01. Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development, lease or sale of Lots, no additional sign (other than a professional shingle affixed to the dwelling indicating the name of a firm or person and/or such firm's or person's profession, the materials, size, design, style and color of which shall be approved by the Architectural Committee) or other advertising device of any nature shall be placed for display to the public view on any Lot or other portion of Property, including but not limited to temporary signs advertising property for sale or rent, except with the consent of the Architectural Committee.

Section 10.02. Animals, Birds and Insects. The Association may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of pets and (ii) prohibit certain types of pets entirely. Pets may be allowed outdoors only when accompanied by a responsible person, and dogs shall be leashed. Provided an Owner obtains the prior written consent of the Association, an underground pet containment system may be installed. Assuming the Owner has installed an underground pet containment system, a pet may be let outdoors within the area of the underground pet containment system in the company of a responsible person, but need not be leashed. No above ground or visible pet containment enclosures shall be permitted. The Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any pet, if, in the opinion of the Association, acting in its sole discretion, such pet is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled. Dogs and cats must be cleaned up after by their owners.

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

Section 10.04. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pick-up, at such place on the Lot or other portion of the Property designated by the Association so as to provide access to persons making such pick-up. The Association may, in its discretion, adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

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

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

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

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

Section 10.09. Antennas. No outside radio, telegraphic, television or other electronic antenna, dish or other transmitting or receiving device shall be erected on any Lot or other portion of the Property, except with the consent of the Association, which shall be in compliance with Federal regulations.

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

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

Section 10.12. Snowmobiles. No snowmobile or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Association, subject, however, to the Town of Victor Zoning Code and the Parks and Recreation Law of the State of New York.

Section 10.13. Commercial and Professional Activity on Property. No wholesale or retail business, service occupation or home business in conflict with applicable municipal laws and ordinances shall be conducted in or on any Lot or other portion of the Property without the consent of the Association, except by the Sponsor in conjunction with the initial construction, development, lease and sale of Lots, except that Association consent shall not be required for a legal home occupation requiring no visitor parking or employee parking.

Section 10.14. Outside Storage. Outside storage or parking for more than one 72 consecutive hour period per month of commercial or recreational vehicle, unlicensed vehicle, camper, boat, truck or trailer shall be prohibited.

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

Section 10.16. Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Lots by the Sponsor, or maintenance of the Property, the following shall not be permitted to remain overnight on the Property for more than 72 hours within any month:

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

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

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

Section 10.19. Prohibited Structures. No shack, barn, storage shed or other out-building, accessory structure, either temporary or permanent, shall be erected on any Lot.

ARTICLE XI ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

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

Section 11.02. Enforceability. The provisions of the Declaration shall bind the Property, shall be construed as running with the land and shall inure to the benefit of the Association, which shall be deemed the agent for all of its Members, and may be enforced by any Member or Owner, their respective legal representatives, heirs, successors and assigns, by actions at law or by suits in equity. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of the Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof. Additionally, after 30 days written notice of any violation of the Declaration or the Associations Rules and Regulations, as adopted from time to time, the Townhome Owner will be subject to a violation fee of \$50 per day until the violation is cured.

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

Section 11.04. Obligation and Lien for Cost of Enforcement by Association. If the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, (ii) any family member, tenant, guest or invitee of the Owner, (iii) a family member or guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Owner's family or (2) any family member of the tenant of such Owner, such costs shall also be a lien upon the Lot or other portion of the Property owned by such Owner, if any. This paragraph shall not be applicable to any action brought by the Association against the Sponsor.

Section 11.05. Inspection and Entry Rights. Any agent of the Association or the Architectural Committee may at any reasonable time or times, upon not less than 24 hours' notice to the Owner, enter upon a Lot or other portion of the Property to inspect the improvements thereon for the purpose of ascertaining whether the maintenance, construction or alteration of structures or other improvements thereon comply with the Declaration, or with rules and regulations issued pursuant hereto. Neither the Association nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

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

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

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

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

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

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

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

Section 11.09. Duration. The provisions of this Declaration shall, unless amended or rescinded as hereinbefore provided, continue with full force and effect against both the Property and the Owners thereof until December 31, 2035, and, as then in force, shall be automatically, and without further notice, extended for successive periods of ten (10) years, except as otherwise set forth herein.

Section 11.10. Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of 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 benefited or bound by the provisions.

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

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

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

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

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

ARTICLE XII GENERAL

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

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

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

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

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

S&J MORRELL, INC.

By: _____
Jeff Morrell, Vice President

PIPER MEADOWS ASSOCIATION, INC.

By: _____
Jeff Morrell, President

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

On the ____ day of _____ in the year 2020 before me, the undersigned, a Notary Public in and for said State, personally appeared Jeff Morrell 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.

Notary Public

Schedule A

Legal Description

**CERTIFICATE OF INCORPORATION
OF
PIPER MEADOWS ASSOCIATION, INC.**

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

The undersigned, being at least 18 years of age and desiring to form a not-for-profit corporation under the Not-for-Profit Corporation Law of the State of New York, hereby certifies that:

1. The name of the Corporation is Piper Meadows Association, Inc.
2. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of section 102 of the Not-for-Profit Corporation Law in that it is not formed for pecuniary profit or financial gain and no part of the assets, income or profit of the Corporation shall be distributable to, or inure to the benefit of, its members, directors or officers, or any private person, except to the extent permissible under the Not-for-Profit Corporation Law. The Corporation is a non-charitable corporation under section 201 of the Not-for-Profit Corporation Law.
3. The Corporation is a homeowners association formed to promote and provide for the maintenance, preservation, and architectural control of the homes and common area of Piper Meadows Subdivision, Section 2, Victor, Ontario County, New York (the "Property"), and to promote the health, safety, and welfare of the residents of the community.
4. In furtherance of, and not in limitation of, the purposes of the Corporation, the Corporation shall have all the powers now or hereafter granted to non-charitable corporations under the Not-for-Profit Corporation Law and any successor statute, including, without limiting the generality of the foregoing, the power to acquire, invest in, hold, sell, exchange and dispose of real and personal property of all kinds and varieties and interests, including security interests and mortgages therein.
5. 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. No such consent or approval is required. Further, the Corporation is not formed to operate a hospital, drug maintenance program, certified home health agency, health maintenance organization or to provide hospital or health related services, or to offer a comprehensive health services plan as any of the foregoing are respectively defined in Articles 28, 33, 36, and 44 of the Public Health Law.
6. The office of the Corporation will be located in the County of Ontario, State of New York.
7. The initial directors of the corporation until the first annual meeting are as follows:

Jeffrey D. Morrell
1501 Pittsford Victor Road
Victor, New York 14564

Scott M. Morrell
1501 Pittsford Victor Road
Victor, New York 14564

Hannah Hall
1501 Pittsford Victor Road
Victor, New York 14564

8. The Secretary of State is designated as the agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is 1501 Pittsford Victor Road, Victor, New York 14564.

9. Every person or entity who is a record owner of a fee interest in any Lot in the Property which is subject by covenants of record (the "Declaration") to assessments by the Corporation, including contract vendors, and, in addition, the Sponsor, so long as it shall be the record owner of a fee interest in any Lot in the Property, whether or not subject to assessments by the Corporation, shall be a member of the Corporation. The Corporation shall have two (2) classes of membership. No person shall be a member of the Corporation solely on account of ownership of an interest in a Lot in the Property solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot in the Property subject to assessment by the Corporation.

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

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

IN WITNESS WHEREOF, the undersigned has subscribed and affirmed this Certificate as true under the penalties of perjury this December 11, 2019.



Louis M. D'Amato
Woods Oviatt Gilman LLP
1900 Bausch & Lomb Place
Rochester, New York 14604

By-Laws

establishing

Piper Meadows Association, Inc.

S&J Morrell, Inc.

1501 Pittsford Victor Road
Victor, New York 14564

Sponsor

Woods Oviatt Gilman LLP

1900 Bausch & Lomb Place
Rochester, New York 14604

Attorneys for the Sponsor

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**BY-LAWS
OF
PIPER MEADOWS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

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

ARTICLE II

DEFINITIONS

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

SECTION 2.01 Association. PIPER MEADOWS ASSOCIATION, INC., a New York not-for-profit corporation.

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

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

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

SECTION 2.05 Property. All property within Piper Meadows.

SECTION 2.06 Sponsor. S&J Morrell, Inc., its successors and assigns.

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

ARTICLE III

MEMBERS

SECTION 3.01 Membership in the Association. The Members of the Association shall be the Owners of Lots within the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. The Association shall have two (2) classes of Membership. Class A members shall be all Owners of Lots except the Sponsor and the sole Class B member shall be the Sponsor or assignee. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until all Lots owned by Sponsor, including Lots incorporated by subsequent amendment to the Declaration, are transferred by the Sponsor, or until 15 years following the recording of the Declaration, whichever shall first occur. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights.

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

ARTICLE IV

MEETINGS OF MEMBERS; VOTING

SECTION 4.01 Annual Meeting. There shall be an Annual Meeting of the Members on the first Tuesday of March at 8:00 p.m., or at such other date and time and at such other place convenient to the Members as shall be designated by the Board of Directors, which meeting shall be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the date fixed for the annual Meeting shall be a legal holiday, the meeting shall be held on the first day following, which is not a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

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

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

SECTION 4.04 Voting Rights. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until all Lots owned by

Sponsor are transferred by the Sponsor, or until 15 years following the recording of the Declaration, whichever shall first occur. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights, and each Member shall have one vote, regardless of the number of Lots owned.

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

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

SECTION 4.07 Entity Members. Any votes of an entity member may be cast by an appropriate partner, member, or officer of such entity.

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

SECTION 4.09 Absentee Ballots. On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Member intends to vote and that the Member votes for or against the same. Members unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot if so provided by the Board of Directors, or may vote by a proxy which shall be in writing and shall be filed with the Secretary of the Association.

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

ARTICLE V

BOARD OF DIRECTORS

SECTION 5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5), except that an initial Board of three (3) Directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of

transferring title to the first Lot. The initial Board of Directors shall serve until the first annual meeting after the Sponsor no longer has an interest in a Lot then subject to the terms of the Declaration. Directors need not be Members.

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

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

SECTION 5.03 Election. At the first Annual Meeting after the Sponsor relinquishes control of the Board of Directors, that is when it no longer has an ownership interest in a Lot then subject to the Declaration, the Members shall elect three (3) Directors for a term of two (2) years and two (2) Directors for a term of one (1) year. At each Annual Meeting thereafter, the Members shall replace those Directors whose terms have expired and elect such successor Directors for a term of two (2) years. Voting shall be by secret written ballot which shall:

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

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

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

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

SECTION 5.07 Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice at such places and at such times convenient to the Directors as may be designated from time to time by

resolution of the Board of Directors. Should such meeting date fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

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

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

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

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

- a. To determine, levy and collect the assessments and common charges as provided for in the Declaration.
- b. To collect, use and expand the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association as permitted by the Declaration.
- c. To procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate hazard insurance on such of the Association's real and personal properties and the Townhomes as it deems appropriate.
- d. To repair, restore or alter the properties of the Association or such other improvements for which the Association may now or hereafter have such responsibility under the Declaration, as amended, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
- e. To promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation and use of facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members and to establish and enforce penalties for infractions thereof.

- f. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the provisions of the Declaration or of any rules or regulations of the Association.
- g. To pay all expenses incurred by the Association and all taxes owing by the Association.
- h. To declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors.
- i. To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and such other records as it deems appropriate.
- j. To issue, or cause to be issued, upon request by any person, an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Lot.
- k. To grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration.
- l. To dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall, however, require the consent of two-thirds (2/3) of the total votes of all Members at any meeting duly called and held or who shall vote upon written ballot which shall be sent to every Member not less than 30 days nor more than 60 days in advance of the canvass thereof. In addition, no such conveyance shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance.
- m. To enter into agreements, reciprocal or otherwise, with other homeowners and residents associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than 10 days nor more than 60 days in advance of the vote on the proposed agreement.
- n. To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration.

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

- a. Cause to be kept a complete record of all its acts and corporate affairs and to regularly present a written report thereon in compliance with New York statutes to the Members at the annual Meeting of the Members, or at any Special Meeting to present a written report only when same is requested in writing by at least one-fourth (1/4) of the Members who are entitled to vote.
- b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.
- c. As more fully provided in the Declaration now or as hereafter amended or supplemented, to:

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

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

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

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

e. Procure and maintain adequate liability and hazard insurance for the Association Property, and if it so opts for the Townhomes.

f. Cause the Association Property, and on the default of the Townhome Owner, the exteriors of the Townhomes to be maintained.

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

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

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

ARTICLE VI

OFFICERS

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

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

SECTION 6.03 Term and Vacancies. The officers of the Association shall be elected annually by the Board of Directors and each shall hold offices until his or her successor shall have been duly elected, unless he or she shall sooner

resign, or shall be removed or otherwise be disqualified to serve. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

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

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

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

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

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

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

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

ARTICLE VII

COMMITTEES

SECTION 7.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one (1) or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association provided, however, that no such committee shall have the authority of the Board of Directors to approve an amendment to the Certificate of Incorporation of the Association or to these By-Laws or a plan of merger or consolidation.

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

the Board of Directors. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration.

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

ARTICLE VIII

FINANCE

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

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

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

ARTICLE IX

BOOKS AND RECORDS

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

ARTICLE X

CORPORATE SEAL

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

ARTICLE XI

AMENDMENTS

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

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

ARTICLE XII

INDEMNIFICATION

SECTION 12.01 Indemnification. To the extent permitted by law, the Association shall indemnify and hold harmless any person made a party to any proceeding by reason of the fact that such person is or was a Director or officer of the Association against any loss or expense incurred by said person by reason of such proceeding, including the settlement thereof, except in relation to matters which such person is adjudicated to be liable for gross misconduct in the performance of that person's duties.

Sponsor's Certification

SPONSOR'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

Re: Piper Meadows Association, Inc. ("HOA")

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

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

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

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.


We certify that the rights of way, sewers and water lines, when constructed, will be in accordance with local government specifications. If the construction of the above public improvements has not been completed prior to conveyance to the Town of Pittsford or the Association, a bond or letter of credit will be posted with the Town or Association, 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 Association is located, which amount shall not be less than the amount required to complete such construction to 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: 4/23, 2020

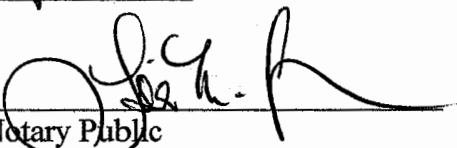
S&J Morrell, Inc.

By: 
Jeff Morrell, Vice President


Jeff Morrell


Scott M. Morrell

Sworn to before me this
April 23, 2020


Notary Public

LISA M JAVIER
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01JA6406514
Qualified in Ontario County
My Commission Expires: 3/30/2024

Engineer's Certification

ENGINEER'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF ONTARIO) SS:

Re: Piper Meadows Association, Inc. ("HOA")

The Sponsor of the offering plan to convert the captioned property to HOA ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We prepared the subdivision plans and specifications dated August 06, 2019 and prepared the Report dated September 10, 2020, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

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

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

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

We certify that the Report:

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

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

(iii) does not omit any material fact;

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

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


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

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

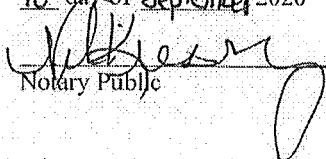
We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to an HOA or on the profitability or price of the offering. This statement is not intended as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

Dated: 9/10/20 2020

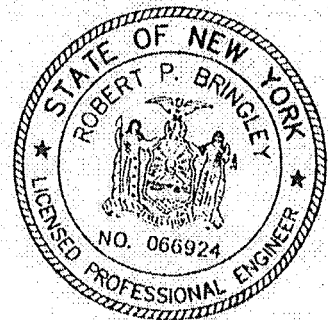
Marathon Engineering

By: 
Robert P. Bringley, Registered Engineer, Lic # 66924

Affirmed to before me this
10 day of September 2020


Notary Public

NATALEE D KIESLING
Notary Public - State of New York
NO. 01K16405405
Qualified In Monroe County
My Commission Expires Mar 9, 2024



Architect's Certification

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

Re: Piper Meadows Association, Inc. ("HOA")

The Sponsor of the offering plan to convert the captioned property to HOA ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the townhome building plans and specifications that were prepared by CKH Architecture dated February 03, 2020 and prepared the Report dated September 10, 2020, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a licensed architect in the State where the property is located.

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

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

We certify that the Report:

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

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

(iii) does not omit any material fact;

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

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

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

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

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

Dated: 9.10, 2020

CKH Architecture

By:

Christine K. Hennessey
Christine K. Hennessey, Architect, Lic. No. 030311

Affirmed to before me this
10 day of Sept., 2020

Lisa M. Javier
Notary Public

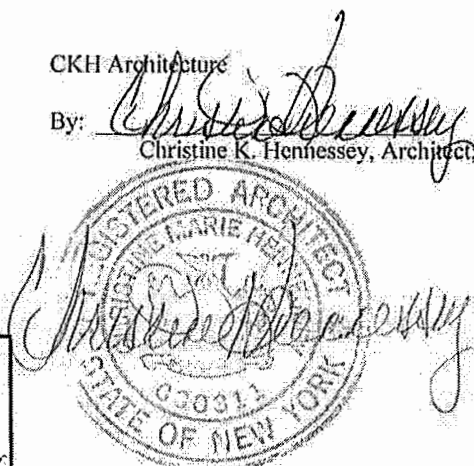
LISA M JAVIER

NOTARY PUBLIC, STATE OF NEW YORK

Registration No. 01JA6406514

Qualified in Ontario County

My Commission Expires: 3/30/2024



122.1

Certification On Adequacy Of Budget



◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

March 10, 2020

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

Re: Certification on Continuing Adequacy of Budget
Piper Meadows Townhomes Association, Inc. ("HOA")

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

Gentlemen:

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

The sponsor of the HOA Offering Plan retained me to review the current budget containing projections of income and expenses for the year of HOA operations, January 1, 2021 – December 31, 2021.

My experience in this field includes:

Over twenty (20) years experience in the management of homeowners associations and condominiums. I have earned the RPA (Real Property Administrator) and FMA (Facilities Management Administrator) designations from BOMI International. I am also a licensed New York State real estate broker.

Realty Performance Group currently is the managing agent for fifty-four homeowners associations and condominiums, totaling over 3,950 living units.

I understand that I am responsible for complying with Article 23-A of the General Business law and the regulations promulgated by the Department of Law in Part 22 insofar as it is applicable to the budget.

I have reviewed the budget contained in the Offering Plan and investigated the facts set forth in the budget and related schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential properties.

I certify that the projections in the current budget appear reasonable and adequate under existing circumstances, and the projected income and expenses for the 2021 year of operations is complete and accurate.

I certify that the Schedules:

- (i) Sets forth in detail the projected income and expense for the 2021 year of HOA operation;
- (ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the 2021 year of HOA operation;
- (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 expectations or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
(a) knew the truth, (b) with reasonable effort could have known the truth
(c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 2021 year of HOA operation.

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

REALTY PERFORMANCE GROUP, INC.



Robert F. Marvin, RPA, FMA
President

Sworn to before me this
10 day of March, 2020.

Julie McDonald

JULIE M. MCDONALD
Notary Public, State of New York
No. 01MC6076701
Qualified in Ontario County
Commission Expires July 1, 20 22

MANAGEMENT AGREEMENT

This Agreement, made this 25th day of February, 2020 between **PIPER MEADOWS HOMEOWNERS ASSOCIATION, INC.**, having its principal office at c/o Jeff Morrell, Attention: Hanna Hall, Morrell Builders, 1501 Pittsford-Victor Rd., Victor, New York 14564, herein called Association, and **REALTY PERFORMANCE GROUP, INC.**, having its principal office at 1800 Hudson Ave., Suite 100, Rochester, New York 14617 herein called Agent.

In consideration of the terms, conditions, and covenants hereinafter set forth, the parties hereto mutually agree as follows:

ARTICLE ONE

Association hereby appoints Agent, and Agent hereby accepts appointment on the terms and conditions hereinafter provided, as exclusive managing agent for the property known as Piper Meadows, consisting of 20 homes (when completed), located at 860 and 870 High Street in Victor, New York, which is hereinafter referred to as the Property.

Except as provided in Article Ten herein, this Agreement shall be for a term of two years, commencing March 1, 2020 and terminating April 30, 2022.

ARTICLE TWO

In order to facilitate efficient operations, Association shall furnish Agent with a complete set of plans and specifications for the Property, if available, any rules and regulations established for the Property, all legal documents, a current assessment roll indicating the status of all homeowners on collections of assessments and other charges, copies of current insurance policies, any existing contracts affecting the Property, and any other pertinent information on the Property and Association. With the aid of these documents and inspection made by competent personnel, Agent will inform itself with respect to the layout, construction, location, character, plan and operation of the lighting, heating, plumbing, and ventilating systems, as well as elevators, if any, and other mechanical equipment in the Property that are the responsibility of Association. Copies of guarantees and warranties pertinent to the construction of the Property and in force at the time of the execution of this Agreement shall be furnished to Agent.

ARTICLE THREE

Agent shall arrange for the employment of all managerial personnel necessary for the efficient discharge of the duties of Agent hereunder. Compensation for the services of such employees shall be the responsibility of Agent. Agent and those employees of Agent who are responsible for the handling of Association's monies shall, without expense to Association, be bonded by a fidelity bond with a company to be determined by Agent and in an amount acceptable to Agent and Association.

ARTICLE FOUR

Under the personal and direct supervision of Agent, Agent or one of its employees shall render services and perform duties as follows:

a) Maintain a comprehensive system of office records and books, which records shall be subject to examination by authorized agents of Association at all reasonable hours. Agent shall maintain a current roster of individual homeowners and make such record changes as are appropriate in connection with all transfers of ownership, a roster of tenants in the Property, a roster of Board members and officers of Association.

b) Maintain businesslike relations with homeowners whose service requests shall be received, considered, and recorded in systematic fashion in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to Association with appropriate recommendations. Agent shall assist Association in the enforcement of the provisions of Association's Declaration, By-Laws, rules and regulations, and any other governing documents. Agent shall maintain regular office hours of 8:30 AM to 5:00 PM weekdays, except holidays, and shall provide a 24-hour emergency answering service during non-business hours.

c) Collect, record and deposit all monthly assessments, late fees, fines, and other charges due from homeowners. Agent shall prepare and deliver a payment coupon book or twelve pre-addressed payment envelopes, at Association's option, for each homeowner for each fiscal year. Association hereby authorizes Agent to request, demand, collect, receive and receipt for any and all charges which may at any time be or become due to Association. Agent agrees to send one notice per month to any homeowners delinquent in the payment of fees due to Association, and to commence such legal action in the name of Association, when authorized by Association, against delinquent homeowners.

d) Investigate, hire, pay, supervise, and discharge the maintenance personnel necessary to be employed in order to be able to provide minor repair and maintenance services to the Property. Such personnel shall in every instance be in Agent's employ, and compensation for the services of such employees, as evidenced by payrolls certified by Agent, shall be considered part of the expenses of Association. Agent shall not be responsible for the acts, defaults, or negligence of such maintenance employees if reasonable care has been exercised in their appointment and retention. The charge rate for such maintenance employees of Agent shall be \$55.00 per hour, portal to portal, plus mileage at \$0.575 per mile. Such charge rates are subject to reasonable change by Agent periodically as may be necessary due to compensation changes or travel expense increases. Agent shall prepare for execution, filing and payment all employment forms, reports, and returns required by law in connection with unemployment insurance, worker's compensation insurance, disability benefits, social security, and other similar taxes now in effect or hereafter imposed.

e) Cause the common areas of the buildings, appurtenances, and grounds on the Property to be maintained, including but not limited to lawn mowing and fertilization, tree and shrub trimming and fertilization, shrub bed maintenance, snow removal, trash removal and recycling, annual pot hole repairs in pavement, common area cleaning, if applicable, and other maintenance and repair work as may be necessary. With the exception of payments required for taxes, insurance, utilities, and Association-approved contractual obligations, no expenditure shall be made in excess of \$1,000.00 for any item without the prior approval of Association; excepting, however, that emergency repairs, involving manifest danger to life or property, or immediately necessary for the preservation and safety of the Property, or the safety of the homeowners, or required to avoid the suspension of any necessary service to the Property, may be made by Agent irrespective of the cost limitation imposed by this paragraph. Notwithstanding this authority as to emergency repairs, it is understood and agreed that Agent will, if at all possible, confer immediately with Association regarding every such expenditure.

f) Subject to approval by Association, make contracts for water, electricity, gas, fuel oil, telephone, vermin extermination, and other necessary services or such of them that Agent shall deem advisable; and place orders for such equipment, tools, appliances, materials, and supplies as are necessary to properly maintain the Property. All such contracts and orders shall be made in the name of Association and shall be subject to the limitations set forth in Paragraph (e) of this Article Four. When taking bids or issuing purchase orders, Agent shall secure for credit to Association any discounts, commissions, or rebates obtainable as a result of such purchases.

g) Agent shall conduct bi-weekly inspections of the Property, checking the general condition of the common areas, performance of Association's subcontractors, violations of Association rules and regulations, etc.

h) Obtain and submit to Association for approval, quotes for insurance needed to protect the Association (or as required by law), including, when appropriate, public liability insurance, directors and officers liability

insurance, boiler insurance, fire and extended coverage insurance, and burglary and theft insurance. Agent shall be a named insured on all such insurance policies during the term of this Agreement.

i) From the funds collected and deposited in the special account hereinafter provided, cause to be disbursed regularly and punctually the Association real estate taxes, fire and other hazard insurance premiums, the amount specified for allocation to the funds for replacements and reserves, the sums otherwise due and payable by Association as operating expenses authorized to be paid under the terms of this Agreement, including Agent's fees. After disbursements, any balance remaining in the special account may be transferred from time to time, but only as specifically directed by Association in writing.

j) As a standard practice, Agent shall render to Board members of Association by not later than the tenth business day of each month a financial report on the operation of the Property during the previous month. Said financial report shall include the following:

- (1) Balance sheet, including assets, liabilities, detailed reserve accounts, and members equity.
- (2) Budget comparison report, comparing actual to budgeted amounts, showing the variance in both dollars and percentages for both the current month and year to date.
- (3) Homeowner assessment roll, listing each homeowner by unit number.
- (4) Rent roll, including each known tenant in the property, listed by unit number.
- (5) Expense register, listing every disbursement.
- (6) Delinquency report.
- (7) Reconciled bank statements.
- (8) Schedule of accounts payable, if any.
- (9) Other more detailed reports, if needed, are available, including a trial balance, general ledger, etc.

k) Prepare at least 30 days before the beginning of each new fiscal year, an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year, taking into account the general condition of the Property. Once approved by the Board of Association, said budget shall be broken down on a monthly basis by Agent.

l) Attend the annual meeting of the Association and prepare and send meeting notices, ballots, proxies, etc. to homeowners. Attend the periodic Board meetings of Association, to a maximum of eleven such Board meetings per year. If the duration of any meeting exceeds two hours in length, Agent shall be entitled to additional compensation, as described in Article 8 (e).

m) It shall be the duty of Agent at all times during the term of this Agreement to operate and maintain the Property according to the highest standards achievable consistent with the overall plan of Association, and to this end Agent shall see that all homeowners are informed with respect to the rules, regulations, and notices as may be established for the Property. Agent shall be expected to perform such other acts and deeds as are reasonable, necessary, and proper in the discharge of its duties under this Agreement.

ARTICLE FIVE

Everything done by Agent under the provisions of Article Four shall be done as agent of Association, and all obligations or expenses incurred thereunder shall be for the account on behalf and at the expense of Association, except that Association shall not be obliged to pay the overhead expenses of Agent's office. Authorized expenses include all legal expenses, including without limitation reasonable attorney's fees, incurred in any action, proceeding, or suit in connection with the operation and management of the Property. However, no such action, proceeding or suit shall be commenced on behalf of Association without its prior consent. Any payments to be made by Agent hereunder shall be made out of such sums as are available in the special account of Association, or as may be provided by Association. Agent shall not be obliged to make any advance to or for the account of Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall Agent be obliged to incur any liability or obligation for the account of Association without assurance that the necessary funds for the discharge thereof will be provided.

ARTICLE SIX

Agent shall establish and maintain, in a bank whose deposits are insured by an agency of the federal government and in a manner to indicate the custodial nature thereof, a bank account for the deposit of monies of Association, with authority to draw thereon for any payments to be made by Agent to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of Agent's fee, all payments subject to the limitations in this Agreement. Such depository shall be selected by Agent. Agent shall not be held liable in the event of bankruptcy or failure of a depository. Any such accounts shall be separate and apart from Agent's accounts.

ARTICLE SEVEN

Association agrees to indemnify, defend, and save the Agent harmless from all suits in connection with the Property and from liability for damage to property and injuries to or death of any employee or person whomsoever, and to carry, at its own expense, necessary public liability, elevator liability (if elevators are part of the equipment of the premises), and worker's compensation insurance adequate to protect the interests of the parties hereto.

ARTICLE EIGHT

As compensation for services rendered by Agent in accordance with this Agreement, Association agrees to pay Agent as follows:

1-10 units: Management fee of \$325.00 per month.

11-20 units: Management fee of \$550.00 per month.

a) For management, a fee computed and payable monthly based on the number of units constructed as listed above. Payments due Agent for periods of less than a calendar month shall be prorated over the number of days for which compensation is due. The monthly management fee payable during the second year hereof and any two year renewal period shall be equal to the fee payable during the immediately preceding month plus an increase equivalent to the greater of three percent (3%) or the percentage increase in the Consumer Price Index (CPI-U) during the preceding calendar year or any renewal period.

b) If Association requests the presence of a representative of Agent at a special Board meeting of Association (other than the annual meeting and 3 monthly Board meetings) or a subcommittee meeting of Association, so long as Agent is given sufficient notice, Agent shall attend. Agent shall be paid an additional fee of \$75.00 per hour of attendance at any such meetings.

c) Association shall reimburse Agent for any and all out of pocket expenses incurred directly for Association, including but not limited to postage, long distance telephone call charges, stationery, assessment payment coupons and other pre-printed forms utilized at or for the Property, at cost, Association's share of the cost associated with the emergency answering service provided by Agent, and photocopies at \$0.10 per copy black/white and \$0.15 for colored per copy.

d) If during the term of this Agreement, Agent is required to prepare and submit an insurance claim to Association's insurance carrier, Agent shall be entitled to a fee equivalent to ten percent (10%) of the cost of said insurance claim. Agent shall include said fee in any such insurance claim as an administrative, management or overhead expense.

e) For any services provided by Agent to Association that are not specified herein, Agent shall be paid an hourly fee of \$75.00 per hour for manager time, and \$50.00 for support staff time, unless otherwise agreed by the parties hereto.

ARTICLE NINE

Agent shall devote such of its time as it deems necessary to manage the Property in a prudent and efficient manner. Either of the parties may engage in and/or possess an interest in other business ventures of any nature and description, independently or with others, including but not limited to the ownership, financing, leasing, operation, management, syndication, brokerage, and development of real property; and neither party shall have any rights by virtue of this Agreement in and to said independent ventures or as to the income or profits derived therefrom. The fact that either party or any other entity in which it has interest or is employed by, is directly or indirectly interested in or connected with, any person, firm or corporation employed by either party, to render or perform a service for the Property, or to or from whom either party may lease with or employing such person, firm or corporation or from otherwise dealing with him or it and neither party, its parent, subsidiary, or any affiliate, as such, shall have any rights in or to any income or profits derived therefrom. If either party has an interest in any other person, firm, or corporation, directly or indirectly, which such party intends to employ to render a service for the Property, it shall notify the other party of the interest and will not so employ such person, firm, or corporation unless the fees to be paid for such service are competitive with those rates charged for similar services by disinterested parties in the general vicinity of the Property.

ARTICLE TEN

a) Unless cancelled pursuant to Paragraph (a), (b), (c), or (d) of this Article, this Agreement shall be in effect for the term indicated in Article One above and thereafter for additional two year renewal periods from time to time, unless on or before sixty (60) days prior to the expiration of any such two year term, either party shall notify the other, in writing, that it elects to terminate this Agreement.

b) This Agreement may be terminated by mutual consent of the parties in writing as of the end of any calendar month.

c) In the event a petition in bankruptcy is filed by or against either Association or Agent, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement without notice to the other, but prompt written advice of such action shall be given to the consenting parties.

d) Notwithstanding the foregoing, this Agreement shall terminate in any event, and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, or which accrue pursuant to Paragraph (e) in Article Ten as a result of such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events:

(i) Breach of Agreement - Thirty (30) days after the receipt of notice by either party to the other specifying in detail a material breach of this Agreement, if such breach has not been cured within said thirty (30) day period; or if such breach is of a nature that it cannot be cured within said thirty (30) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced and/or such efforts are not proceeding and being continued diligently both during and after such thirty (30) day period prior to the breach being cured. However, the breach of any obligation of either party hereunder to pay any monies to the other party under the terms of this Agreement shall be deemed to be curable within thirty (30) days.

(ii) Failure To Act, Etc. - In the event that any insurance required of Association is not maintained without any lapse, or it is alleged or charged that the Property, or any portion thereof, or any act or failure to act by Association, its agents and employees with respect to the Property, fails to comply with any law or regulation, or any order ruling of any public authority, and Agent, in its sole discretion, considers that the action or position of Association or its representatives with respect thereto may result in damage or liability to Agent, or disciplinary proceeding with respect to Agent's license, Agent shall have the right to terminate this Agreement at any time by written notice to Association of its election to do so, which termination shall be effective upon the service of such notice. Such termination shall not release the indemnities of Association set forth herein.

(iii) Excessive Damage - Upon the destruction of nor substantial damage to the Property by any cause, or the taking of all or a substantial portion the Property by eminent domain, in either case making it impossible or impracticable to continue operation of the Property.

(iv) Inadequate Insurance - If Agent deems that the liability insurance obtained by Association is not reasonably satisfactory to protect its interest under this Agreement, and if Association and Agent cannot agree as to adequate insurance, Agent shall have the right to cancel this Agreement upon the service of notice to Association.

e) If (1) Association terminates this Agreement before the end of the initial term or any subsequent term year for any reason other than for a breach by Agent under Paragraph (d) (i) above, or if (2) Agent terminates this Agreement for a breach by Association under Paragraph (d) (i) above or pursuant to the provisions of Paragraph (d) (ii) or (d) (iv) above, then in any such event, Association shall be obligated to pay Agent as liquidated damages an amount equal to the management fee earned by Agent, as determined under paragraph (a) in Article Eight above, for the calendar month immediately preceding the month in which the notice of termination is given to Agent or to Association, multiplied by the number of months and/or portions thereof remaining from the termination date until the end of the initial term or term year in which the termination occurred. Such damages, plus any amounts accruing to Agent prior to such termination, shall be due and payable upon termination of this Agreement. To the extent that funds are available, such sums shall be payable from the operating and/or other Property bank accounts maintained by Agent. Any amount due in excess of the funds available from said accounts shall be paid by Association to Agent upon demand.

f) Upon termination of or withdrawal from this Agreement, Association shall assume the obligations of any contract or outstanding bill executed by Agent under this Agreement for and on behalf of Association and responsibility for payment of all unpaid bills. In addition, Association shall furnish Agent security, in an amount satisfactory to Agent, against any obligations or liabilities which Agent may have properly incurred on Association's behalf under this Agreement. Agent may withhold funds for sixty (60) days after the end of the month in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. Agent shall deliver to Association, within sixty (60) days after the end of the month in which this Agreement is terminated, any balance of monies due Association which were held by Agent with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal, and all records, receipts for deposits, and other papers or documents which pertain to the Property. All leases, keys, contracts, and other documents necessary for the day-to-day operation of the Property shall be delivered to Association by Agent on the termination date.

g) All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Association to have insured or to defend, reimburse, or indemnify Agent shall survive any termination; and if Agent is or becomes involved in any proceeding or litigation by reason of having been Association's Agent, such provisions shall apply as if this Agreement were still in effect.

ARTICLE ELEVEN

a) Agent is authorized to deal with Association's Board President, or in his or her absence, the Vice President, on all matters relating to the management of the Property, unless otherwise directed by the Board, in writing. Agent is directed not to accept direction or instructions from anyone else.

b) All notices in relation to this Agreement shall be in writing and mailed, postage paid: if to Association, to the President of Association at his or her then current address; if to Agent, to Realty Performance Group, Inc., 1800 Hudson Ave, Suite 100, Rochester, New York 14617, unless otherwise directed by either party, in writing.

c) Invalidation of any portion of this Agreement or any provision shall in no way affect any other provision, which shall remain in full force and effect.

d) This Agreement may be executed in counterparts and all such counterparts, as so executed, shall constitute one agreement binding upon all the parties thereto, notwithstanding that all the parties are not signatories to the original or the same counterpart.

e) This Agreement shall be binding upon the successors and assigns of the contracting parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Agent:
REALTY PERFORMANCE GROUP, INC.

By: Robert F. Marvin, President

Association:
PIPER MEADOWS HOMEOWNERS ASSOCIATION, INC.



By: Jeff Morrell, Owner
Morrell Builders