

700 Crossroads Building
2 State Street, Rochester, New York 14614
P 585.987.2800 F 585.454.3968



1900 Main Place Tower
Buffalo, New York 14202
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Writer's Direct Dial Number: 585.987.2823
Writer's Direct Fax Number: 585.987.2923
Email: Ldamato@woodsoviatt.com

ATTORNEYS
woodsoviatt.com

August 15, 2017

Mr. Jeff Morrell
S&J Morrell, Inc.
1501 Pittsford Victor Road, Suite 100
Victor, New York 14564

Re: St. James Townhomes Association, Inc./Amendment No. 1

Dear Jeff:

Please be advised that the Office of the Attorney General formally accepted Amendment No. 1 to the Offering Plan for St. James Townhomes on July 25, 2017. A copy of the acceptance letter dated August 10, 2017 is enclosed for your file.

Also, enclosed is a copy of Amendment No. 1 to the Offering Plan. When having copies made, please feel free to save money and paper by having the instrument duplexed. This amendment must be placed inside the Offering Plan right behind the front cover. The Plan itself should be marked "This Plan has been amended. See inside front cover." The amendment should be given to all existing members, and to prospective members when the Plan is given to a prospective purchaser.

For all print ads, please be certain to include the following: "The complete offering terms are in an Offering Plan available from the Sponsor, File Number H150010."

Finally, this amendment extends the Plan for six months. The Plan is now in effect through January 24, 2018, unless a material change in the terms of the offering occurs.

Should you have any questions, please call.

Very truly yours,

WOODS OVIATT GILMAN LLP

A handwritten signature in blue ink, appearing to read "Louis M. D'Amato", is written over the printed name.

Louis M. D'Amato

Please direct responses to Rochester Office

LMD/cec
Enclosures

cc: Daniel Bryson, Esq. (with enclosures)



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

August 10, 2017

(212)416-8959

S&J Morrell, Inc.
c/o Woods, Oviatt, Gilman, Llp
Attention: Louis D'Amato, Esq.
700 Crossroads Building, 2 State Street
Rochester, NY 14614

RE: St. James Townhomes Association, Inc.
File Number: H 150010
Date Amendment Filed: 07/25/2017
Receipt Number: 141724
Amendment No: 1
Filing Fee: \$225.00

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. This filing is effective for the greater of six months from the date of filing this amendment or twelve months from the acceptance of the original offering literature. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

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

Very truly yours,

Judith Kaufman

Judith Kaufman
Assistant Attorney General

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD AND WOODVINE RISE
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 1 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. To extend the offering.
2. Incorporate Phase Two into the offering.
3. Disclose the recording of the Declaration, conveyance of the Common Area to the Association, and the completion of the first lot transfer.
4. Disclose the completion of the right-of-way and subdivision utilities.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phase One, consisting of 19 Townhome Lots. The Sponsor is incorporating Phase Two consisting of an additional 24 Townhome Lots. St. James Townhomes will now consist of 43 Townhome Lots. Of the 43 Townhome Lots in St. James Townhomes, 4 Townhome Lots are currently under construction. As of May 15, 2017, 5 Townhome Lots have been transferred, 4 Townhome Lots are under contract to be sold, and 34 Townhome Lots are being offered for sale.

The updated budget including Phases One and Two of St. James Townhomes is attached as Exhibit 1A-1. The Certification as to Adequacy is attached as Exhibit 1A-2. The Phase Two Plot Plan is attached as Exhibit 1A-3. The Supplemental Declaration incorporating Phase Two into the Association is attached as Exhibit 1A-4.

The Declaration establishing the Association was recorded on September 21, 2016, in Liber 1370 of Deeds, at page 530, and the Deed conveying the common area to the Association was recorded in Liber 1380 of Deeds, at page 389. The first Townhome Lot transferred was 4037 St. James Parkway, Lot 905, St. James Subdivision, Section 1. The Deed was recorded on November 18, 2016 in Liber 1374 of Deeds, at page 364; the closing took place at the Law Offices of Lacey Katzen, LLP, Rochester, New York.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

Financial Statements for the Association will be prepared and disseminated following the first full year of operations with the close of fiscal year ending December 31, 2017.

Right of Way and Utilities Completed

Sponsor hereby discloses that the right of way known as St. James Parkway, and the sanitary and storm sewers and water laterals, located within Phase I, have been constructed and completed in accordance with the specifications of the Town of Victor, and as per the specifications disclosed in the Offering Plan, except for the finish binder course of the right-of-way. The incomplete work is secured by a Letter of Credit on file with the Town of Victor. The statement of Marathon Engineering, the projects engineer, is attached as Exhibit 1A-5.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of May 15, 2017, 5 Townhome Lots have been transferred, 4 Townhome Lots are under contract to be sold, and 34 Townhome Lots are being offered for sale. Lots 903-906 and 908 have been transferred. Of the Townhome Lots owned by the Sponsor, Lots 909, 910, 912, and 917 are under contract to be sold. Each remaining Townhome Lot is being offered for sale.
2. As set forth in this Amendment 1 on Exhibit 1A-1, the monthly maintenance or common charge per Townhome Lot is \$184.68. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.

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7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.

No Further Changes

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

Dated: May 15, 2017

S&J Morrell, Inc.

Exhibit 1A-1
St. James Townhomes Phases One and Two and Complete Development
Projected Schedule of Receipts and Expenses
for the Year of Operations Commencing July 1, 2017

	Phase One and Two (43 Units)	Full Project (66 Units)	Notes
<u>PROJECTED INCOME</u>			
MAINTENANCE CHARGES			
\$184.68/ unit / month based on 43 units	95,297		1
\$184.72/ unit / month based on 66 units		146,301	2
<u>PROJECTED EXPENSES</u>			
ADMINISTRATIVE			
Legal	250	250	3
Audit	1,500	1,500	4
Office Exp.	500	750	5
Insurance	19,178	29,503	6
Management	11,700	13,464	7
CONTRACTED SERVICES			
Landscape/Grounds	24,433	43,060	8
Snow removal	10,535	14,124	9
Refuse	4,128	7,237	10
Lawn Fertilization and Weed Control Program	4,167	7,843	11
Stormwater & Swale Management	1,485	2,021	12
REPAIRS AND MAINTENANCE			
Buildings	1,000	1,500	13
Grounds	700,250	1,000	14
Supplies		300	15
TAXES			
Property taxes	200	324	16
Federal/State income taxes	75	100	17
RESERVE FUND			
Driveway Sealing	1,261	1,936	18
Driveways Resurfacing	2,602	3,993	18
Roofing	9,030	13,860	19
Siding/Gutters/Trim	0	0	20
Painting/Staining	1,613	2,475	21
Stormwater & Swale Management	<u>690</u>	<u>1061</u>	22
TOTAL	\$95,297	\$146,301	

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Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. This estimate is based on Phase I and Phase II consisting of 43 units. The project will be constructed in three phases, but will not exceed a total of 66 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. This estimate is based on Phase I, Phase II, and Phase III consisting of 66 units. The project will be constructed in three phases, but will not exceed a total of 66 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by First Niagara Risk Management with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. Included is a blanket building limit of \$3,990,000.00 for Phase I & II, 5 buildings with a total of 43 units. The blanket building limit for the entire project is quoted at \$13,860,000.00, 17 buildings with a total of 66 units. A property deductible of \$1,000.00, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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	Phase I & II	Full Project
Annual Estimated Premium with Cincinnati:	\$19,178.00	\$29,503.00
Building	\$9,030,000.00	\$13,860,000.00
Liability per Occurrence	\$1,000,000.00	\$1,000,000.00
Liability Aggregate	\$2,000,000.00	\$2,000,000.00
Non-Owned/Hired Auto	\$1,000,000.00	\$1,000,000.00
Directors & Officers Liability	\$1,000,000.00	\$1,000,000.00
Employee Dishonesty	\$250,000.00	\$250,000.00
Property Expanded Coverage Plus	Included	Included
Crime Expanded Coverage Plus	Included	Included
Broadened General Liability Endorsement	Included	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00	\$1,100.00

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

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.

7. Management fees are based on \$975.00 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424.
 - a. Services include weekly mowing of 43 units, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$24,433 including applicable tax.
 - b. Services include weekly mowing of 66 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$43,060 including applicable tax.
9. Snow removal seasonal contract is for the driveways and private roads servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided by Outward Tree & Landscape, 101 Adelaide Avenue, Canandaigua New York, 14424, (585) 394-4440.
10. Refuse is quoted by Suburban Disposal Corporation, 22 Turner Drive, Spencerport, New York 14459, (585) 352-3900. Service is quoted for weekly pick-up of refuse and the recycling blue box.
11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424.
12. Annual management of swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 (585) 202-4738. Services provided include spring and fall inspection of swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.

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14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$12,200, a tax rate of \$26.55 per \$1,000.00, or \$324 a year of assessment provided by the Canandaigua Town Assessor.
17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. In Phase I & II, topcoat of drive 47,300 sq. ft. x \$1.10 per sq. ft. is \$52,030/20 years = \$2,602 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 47,300 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$3,784/ 3years = \$1,261 per year allocation.

With the project fully completed with 66 units, topcoat of drive 72,600 sq. ft. x \$1.10 per sq. ft. is \$79,860.00/ 20 years = \$3,993.00 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 72,600 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$5,808.00/ 3years = \$1,936.00 per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

In Phase I & II with 43 units, for a total of 1,290 squares, or equivalent of 129,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$225,750/25 years = \$9,030.00 per year allocation for future re-roofing.

With the project fully completed with 66 units, or a total of 1,980 squares, or equivalent of 198,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$346,500.00/25 years = \$13,860.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for Phase I &II with 43 units, based on current bids is \$150.00 per unit x 43 units = \$6,450 / 4 years = \$1,613 per year. Projected costs for the project fully completed with 66 units, based on current bids is \$150.00 per unit x 66 units = \$9,900.00 / 4years = \$2,475.00 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
22. Cleanup of stormwater ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 (585) 202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,061.00.

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Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.

Exhibit 1A-2

CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of St. James Townhomes Association, Inc. offering plan retained our firm to review or prepare the projections of income and expenses for the first year of operation of the homeowners association with Phases One and Two incorporated therein. Our experience in this field includes the management of multiple residential/commercial developments and or associations.

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 Schedule A.

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

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

We certify that the budget:

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

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

(iii) does not omit any material fact;

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

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

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

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

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

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

Realty Performance Group

Dated: May 25, 2017

By: 
Robert F. Marvin, Pres.

Sworn to before me this
25 day of May, 2017.


Notary Public

CAROLYN M. BLANCHARD
Notary Public, State of New York
No. 01BL6111382
Qualified in Monroe County
Commission Expires June 7, 2020

**Exhibit 1A-3
Plot Plan**

See five sheets attached.

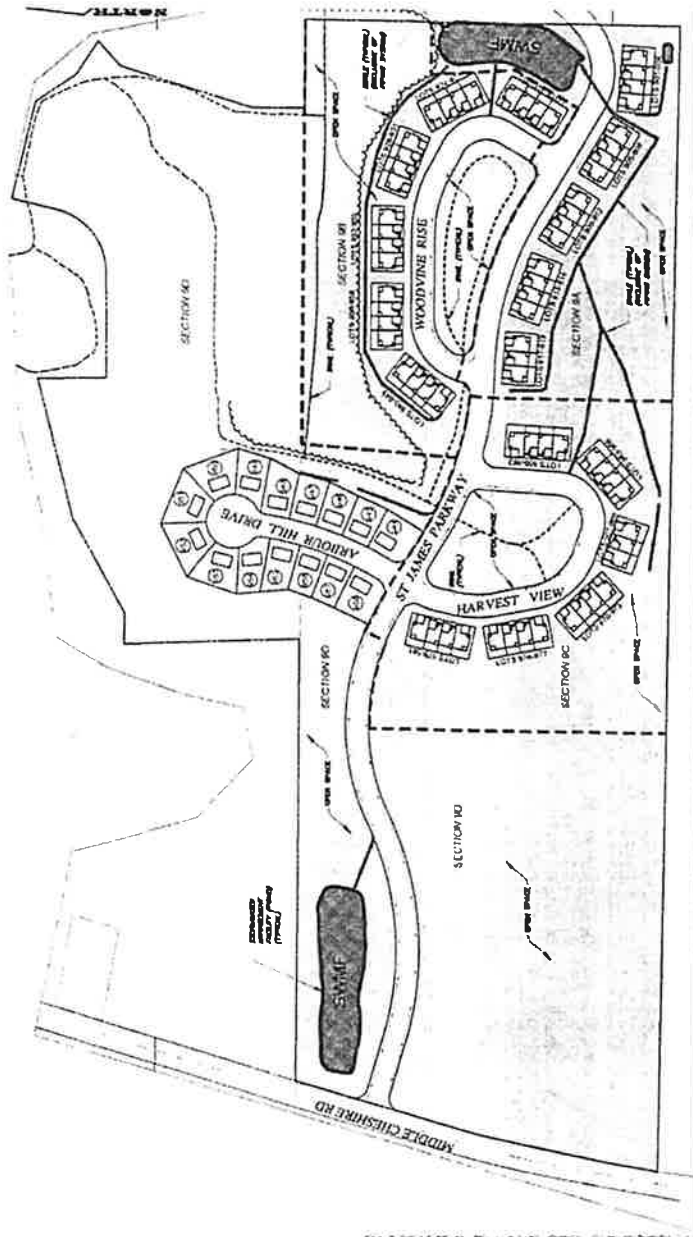


FIGURE 1
HOMEOWNERS ASSOCIATION
MAINTENANCE AREAS
FOR
LAKWOOD MEADOWS SECT. 9

DATE	BY	REVISION
08/14/18	AW	1" = 40'
08/14/18	AW	SWIMMING POOL
08/14/18	AW	SWIMMING POOL
08/14/18	AW	SWIMMING POOL

MARATHON
 ENGINEERING
 1100 W. 14TH ST.
 SUITE 100
 DENVER, CO 80202
 PHONE 303-733-7772
 www.marathoneng.com

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**SUPPLEMENTAL DECLARATION OF
ST. JAMES TOWNHOMES ASSOCIATION, INC.**

This SUPPLEMENTAL DECLARATION, made this _____, 2017, by S&J Morrell, Inc., with a mailing address of 1501 Pittsford-Victor Road, Suite 100, Victor, New York 14564.

WHEREAS, S&J Morrell, Inc. is the "Sponsor" of St. James Townhomes Association, Inc. as established by a Declaration recorded in the Ontario County Clerk's Office in Liber 1370 of Deeds, at page 530, hereinafter referred to as the "Declaration", and

WHEREAS, the Declaration provided that certain real property described therein was subject to a uniform plan of protective covenants, conditions, restrictions, easements, charges and liens, and

WHEREAS, the Sponsor, pursuant to Article II of the Declaration, desires to declare certain additional real property, as is particularly described in Schedule "A" attached hereto and made a part hereof, to be subject to the uniform plan of protective covenants, conditions, restrictions, easements, charges and liens.

NOW THEREFORE, the Sponsor, for itself, its successors and assigns, declares that the real property described as ALL THAT TRACT OR PARCEL OF LAND situate in Canandaigua, Ontario County, New York being known as Lakewood Meadows Subdivision Section 9B as the same is shown on map thereof filed in the Ontario County Clerk's Office in Liber ___ of Maps, at page ___, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens contained in the Declaration, as amended. Said covenants, conditions, restrictions, easements, charges and liens shall run with the real property, shall be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successor and assigns, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the undersigned, being the sole parties necessary to effectuate this Supplemental Declaration, set their hands and seals the date first above stated.

S&J MORRELL, INC.

By: _____
Jeff Morrell, Vice President

ST. JAMES TOWNHOMES ASSOCIATION, INC.

By: _____
Jeff Morrell, President

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

On the ___ day of _____ in the year 2017 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

Exhibit 1A-5

ENGINEER'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of the offering plan for St. James Townhomes Association, Inc. retained our firm to prepare this certification stating that the rights of way known as St. James Parkway and Woodvine Rise, and the sanitary and storm sewer laterals and water laterals, with respect to Phase I, have been constructed and completed in accordance with the specifications required by the Town of Victor and in accordance with the specifications disclosed in the report describing the construction of the property (the "Report"). We examined the plans and specifications that were prepared by Marathon Engineering and prepared the Report dated November 19, 2015, a copy of which was incorporated into the offering plan so that prospective purchasers may rely on the Report.

We hereby certify that the right of way known as St. James Parkway and Woodvine Rise, and the sanitary and storm sewer laterals and water laterals, with respect to Phase I, have been constructed and completed in accordance with the specifications required by the Town of Victor and in accordance with the specifications disclosed in the Report, except for the finish binder asphalt course of the right of way. The incomplete work is secured by a Letter of Credit on file with the Town of Victor.

We are a licensed engineer in the State where the property is located.

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 development of the property as part of St. James Townhomes Association, Inc. 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: May 25th, 2017

JOANNA L. STAPLETON
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01-ST6082336
QUALIFIED IN MONROE COUNTY
MY COMMISSION EXPIRES 08-08-20 17

Marathon Engineering
By: [Signature]
Robert P. Bringley
Registered Engineer
License No. 066924

affix license seal here

Sworn to before me this
May 25th, 2017

[Signature]
Notary Public
{68}094:}



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

(212) 416-8959

DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

January 11, 2018

S&J Morrell, Inc.
c/o Woods, Oviatt, Gilman, LLP
Attention: Louis D'Amato, Esq.
700 Crossroads Building, 2 State Street
Rochester, NY 14614

RE: St. James Townhomes Association, Inc.
File Number: H 150010 Amendment No: 2
Date Amendment Filed: 01/05/2018 Filing Fee: \$225.00
Receipt Number: 144280

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

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

Very truly yours,

Judith Kaufman

Judith Kaufman
Assistant Attorney General

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD AND WOODVINE RISE
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 2 TO THE OFFERING PLAN

This Amendment is made for the purpose of extending the offering plan.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phase One, consisting of 19 Townhome Lots, and Phase Two consisting of an additional 24 Townhome Lots, for a total of 43 Townhome Lots. Of the 43 Townhome Lots in St. James Townhomes, 12 Townhome Lots are currently under construction. As of December 1, 2017, 8 Townhome Lots have been transferred, 5 Townhome Lots are under contract to be sold, and 30 Townhome Lots are being offered for sale.

The budget for Phases One and Two of St. James Townhomes is attached as Exhibit 2A-1. The Certification as to Adequacy in attached as Exhibit 2A-2.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

Financial Statements for the Association will be prepared and disseminated following the first full year of operations with the close of fiscal year ending December 31, 2017.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of December 1, 2017, 8 Townhome Lots have been transferred, 5 Townhome Lots are under contract to be sold, and 30 Townhome Lots are being offered for sale. Lots 903-906, 908, 909, 912 and 917 have been transferred. Of the Townhome Lots owned by the Sponsor, Lots 913, 924, 927, 928 and 931 are under contract to be sold. Each remaining Townhome Lot is being offered for sale.
2. As set forth in this Amendment 1 on Exhibit 2A-1, the monthly maintenance or common charge per Townhome Lot is \$184.68. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.

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4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.
9. Note regarding the dedicated right of way: As set forth in Amendment No. 1, the right of way known as St. James Parkway has been completed in accordance with the specifications of the Town of Victor, and as per the specifications disclosed in the Offering Plan, except for the finished binder course. A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town are the sole responsibility of the Sponsor. Once accepted in dedication by the Town, the Town is responsible for maintenance.

No Further Changes

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

Dated: January 5, 2018

S&J Morrell, Inc.

Exhibit 2A-1
St. James Townhomes Phases One and Two and Complete Development
Projected Schedule of Receipts and Expenses
for the Year of Operations Commencing July 1, 2017

	Phase One and Two (43 Units)	Full Project (66 Units)	Notes
<u>PROJECTED INCOME</u>			
MAINTENANCE CHARGES			
\$184.68/ unit / month based on 43 units	95,297		1
\$184.72/ unit / month based on 66 units		146,301	2
<u>PROJECTED EXPENSES</u>			
ADMINISTRATIVE			
Legal	250	250	3
Audit	1,500	1,500	4
Office Exp.	500	750	5
Insurance	19,178	29,503	6
Management	11,700	13,464	7
CONTRACTED SERVICES			
Landscape/Grounds	24,433	43,060	8
Snow removal	10,535	14,124	9
Refuse	4,128	7,237	10
Lawn Fertilization and Weed Control Program	4,167	7,843	11
Stormwater & Swale Management	1,485	2,021	12
REPAIRS AND MAINTENANCE			
Buildings	1,000	1,500	13
Grounds	700,250	1,000	14
Supplies		300	15
TAXES			
Property taxes	200	324	16
Federal/State income taxes	75	100	17
RESERVE FUND			
Driveway Sealing	1,261	1,936	18
Driveways Resurfacing	2,602	3,993	18
Roofing	9,030	13,860	19
Siding/Gutters/Trim	0	0	20
Painting/Staining	1,613	2,475	21
Stormwater & Swale Management	<u>690</u>	<u>1061</u>	22
TOTAL	\$95,297	\$146,301	

Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. This estimate is based on Phase I and Phase II consisting of 43 units. The project will be constructed in three phases, but will not exceed a total of 66 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. This estimate is based on Phase I, Phase II, and Phase III consisting of 66 units. The project will be constructed in three phases, but will not exceed a total of 66 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by First Niagara Risk Management with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. Included is a blanket building limit of \$3,990,000.00 for Phase I & II, 5 buildings with a total of 43 units. The blanket building limit for the entire project is quoted at \$13,860,000.00, 17 buildings with a total of 66 units. A property deductible of \$1,000.00, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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	Phase I & II	Full Project
Annual Estimated Premium with Cincinnati:	\$19,178.00	\$29,503.00
Building	\$9,030,000.00	\$13,860,000.00
Liability per Occurrence	\$1,000,000.00	\$1,000,000.00
Liability Aggregate	\$2,000,000.00	\$2,000,000.00
Non-Owned/Hired Auto	\$1,000,000.00	\$1,000,000.00
Directors & Officers Liability	\$1,000,000.00	\$1,000,000.00
Employee Dishonesty	\$250,000.00	\$250,000.00
Property Expanded Coverage Plus	Included	Included

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Crime Expanded Coverage Plus	Included	Included
Broadened General Liability Endorsement	Included	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00	\$1,100.00

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

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.

7. Management fees are based on \$975.00 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424.
 - a. Services include weekly mowing of 43 units, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$24,433 including applicable tax.
 - b. Services include weekly mowing of 66 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$43,060 including applicable tax.
9. Snow removal seasonal contract is for the driveways and private roads servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided by Outward Tree & Landscape, 101 Adelaide Avenue, Canandaigua New York, 14424, (585) 394-4440.
10. Refuse is quoted by Suburban Disposal Corporation, 22 Turner Drive, Spencerport, New York 14459, (585) 352-3900. Service is quoted for weekly pick-up of refuse and the recycling blue box.

11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424.
12. Annual management of swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 (585) 202-4738. Services provided include spring and fall inspection of swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$12,200, a tax rate of \$26.55 per \$1,000.00, or \$324 a year of assessment provided by the Canandaigua Town Assessor.
17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. In Phase I & II, topcoat of drive 47,300 sq. ft. x \$1.10 per sq. ft. is $\$52,030/20 \text{ years} = \$2,602$ per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 47,300 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is $\$3,784/3 \text{ years} = \$1,261$ per year allocation.

With the project fully completed with 66 units, topcoat of drive 72,600 sq. ft. x \$1.10 per sq. ft. is $\$79,860.00/20 \text{ years} = \$3,993.00$ per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 72,600 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is $\$5,808.00/3 \text{ years} = \$1,936.00$ per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

In Phase I & II with 43 units, for a total of 1,290 squares, or equivalent of 129,000 sq. feet of material x \$1.75 per sq. ft. of roof or $\$225,750/25 \text{ years} = \$9,030.00$ per year allocation for future re-roofing.

With the project fully completed with 66 units, or a total of 1,980 squares, or equivalent of 198,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$346,500.00/25 years = \$13,860.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.

20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for Phase I & II with 43 units, based on current bids is \$150.00 per unit x 43 units = \$6,450 / 4 years = \$1,613 per year. Projected costs for the project fully completed with 66 units, based on current bids is \$150.00 per unit x 66 units = \$9,900.00 / 4 years = \$2,475.00 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
22. Cleanup of stormwater ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 (585) 202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,061.00.

Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.

Exhibit 2A-2
CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of St. James Townhomes Association, Inc. offering plan retained our firm to review or prepare the projections of income and expenses for the first year of operation of the homeowners association with Phases One and Two incorporated therein. Our experience in this field includes the management of multiple residential/commercial developments and or associations.

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 Schedule A. We have reviewed the budget and investigated the facts set forth and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential/commercial property. We certify that the projections in the budget appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of operation as a homeowners association.

We certify that the budget:

- (i) sets forth in detail the projected income and expenses for the first year of homeowners association operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a homeowners association;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

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

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

Realty Performance Group

Dated: November 30, 2017

By: 
Robert F. Marvin, Pres.

Sworn to before me this
30 day of November, 2017.

Julie M. McDonald
Notary Public

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JULIE M. MCDONALD
Notary Public, State of New York
No. 01MCG076701
Qualified in Ontario County
Commission Expires July 1, 20 18

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD AND WOODVINE RISE
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 3 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. To extend the offering.
2. Incorporate Phase Three into the offering.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phases One and Two, consisting of 43 Townhome Lots. The Sponsor is incorporating Phase Three consisting of an additional 23 Townhome Lots. St. James Townhomes will now consist of 66 Townhome Lots. Of the 66 Townhome Lots in St. James Townhomes, 12 Townhome Lots are currently under construction. As of November 20, 2018, 20 Townhome Lots have been transferred, 8 Townhome Lots are under contract to be sold, and 38 Townhome Lots are being offered for sale.

The updated budget including Phases One thru Three of St. James Townhomes is attached as Exhibit A. The Certification as to Adequacy is attached as Exhibit B. The Plot Plan depicting all Three Phases is attached as Exhibit C. The Supplemental Declaration incorporating Phase Three into the Association is attached as Exhibit D.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

Financial Statements for the Association for the fiscal year ending April 30, 2018 are attached as Exhibit E.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of November 20, 2018, Townhome Lots 903-906, 908-910, 912-919, 924, 927, 928, 931, and 932 have been transferred, Townhome Lots 901, 907, 911, 922, 923, 939, 940, and 943 are under contract to be sold, and Townhome Lots 902, 920, 921, 925, 926, 929, 930, 933-938, 941, 942, and 959-981 are being offered for sale.
2. As set forth in this Amendment 3 on Exhibit A, the monthly maintenance or common charge per Townhome Lot is \$184.72. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a

Class A membership, and all members shall vote equally, that is, one member one vote.

No Further Changes

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

Dated: November 26, 2018

S&J Morrell, Inc.

Exhibit A
St. James Townhomes Phases One thru Three
Projected Schedule of Receipts and Expenses
for the Year of Operations Commencing January 1, 2019

	Full Project (66 Units)	Notes
<u>PROJECTED INCOME</u>		
MAINTENANCE CHARGES		1
\$184.72/ unit / month based on 66 units	146,301	2
<u>PROJECTED EXPENSES</u>		
ADMINISTRATIVE		
Legal	250	3
Audit	1,500	4
Office Exp.	750	5
Insurance	29,503	6
Management	13,464	7
CONTRACTED SERVICES		
Landscape/Grounds	43,060	8
Snow removal	14,124	9
Refuse	7,237	10
Lawn Fertilization and Weed Control Program	7,843	11
Stormwater & Swale Management	2,021	12
REPAIRS AND MAINTENANCE		
Buildings	1,500	13
Grounds	1,000	14
Supplies	300	15
TAXES		
Property taxes	324	16
Federal/State income taxes	100	17
RESERVE FUND		
Driveway Sealing	1,936	18
Driveways Resurfacing	3,993	18
Roofing	13,860	19
Siding/Gutters/Trim	0	20
Painting/Staining	2,475	21
Stormwater & Swale Management	<u>1061</u>	22
TOTAL	\$146,301	

Footnotes to Projected Budget

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1. The Sponsor has made this estimate of operating income and expense. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. This estimate is based on Phase I, Phase II, and Phase III consisting of 66 units. The project will be constructed in three phases, but will not exceed a total of 66 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by First Niagara Risk Management with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. Included is a blanket building limit of \$3,990,000.00 for Phase I & II, 5 buildings with a total of 43 units. The blanket building limit for the entire project is quoted at \$13,860,000.00, 17 buildings with a total of 66 units. A property deductible of \$1,000.00, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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 with Cincinnati:	\$29,503.00
Building	\$13,860,000.00
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 Expanded Coverage Plus	Included
Crime Expanded Coverage Plus	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00

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

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.

7. Management fees are based on \$975.00 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424.
 - a. Services include weekly mowing of 43 units, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$24,433 including applicable tax.
 - b. Services include weekly mowing of 66 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$43,060 including applicable tax.
9. Snow removal seasonal contract is for the driveways and private roads servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided by Outward Tree & Landscape, 101 Adelaide Avenue, Canandaigua New York, 14424, (585) 394-4440.
10. Refuse is quoted by Suburban Disposal Corporation, 22 Turner Drive, Spencerport, New York 14459, (585) 352-3900. Service is quoted for weekly pick-up of refuse and the recycling blue box.
11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424.
12. Annual management of swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 (585) 202-4738. Services provided include spring and fall inspection of swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.

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16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$12,200, a tax rate of \$26.55 per \$1,000.00, or \$324 a year of assessment provided by the Canandaigua Town Assessor.
17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. In Phase I & II, topcoat of drive 47,300 sq. ft. x \$1.10 per sq. ft. is \$52,030/20 years = \$2,602 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 47,300 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$3,784/ 3years = \$1,261 per year allocation.
- With the project fully completed with 66 units, topcoat of drive 72,600 sq. ft. x \$1.10 per sq. ft. is \$79,860.00/ 20 years = \$3,993.00 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 72,600 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$5,808.00/ 3years = \$1,936.00 per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.
- In Phase I & II with 43 units, for a total of 1,290 squares, or equivalent of 129,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$225,750/25 years = \$9,030.00 per year allocation for future re-roofing.
- With the project fully completed with 66 units, or a total of 1,980 squares, or equivalent of 198,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$346,500.00/25 years = \$13,860.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for Phase I &II with 43 units, based on current bids is \$150.00 per unit x 43 units = \$6,450 / 4 years = \$1,613 per year. Projected costs for the project fully completed with 66 units, based on current bids is \$150.00 per unit x 66 units = \$9,900.00 / 4years = \$2,475.00 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744.
22. Cleanup of stormwater ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 (585) 202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,061.00.

Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.

Exhibit B
CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of St. James Townhomes Association, Inc. offering plan retained our firm to review or prepare the projections of income and expenses for the first year of operation of the homeowners association with Phases One and Two incorporated therein. Our experience in this field includes the management of multiple residential/commercial developments and or associations.

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 Schedule A.

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

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

We certify that the budget:

- (i) sets forth in detail the projected income and expenses for the first year of homeowners association operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a homeowners association;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
(a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

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

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

Realty Performance Group

Dated: 11/16, 2018

By: 
Robert F. Marvin, Pres.

Sworn to before me this
16 day of November, 2018.

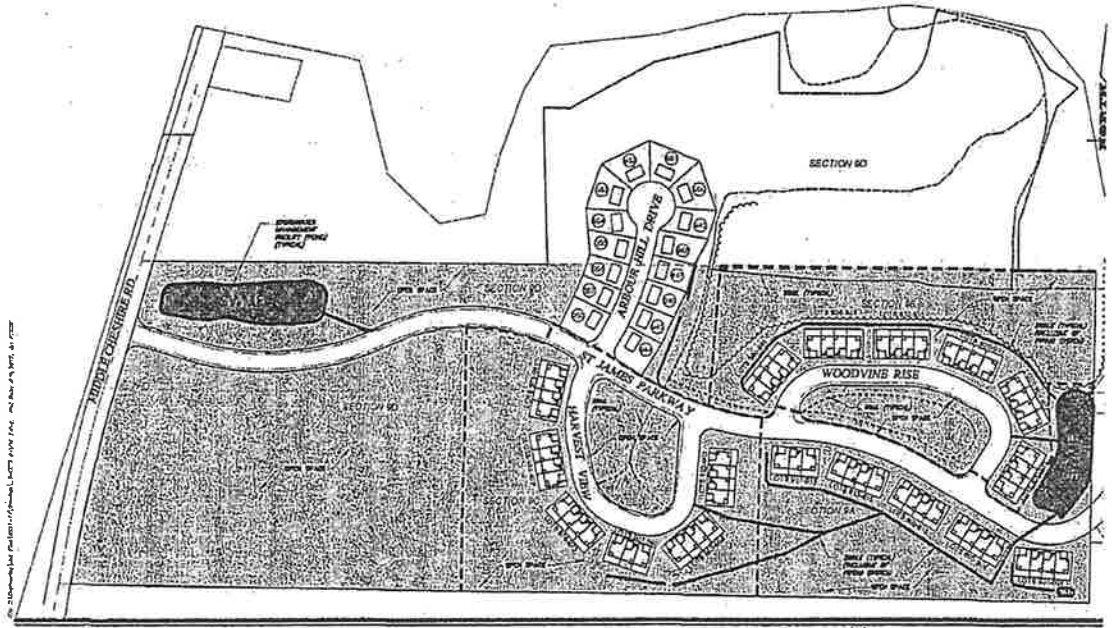
Julie M. McDonald
Notary Public

JULIE M. McDONALD
Notary Public, State of New York
No. 01MC0076701
Qualified in Ontario County
Commission Expires July 1, 20 22

Exhibit C
Plot Plan

{6667744:}

Site Plan



MARATHON
ENGINEERING
33 GARDNER DRIVE
ROCHESTER, NY 14618
PHONE: 248-434-7778
www.marathon.com

JOB NO. 08149
SCALE 1" = 30'
DRAWN: JLT
CHECKED: JLT
DATE: 08/13

FIGURE 1
HOMEOWNERS ASSOCIATION
MAINTENANCE AREAS
FOR
LAKWOOD MEADOWS SECT. 9

Exhibit D

SUPPLEMENTAL DECLARATION OF ST. JAMES TOWNHOMES ASSOCIATION, INC.

This SUPPLEMENTAL DECLARATION, made this _____, 2019, by S&J Morrell, Inc., with a mailing address of 1501 Pittsford-Victor Road, Suite 100, Victor, New York 14564.

WHEREAS, S&J Morrell, Inc. is the "Sponsor" of St. James Townhomes Association, Inc. as established by a Declaration recorded in the Ontario County Clerk's Office in Liber 1370 of Deeds, at page 530, hereinafter referred to as the "Declaration", and

WHEREAS, the Declaration provided that certain real property described therein was subject to a uniform plan of protective covenants, conditions, restrictions, easements, charges and liens, and

WHEREAS, the Sponsor, pursuant to Article II of the Declaration, desires to declare certain additional real property, as is particularly described in Schedule "A" attached hereto and made a part hereof, to be subject to the uniform plan of protective covenants, conditions, restrictions, easements, charges and liens.

NOW THEREFORE, the Sponsor, for itself, its successors and assigns, declares that the real property described as ALL THAT TRACT OR PARCEL OF LAND situate in Canandaigua, Ontario County, New York being known as Lakewood Meadows Subdivision Section 9D as the same is shown on map thereof filed in the Ontario County Clerk's Office in Liber ___ of Maps, at page ___, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens contained in the Declaration, as amended. Said covenants, conditions, restrictions, easements, charges and liens shall run with the real property, shall be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successor and assigns, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the undersigned, being the sole parties necessary to effectuate this Supplemental Declaration, set their hands and seals the date first above stated.

S&J MORRELL, INC.

By: _____
Jeff Morrell, Vice President

ST. JAMES TOWNHOMES ASSOCIATION, INC.

By: _____
Jeff Morrell, President

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

On the ____ day of _____ in the year 2019 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

Exhibit E

Association Financial Statement
For Fiscal Year ending April 30, 2018

ST. JAMES TOWNHOMES ASSOCIATION, INC.

FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017

ST. JAMES TOWNHOMES ASSOCIATION, INC.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. James Townhomes Association, Inc. as of April 30, 2018 and 2017, and the results of its operations and its cash flows for the year ended April 30, 2018 and the period from November 23, 2015 (date of incorporation) to April 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Bruce, DiGuardia & Roy, LLP

Rochester, New York
September 6, 2018

ST. JAMES TOWNHOMES ASSOCIATION, INC.

BALANCE SHEETS
APRIL 30, 2018 AND 2017

ASSETS

Assets		
Cash and cash equivalents	\$ 839	\$ 7,395
Prepaid expenses	1,666	992
Accounts receivable from sponsor	<u>2,034</u>	<u>0</u>
Total assets	<u>\$ 4,539</u>	<u>\$ 8,387</u>

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts payable	\$ 77	\$ 0
Accounts payable to sponsor	0	7,639
Advance payments from homeowners	1,493	184
Accrued income taxes	<u>2</u>	<u>0</u>
Total liabilities	<u>1,572</u>	<u>7,823</u>
Fund balances		
Operating	0	0
Major maintenance	<u>2,967</u>	<u>564</u>
Total fund balances	<u>2,967</u>	<u>564</u>
	<u>\$ 4,539</u>	<u>\$ 8,387</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2018 AND THE PERIOD FROM NOVEMBER 23, 2015
(DATE OF INCORPORATION) TO APRIL 30, 2017

	2018		2017		Total
	Operating Fund	Maintenance Fund	Operating Fund	Maintenance Fund	
Revenues					
Common charges	\$ 12,764	\$ 2,403	\$ 3,798	\$ 564	\$ 4,362
Sponsor contributions	15,173	0	2,362	0	2,362
Total revenues	27,937	2,403	6,160	564	6,724
Expenses					
Trash removal	1,108	0	247	0	247
Snow removal	8,708	0	2,365	0	2,365
Landscaping	6,143	0	0	0	0
Building and grounds repairs and maintenance	1,157	0	0	0	0
Administrative expenses	166	0	81	0	81
Management fees	2,098	0	592	0	592
Legal and professional fees	1,600	0	0	0	0
Insurance	6,955	0	2,853	0	2,853
Water	0	0	22	0	22
Income taxes	2	0	0	0	0
Total expenses	27,937	0	6,160	0	6,160
Excess of revenues over expenses	0	2,403	0	564	564
Transfers	0	0	0	0	0
Fund balances - beginning of period	0	564	0	0	0
Fund balances - end of period	0	2,967	0	564	564

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2018 AND THE PERIOD FROM NOVEMBER 23, 2015
(DATE OF INCORPORATION) TO APRIL 30, 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 2,403	\$ 564
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided (used) by operating activities:		
(Increase) decrease in:		
Prepaid expenses	(674)	(992)
Accounts receivable from sponsor	(2,034)	0
Increase (decrease) in:		
Accounts payable	77	0
Accounts payable to sponsor	(7,639)	7,639
Advance payments from homeowners	1,309	184
Accrued income taxes	<u>2</u>	<u>0</u>
Net cash and cash equivalents provided by (used) by operating activities	(6,556)	7,395
Cash and cash equivalents - beginning of period	<u>7,395</u>	<u>0</u>
Cash and cash equivalents - end of period	<u>\$ 839</u>	<u>\$ 7,395</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

NOTE 1: SUMMARY OF OPERATIONS

On November 23, 2015, the Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law, for the purpose of owning common land and maintaining the common areas (consisting of siding, gutters, downspouts, roofs, asphalt, grounds and lawns) of sixty-six townhomes, of which eight are sold, in Canandaigua, New York. Currently, S & J Morrell Inc., the Sponsor, is in control of the Association and hired an independent property management firm to manage the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - The Association considers all highly liquid investments with maturities of three month or less to be cash equivalents.

Fund Accounting - The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the major maintenance fund generally may be made only for designated purposes.

Income Taxes - Pursuant to the Tax Reform Act of 1976, homeowner associations are permitted to make an annual election to be treated as a regular corporation or a tax-exempt organization. Each year the Association will file its tax returns under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest, net of expenses).

The Association's tax returns for the years ending 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through September 6, 2018, the date the financial statements were available to be issued.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the year ended April 30, 2018 and 2017 were \$184, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors, currently the sponsor. The Association retains any year end operating surplus for use in future years. As of May 1, 2018, monthly assessments remain the same.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears.

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Realty Performance Group, Inc. for management of its operations. The agreement provides for a monthly fee of \$26 per sold unit for up to 19 sold units. For 20 to 43 completed units, the fee is to be \$1,004 per month and for 44 to 66 units the fee is to be \$1,156 per month until September 30, 2018. The agreement may be further extended at an increase equal to the greater of 3% or the increase in the consumer price index.

NOTE 5: SPONSOR ASSESSMENTS

The Sponsor is required to fund operating deficits until the last lot is sold.

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association has elected to accumulate funds for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations.

The board of directors and the management company determine amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

NOTE 7: CONCENTRATIONS OF CREDIT RISK

The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Association routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited.

See independent auditors' report.



Bonn, Dioguardi & Ray LLP
Certified Public Accountants • Business & Financial Advisors

Kenneth Bonn Jr.
Joseph P. Dioguardi Jr.
Michael S. Ray

Michael S. Boychuk
Thomas A. Walter
William S. Bailey
Harry L. Sealton

70 Linden Oaks Office Park, Rochester, NY 14625
www.bdrllp.com • 585-381-9600 • Fax: 585-248-0603

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
St. James Townhomes Association, Inc.

We have audited the financial statements of St. James Townhomes Association, Inc. as of and for the year ended April 30, 2018 and for the period from November 23, 2015 (date of incorporation) to April 30, 2017, and our report thereon dated September 6, 2018, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Rochester, New York
September 6, 2018

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2018

The offering plan contains a study dated May 1, 2016, to estimate the remaining useful lives and the replacement costs of components of common property. The costs are based upon estimated current replacement costs.

The following unaudited table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Driveway resurfacing	20	\$ 79,860
Driveway sealing	3	5,808
Roofing	25	346,500
Siding/gutters/trim	50	Not determined
Painting	4	9,900
Cleanup	3	3,182

See independent auditors' report on supplemental information.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD AND WOODVINE RISE
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 4 TO THE OFFERING PLAN

This Amendment is made to extend the offering an additional year.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phases One thru Three, consisting of 66 Townhome Lots. Of the 66 Townhome Lots in St. James Townhomes, 8 Townhome Lots are currently under construction. As of October 25, 2019, 36 Townhome Lots have been transferred, 8 Townhome Lots are under contract to be sold, and 28 Townhome Lots are being offered for sale.

The updated budget for Phases One thru Three of St. James Townhomes is attached as Exhibit A. The Certification as to Adequacy is attached as Exhibit B. As with prior budgets, the Association is responsible for Storm Water & Swale Management, including drainage structures and pipes owned and maintained by the Association. Reference is made to Footnotes 12 and 22 for specific information.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

Financial Statements for the Association for the fiscal year ending April 30, 2019 are attached as Exhibit C.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of October 25, 2019, Townhome Lots 901, 903-920, 922-924, 927-928, 930-932, 939, 940, and 943 have been transferred, Townhome Lots 926, 941, 963, 966, 967, 969, 970, 973 are under contract to be sold, and Townhome Lots 902, 921, 925, 929, 933-938, 942, 959-962, 964-965, 968, 971-972, and 974-981 are being offered for sale.
2. As set forth in this Amendment No. 4 on Exhibit A, the monthly maintenance or common charge per Townhome Lot is \$190.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a

Class A membership, and all members shall vote equally, that is, one member one vote.

9. The 2019-20 School tax on unsold lots owned by the Sponsor was \$44,803.62; the 2019 County tax on unsold lots owned by the Sponsor was \$10,103.37.

No Further Changes

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

Dated: _____, 2019

S&J Morrell, Inc.

Exhibit A
St. James Townhomes Phases One thru Three
Projected Schedule of Receipts and Expenses
For the Year of Operations Commencing January 1, 2020 and ending December 31, 2020

	Full Project (66 Units)	Notes
<u>PROJECTED INCOME</u>		
MAINTENANCE CHARGES		1
\$190.00 unit / month based on 66 units	150,480	2
<u>PROJECTED EXPENSES</u>		
ADMINISTRATIVE		
Legal	500	3
Audit	1,700	4
Office Exp.	700	5
Insurance	29,500	6
Management	13,465	7
CONTRACTED SERVICES		
Landscape/Grounds	43,060	8
Snow removal	16,040	9
Refuse	10,060	10
Lawn Fertilization and Weed Control Program	5,845	11
Storm Water & Swale Management	2,000	12
REPAIRS AND MAINTENANCE		
Buildings	2,360	13
Grounds	1,000	14
Supplies	500	15
TAXES		
Property taxes	325	16
Federal/State income taxes	100	17
RESERVE FUND		
Driveway Sealing	1,936	18
Driveways Resurfacing	3,993	18
Roofing	13,860	19
Siding/Gutters/Trim	0	20
Painting/Staining	2,475	21
Storm Water & Swale Management	<u>1,061</u>	22
TOTAL	\$150,480	

{7735453: }

Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. This estimate is based on Phase I, Phase II, and Phase III consisting of 66 units. The project will be constructed in three phases, but will not exceed a total of 66 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by USI Insurance Services with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. Included is a blanket building limit of \$3,990,000.00 for Phase I & II, 5 buildings with a total of 43 units. The blanket building limit for the entire project is quoted at \$13,860,000, 17 buildings with a total of 66 units. A property deductible of \$1,000, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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 with Cincinnati:	\$29,500.00
Building	\$13,860,000.00
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 Expanded Coverage Plus	Included
Crime Expanded Coverage Plus	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00

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

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.

7. Management fees are based on \$1,122 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-744. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. Services include weekly mowing of 66 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$43,060 including applicable tax.
9. Snow removal per-trip contract is for the driveways and private roads servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738.
10. Refuse is quoted by Casella Waste Systems, with an address of 54 Doran Ave, Geneva, New York, 14456, 315-381-5739. Service is quoted for weekly pick-up of refuse and the recycling totes.
11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by TruGreen Lawn Care, with an address of 40 Ridgeland Road, Rochester, New York, 14623, 585-301-4413.
12. Annual management of structures, pipes, swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 585-202-4738. Services provided include spring and fall inspection of structures, pipes, swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.

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15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$12,200, a tax rate of \$26.55 per \$1,000.00, or \$325 a year of assessment provided by the Canandaigua Town Assessor.
17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. In Phase I & II, topcoat of drive 47,300 sq. ft. x \$1.10 per sq. ft. is \$52,030/20 years = \$2,602 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 47,300 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$3,784/3years = \$1,261 per year allocation.

With the project fully completed with 66 units, topcoat of drive 72,600 sq. ft. x \$1.10 per sq. ft. is \$79,860.00/ 20 years = \$3,993.00 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 72,600 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$5,808.00/ 3years = \$1,936.00 per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

In Phase I & II with 43 units, for a total of 1,290 squares, or equivalent of 129,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$225,750/25 years = \$9,030.00 per year allocation for future re-roofing.

With the project fully completed with 66 units, or a total of 1,980 squares, or equivalent of 198,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$346,500.00/25 years = \$13,860.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for Phase I & II with 43 units, based on current bids is \$150.00 per unit x 43 units = \$6,450 / 4 years = \$1,613 per year. Projected costs for the project fully completed with 66 units, based on current bids is \$150.00 per unit x 66 units = \$9,900.00 / 4years = \$2,475.00 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
22. Cleanup of storm water ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,061.00.

Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.

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◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

Exhibit B

CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of St. James Townhomes Association, Inc. offering plan retained our firm to review or prepare the projections of income and expenses for the first year of operation of the homeowners association with Phases One and Two incorporated therein. Our experience in this field includes the management of multiple residential/commercial developments and or associations.

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 Schedule A.

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

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

We certify that the budget:

- (i) sets forth in detail the projected income and expenses for the first year of homeowners association operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a homeowners association;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

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

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

Realty Performance Group

Dated: 10/29, 2019

By: 
Robert F. Marvin, Pres.

Sworn to before me this
29 day of October, 2019.

Julie M. McDonald
Notary Public

JULIE M. MCDONALD
Notary Public, State of New York
No. 01MCG076701
Qualified in Ontario County
Commission Expires July 1, 2022

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Exhibit C

**Association Financial Statement
For Fiscal Year ending April 30, 2019**

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ST. JAMES TOWNHOMES ASSOCIATION, INC.

**FINANCIAL STATEMENTS
APRIL 30, 2019 AND 2018**

ST. JAMES TOWNHOMES ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
St. James Townhomes Association, Inc.
Canandaigua, New York

We have audited the accompanying financial statements of St. James Townhomes Association, Inc., which comprise the balance sheets as of April 30, 2019 and 2018, and the related statements of revenues, expenses and changes in fund balances and cash flows for the years ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. James Townhomes Association, Inc. as of April 30, 2019 and 2018, and the results of its operations and its cash flows for the years ended, in accordance with accounting principles generally accepted in the United States of America.

Bruce, D'Agostino & Co., LLP

Rochester, New York
August 23, 2019

ST. JAMES TOWNHOMES ASSOCIATION, INC.

BALANCE SHEETS
APRIL 30, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 13,105	\$ 839
Prepaid expenses	2,408	1,666
Accounts receivable from sponsor	<u>0</u>	<u>2,034</u>
Total assets	<u>\$ 15,513</u>	<u>\$ 4,539</u>

LIABILITIES AND FUND BALANCES

	<u>2019</u>	<u>2018</u>
Liabilities		
Accounts payable	\$ 893	\$ 77
Accounts payable to sponsor	3,971	0
Advance payments from homeowners	2,426	1,493
Accrued income taxes	<u>4</u>	<u>2</u>
Total liabilities	<u>7,294</u>	<u>1,572</u>
Fund balances		
Operating	0	0
Major maintenance	<u>8,219</u>	<u>2,967</u>
Total fund balances	<u>8,219</u>	<u>2,967</u>
	<u>\$ 15,513</u>	<u>\$ 4,539</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018**

	2019			2018		
	Operating Fund	Maintenance Fund	Total	Operating Fund	Maintenance Fund	Total
Revenues						
Common charges	\$ 28,317	\$ 5,252	\$ 33,569	\$ 12,764	\$ 2,403	\$ 15,167
Sponsor contributions	23,995	0	23,995	15,173	0	15,173
Total revenues	52,312	5,252	57,564	27,937	2,403	30,340
Expenses						
Trash removal	2,537	0	2,537	1,108	0	1,108
Snow removal	7,600	0	7,600	8,708	0	8,708
Landscaping	22,716	0	22,716	6,143	0	6,143
Building and grounds repairs and maintenance	1,165	0	1,165	1,157	0	1,157
Administrative expenses	239	0	239	166	0	166
Management fees	5,295	0	5,295	2,098	0	2,098
Legal and professional fees	1,650	0	1,650	1,600	0	1,600
Insurance	11,106	0	11,106	6,955	0	6,955
Income taxes	4	0	4	2	0	2
Total expenses	52,312	0	52,312	27,937	0	27,937
Excess of revenues over expenses	0	5,252	5,252	0	2,403	2,403
Transfers	0	0	0	0	0	0
Fund balances - beginning of year	0	2,967	2,967	0	564	564
Fund balances - end of year	\$ 0	\$ 8,219	\$ 8,219	\$ 0	\$ 2,967	\$ 2,967

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 5,252	\$ 2,403
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided (used) by operating activities:		
(Increase) decrease in:		
Prepaid expenses	(742)	(674)
Accounts receivable from spomsor	2,034	(2,034)
Increase (decrease) in:		
Accounts payable	816	77
Accounts payable to sponsor	3,971	(7,639)
Advance payments from homeowners	933	1,309
Accrued income taxes	<u>2</u>	<u>2</u>
 Net cash and cash equivalents provided by (used) by operating activities	 12,266	 (6,556)
 Cash and cash equivalents - beginning of year	 <u>839</u>	 <u>7,395</u>
 Cash and cash equivalents - end of year	 <u>\$ 13,105</u>	 <u>\$ 839</u>
 Supplemental disclosure of cash flow information:		
 Cash paid for income taxes	 <u>\$ 2</u>	 <u>\$ 0</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019 AND 2018

NOTE 1: SUMMARY OF OPERATIONS

On November 23, 2015, the Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law, for the purpose of owning common land and maintaining the common areas (consisting of siding, gutters, downspouts, roofs, asphalt, grounds and lawns) of sixty-six townhomes, of which twenty one are sold, in Canandaigua, New York. Currently, S & J Morrell Inc., the Sponsor, is in control of the Association and hired an independent property management firm to manage the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - The Association considers all highly liquid investments with maturities of three month or less to be cash equivalents.

Fund Accounting - The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the major maintenance fund generally may be made only for designated purposes.

Income Taxes - Pursuant to the Tax Reform Act of 1976, homeowner associations are permitted to make an annual election to be treated as a regular corporation or a tax-exempt organization. Each year the Association will file its tax returns under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest, net of expenses).

The Association's tax returns for the years ending 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through August 23, 2019, the date the financial statements were available to be issued.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019 AND 2018

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the years ended April 30, 2019 and 2018 were \$184, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors, currently the sponsor. The Association retains any year end operating surplus for use in future years. As of May 1, 2019, monthly assessments remained the same.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears.

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Realty Performance Group, Inc. for management of its operations. The agreement provides for a monthly fee of \$725 until September 30, 2019. The agreement has been extended for the period from September 1, 2019 to April 30, 2020, for \$747 per month.

NOTE 5: SPONSOR ASSESSMENTS

The Sponsor is required to fund operating deficits until the last lot is sold.

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association has elected to accumulate funds for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations.

The board of directors and the management company determine amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019 AND 2018

NOTE 7: CONCENTRATIONS OF CREDIT RISK

The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Association routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited.

See independent auditors' report.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
St. James Townhomes Association, Inc.
Canandaigua, New York

We have audited the financial statements of St. James Townhomes Association, Inc. as of and for the years ended April 30, 2019 and 2018, and our report thereon dated August 23, 2019, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bonn, Dioguardi & Ray, LLP

Rochester, New York
August 23, 2019

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2019

The offering plan contains a study dated May 1, 2016, to estimate the remaining useful lives and the replacement costs of components of common property. The costs are based upon estimated current replacement costs.

The following unaudited table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Driveway resurfacing	20	\$ 79,860
Driveway sealing	3	5,808
Roofing	25	346,500
Siding/gutters/trim	50	Not determined
Painting	4	9,900
Cleanup	3	3,182

See independent auditors' report on supplemental information.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD, WOODVINE RISE AND ARBOUR HILL TRAIL
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 5 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. Inclusion of Additional Lands.
2. Status of Offering and Updated Budget.
3. Financial Disclosure.

Inclusion of Additional Lands

On page 4 of the original Offering Plan, the Sponsor disclosed that property adjacent to St. James Townhomes was to be improved by 15 single family patio homes in the northern portion of Lakewood Meadows Subdivision Section 9. Due to market demand, the Sponsor has determined not to construct the patio homes, but rather to construct an additional 15 townhomes and incorporate the same as Phase Four of this Offering. As disclosed on page 25 of the Offering Plan and permitted by Section 2.03 of the Declaration, the Sponsor hereby incorporates 22.9± acres of vacant land into this Offering as Phase Four. The additional acreage supports 15 additional townhomes, in seven buildings. One building will have 3 townhomes (Lots 952-954), and the remaining six buildings will have 2 townhomes each (Lots 944-951, 955-958). The individual Townhome Lots will be referred to as Lots 944 through 958. The Declaration will be amended to reflect the additional lands to be included in the Association. The Association will receive 20.77 acres of open space as additional common area. The access and use of the additional common area will be substantially similar to the original common area as described in the Offering Plan. The additional townhomes will be constructed in the same manner as the original townhomes in all respects. An updated Budget reflecting an increase in Townhomes from 66 to 81 is attached as Exhibit A. Site Plan approval was obtained from the Town of Canandaigua on June 25, 2019. A copy of the Site Plan is attached as Exhibit D. The Addendum to the Engineer's Description is attached as Exhibit E. The Engineer's revised Certification is attached as Exhibit F.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phases One thru Four, consisting of 81 Townhome Lots. Of the 81 Townhome Lots in St. James Townhomes, 17 Townhome Lots

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are currently under construction. As of October 5, 2020, 42 Townhome Lots have been transferred, 8 Townhome Lots are under contract to be sold, and 31 Townhome Lots are being offered for sale.

The updated budget for Phases One thru Four of St. James Townhomes is attached as Exhibit A. The Certification as to Adequacy is attached as Exhibit B. As with prior budgets, the Association is responsible for Storm Water & Swale Management, including drainage structures and pipes owned and maintained by the Association. Reference is made to Footnotes 12 and 22 for specific information.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

Financial Statements for the Association for the fiscal year ending April 30, 2020 are attached as Exhibit C.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of September 1, 2020, Townhome Lots 901-920, 922-928, 930-932, 935, 939-941, 943, 963, 966-970, and 973 have been transferred, Townhome Lots 934, 936, 959, 962, 971, 972, 974, and 978 are under contract to be sold, and Townhome Lots 921, 929, 933, 937, 938, 942, 944-958, 960, 961, 964, 965, 975-977, and 979-981 are being offered for sale.
2. As set forth in this Amendment No. 5 on Exhibit A, the monthly maintenance or common charge per Townhome Lot is \$195.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.

5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.
9. The 2020-21 School tax on unsold lots owned by the Sponsor was \$51,262.28; the 2020 County tax on unsold lots owned by the Sponsor was \$14,169.52.

No Further Changes

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

Dated: October 5, 2020

S&J Morrell, Inc.

Exhibit A
St. James Townhomes Phases One thru Four
Projected Schedule of Receipts and Expenses
For the Year of Operations Commencing January 1, 2021 and ending December 31, 2021

	Full Project	
	(81 Units)	Notes
<u>PROJECTED INCOME</u>		
MAINTENANCE CHARGES		1
\$195.00 unit / month based on 81 units	189,540	2
<u>PROJECTED EXPENSES</u>		
ADMINISTRATIVE		
Legal	500	3
Audit	1,700	4
Office Exp.	700	5
Insurance	36,030	6
Management	13,465	7
CONTRACTED SERVICES		
Landscape/Grounds	53,550	8
Snow removal	27,043	9
Refuse	13,802	10
Lawn Fertilization and Weed Control Program	7,680	11
Storm Water & Swale Management	2,000	12
REPAIRS AND MAINTENANCE		
Buildings	2,360	13
Grounds	1,000	14
Supplies	500	15
TAXES		
Property taxes	725	16
Federal/State income taxes	100	17
RESERVE FUND		
Driveway Sealing	2,376	18
Driveways Resurfacing	4,900	18
Roofing	17,010	19
Siding/Gutters/Trim	0	20
Painting/Staining	3,038	21
Storm Water & Swale Management	<u>1,061</u>	22
TOTAL	\$189,540	

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Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. The project will be constructed in four phases but will not exceed a total of 81 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by USI Insurance Services with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. The blanket building limit for the entire project is quoted at \$17,884,616.00, for 24 buildings with a total of 81 units. A property deductible of \$1,000, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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 with Cincinnati:	\$34,930.00
Building	\$17,884,616.00
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 Expanded Coverage Plus	Included
Crime Expanded Coverage Plus	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00

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

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.

7. Management fees are based on \$1,122 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. Services include weekly mowing of 81 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$53,550 including applicable tax.
9. Snow removal per-trip contract is for the 81 driveways servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738.
10. Refuse is quoted by Casella Waste Systems, with an address of 54 Doran Ave, Geneva, New York, 14456, 315-381-5739. Service is quoted for weekly pick-up of refuse and bi-weekly pick-up of recycling toters.
11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by TruGreen Lawn Care, with an address of 40 Ridgeland Road, Rochester, New York, 14623, 585-301-4413.
12. Annual management of structures, pipes, swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 585-202-4738. Services provided include spring and fall inspection of structures, pipes, swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.

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15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$26,000, a tax rate of \$27.88 per \$1,000.00, or \$725 a year of assessment provided by the Canandaigua Town Assessor.
17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. Replacement estimates are based on approximately 1,100 sq. ft. per townhome.

With the project fully completed with 81 units, topcoat of drive 89,100 sq. ft. x \$1.10 per sq. ft. is \$98,010.00/ 20 years = \$4,900.50 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 89,100 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$7,128.00/ 3years = \$2,376.00 per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

With the project fully completed with 81 units, or a total of 2,430 squares, or equivalent of 243,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$425,250.00/25 years = \$17,010.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for the project fully completed with 81 units, based on current bids is \$150.00 per unit x 81 units = \$12,150 / 4years = \$3,037.50 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
22. Cleanup of storm water ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,061.00.

Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.

Exhibit B

CERTIFICATION ON ADEQUACY OF BUDGET

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◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

October 8, 2020

Woods, Oviatt, Gilman, LLP
c/o Louis M. D'Amato, Esq.
1900 Baush & Lomb Place
Rochester, NY 14604

**RE: ST. JAMES TOWNHOMES ASSOCIATION, INC.
TOWN OF CANANDAIGUA, NEW YORK
CERTIFICATION ON ADEQUACY OF BUDGET**

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

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

The Sponsor of the St. James Townhomes Association Offering Plan retained our firm, Realty Performance Group to review or prepare the projections of income and expenses for the year 2021 of operation.

Our experience in this field includes over thirty (30) years in the management of homeowners associations and condominiums. Realty Performance Group currently is the managing agent for over fifty homeowners associations and condominiums, totaling over 4,000 living units.

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

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

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

We certify that the budget:

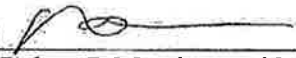
- (i) sets forth in detail the projected income and expenses for the 2021 year of homeowners association operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the 2021 year of operation as a homeowners association;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
(a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 2021 year of operation as a homeowners association.

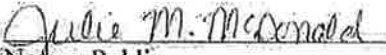
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Realty Performance Group

Dated: 10/8, 2020

By: 
Robert F. Marvin, President

Sworn to before me this
8 day of October, 2020.


Notary Public

JULIE M. McDONALD
Notary Public, State of New York
No. 01M06676701
Qualified in Ontario County
Commission Expires July 1, 2022

Exhibit C

Association Financial Statement
For Fiscal Year ending April 30, 2020

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**FINANCIAL STATEMENTS
APRIL 30, 2020 AND 2019**

ST. JAMES TOWNHOMES ASSOCIATION, INC.

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Statements of cash flows	4
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Independent auditors' report on supplemental information	8
Supplementary information on future major repairs and replacements	9



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
St. James Townhomes Association, Inc.
Canandaigua, New York

We have audited the accompanying financial statements of St. James Townhomes Association, Inc., which comprise the balance sheets as of April 30, 2020 and 2019, and the related statements of revenues, expenses and changes in fund balances and cash flows for the years ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. James Townhomes Association, Inc. as of April 30, 2020 and 2019, and the results of its operations and its cash flows for the years ended, in accordance with accounting principles generally accepted in the United States of America.

Bruce, Desjardins & Roy, LLP

Rochester, New York
June 2, 2020

ST. JAMES TOWNHOMES ASSOCIATION, INC.

BALANCE SHEETS
APRIL 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 8,078	\$ 13,105
Accounts receivable from homeowners	174	0
Prepaid expenses	3,033	2,408
Accounts receivable from sponsor	<u>10,506</u>	<u>0</u>
Total assets	<u>\$ 21,791</u>	<u>\$ 15,513</u>

LIABILITIES AND FUND BALANCES

	<u>2020</u>	<u>2019</u>
Liabilities		
Accounts payable	\$ 535	\$ 893
Accounts payable to sponsor	0	3,971
Advance payments from homeowners	696	2,426
Accrued income taxes	<u>7</u>	<u>4</u>
Total liabilities	<u>1,238</u>	<u>7,294</u>
Fund balances		
Operating	0	0
Major maintenance	<u>20,553</u>	<u>8,219</u>
Total fund balances	<u>20,553</u>	<u>8,219</u>
	<u>\$ 21,791</u>	<u>\$ 15,513</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEARS ENDED APRIL 30, 2020 AND 2019

	2020			2019		
	Operating Fund	Maintenance Fund	Total	Operating Fund	Maintenance Fund	Total
Revenues						
Common charges	\$ 52,992	\$ 12,334	\$ 65,326	\$ 28,317	\$ 5,252	\$ 33,569
Sponsor contributions	14,477	0	14,477	23,995	0	23,995
Total revenues	67,469	12,334	79,803	52,312	5,252	57,564
Expenses						
Trash removal	5,736	0	5,736	2,537	0	2,537
Snow removal	10,320	0	10,320	7,600	0	7,600
Landscaping	19,851	0	19,851	22,716	0	22,716
Building and grounds repairs and maintenance	1,201	0	1,201	1,165	0	1,165
Administrative expenses	307	0	307	239	0	239
Management fees	8,874	0	8,874	5,295	0	5,295
Legal and professional fees	1,700	0	1,700	1,650	0	1,650
Insurance	19,473	0	19,473	11,106	0	11,106
Income taxes	7	0	7	4	0	4
Total expenses	67,469	0	67,469	52,312	0	52,312
Excess of revenues over expenses	0	12,334	12,334	0	5,252	5,252
Transfers	0	0	0	0	0	0
Fund balances - beginning of year	0	8,219	8,219	0	2,967	2,967
Fund balances - end of year	\$ 0	\$ 20,553	\$ 20,553	\$ 0	\$ 8,219	\$ 8,219

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 12,334	\$ 5,252
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided (used) by operating activities:		
(Increase) decrease in:		
Accounts receivable from homeowners, net	(174)	0
Prepaid expenses	(625)	(742)
Accounts receivable from sponsor	(10,506)	2,034
Increase (decrease) in:		
Accounts payable	(358)	816
Accounts payable to sponsor	(3,971)	3,971
Advance payments from homeowners	(1,730)	933
Accrued income taxes	3	2
	<u> </u>	<u> </u>
Net cash and cash equivalents provided by (used) by operating activities	(5,027)	12,266
Cash and cash equivalents - beginning of year	<u>13,105</u>	<u>839</u>
Cash and cash equivalents - end of year	<u>\$ 8,078</u>	<u>\$ 13,105</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	<u>\$ 4</u>	<u>\$ 2</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020 AND 2019

NOTE 1: SUMMARY OF OPERATIONS

On November 23, 2015, the Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law, for the purpose of owning common land and maintaining the common areas (consisting of siding, gutters, downspouts, roofs, asphalt, grounds and lawns) of sixty-six townhomes, of which thirty four are sold, in Canandaigua, New York. Currently, S & J Morrell, Inc., the Sponsor, is in control of the Association and hired an independent property management firm to manage the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - The Association considers all highly liquid investments with maturities of three month or less to be cash equivalents.

Fund Accounting - The Association's governing documents provide certain guidelines for governing its financial activities, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operation of the Association.

Major Maintenance Fund - This fund is used to accumulate financial resources for future major repairs and replacements.

Member Assessments - Association members are subject to monthly assessments to provide funds for the Association's operating and major maintenance expenses. Assessment revenue is recognized as the related performance obligations related to its operating and major maintenance assessments are satisfied over time on a daily pro-rata basis using the input method as disclosed in Note 3 to the financial statements.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears. It is the opinion of management that the Association will ultimately prevail against all of the homeowners whose assessments are delinquent and, accordingly, an allowance for doubtful accounts is not deemed necessary. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020 AND 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - Pursuant to the Tax Reform Act of 1976, homeowner associations are permitted to make an annual election to be treated as a regular corporation or a tax-exempt organization. Each year the Association will file its tax returns under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest, net of expenses).

The Association's tax returns for the years ending 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through June 2, 2020, the date the financial statements were available to be issued.

NOTE 3: NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate – Common Interest Realty Associations, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

NOTE 4: OWNERS' ASSESSMENTS

Monthly assessments to owners for the years ended April 30, 2020 and 2019 were \$184, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors, currently the sponsor. The Association retains any year end operating surplus for use in future years. As of May 1, 2020, monthly assessments increased to \$195.

NOTE 5: COMMITMENTS

The Association has entered into an agreement with Realty Performance Group, Inc. for management of its operations. The agreement provides for a monthly fee of \$747 until September 30, 2020.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020 AND 2019

NOTE 6: SPONSOR ASSESSMENTS

The Sponsor is required to fund operating deficits until the last lot is sold.

NOTE 7: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association has elected to accumulate funds for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations.

The board of directors and the management company determine amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE 8: CONCENTRATIONS OF CREDIT RISK

The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Association routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited.

NOTE 9: SUBSEQUENT EVENT

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. While the disruption is expected to be temporary, there is some uncertainty about homeowners' continued ability to pay common charges. This could have a negative impact on operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

See independent auditors' report.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
St. James Townhomes Association, Inc.
Canandaigua, New York

We have audited the financial statements of St. James Townhomes Association, Inc. as of and for the years ended April 30, 2020 and 2019, and our report thereon dated June 2, 2020, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bonn, Dioguardi & Ray, LLP

Rochester, New York
June 2, 2020

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2020

Amendment number four to the offering plan contains a study dated October 25, 2019, to estimate the remaining useful lives and the replacement costs of components of common property. The costs are based upon estimated current replacement costs.

The following unaudited table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Driveway resurfacing	20	\$ 79,860
Driveway sealing	3	5,808
Roofing	25	346,500
Siding/gutters/trim	50	Not determined
Painting	4	9,900
Pond cleanup	3	3,182

See independent auditors' report on supplemental information.

Town of Canandaigua

5440 Routes 5 & 20 West • Canandaigua, NY 14424
Phone (585) 394-1120 • Fax (585) 394-9476

Planning Board Decision Notification

Meeting Date: June 25, 2019

Project: CPN-19-037

<u>Applicant</u>	<u>Owners</u>	<u>Project Type</u>	<u>Project Location</u>	<u>Tax Map #</u>
Marathon Engineering c/o Richard Tiede 39 Cascade Drive Rochester, NY 14614	S & J Morrell Builders 1501 Pittsford-Victor Road, Suite 100 Victor, NY 14564	Amendment to 2014 Revised Overall Subdivision Plat of Lakewood Meadows, Section 9; and Final (Phased) Subdivision Plat of Lakewood Meadows, Section 9D	Lakeside Meadows Subdivision, Section 9 and Section 9D	112.00-1-32.111 112.04-1-2.000 112.19-1-500.100

TYPE OF APPLICATION:

- Preliminary Final Phased One/Single Stage
 Subdivision Site Plan Special Use Permit

Applicant Request:

- Granted Denied Tabled
 Continued to:
 See attached resolution(s)

STATE ENVIRONMENTAL QUALITY REVIEW (SEOR):

- Type I Type II Unlisted

See Attached resolution(s):

Negative Declaration Date:

Positive Declaration Date:

Recommendation To:

- Town Board ZBA N/A See attached resolution(s)

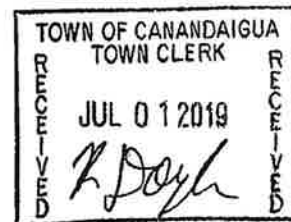
Recommendation:

THIS APPROVAL SHALL EXPIRE IF YOU FAIL TO
OBTAIN THE PLANNING BOARD CHAIR'S SIGNATURE
ON THE FINAL PLAN BY: 12/30/19
YOU ARE RESPONSIBLE FOR REQUESTING AN
EXTENSION PRIOR TO THIS EXPIRATION DATE IF
THIS REQUIREMENT CANNOT BE MET.

Surety Requirements:

- Landscaping: \$ Soil Erosion: \$
 Other (specify): \$

Surety Release:

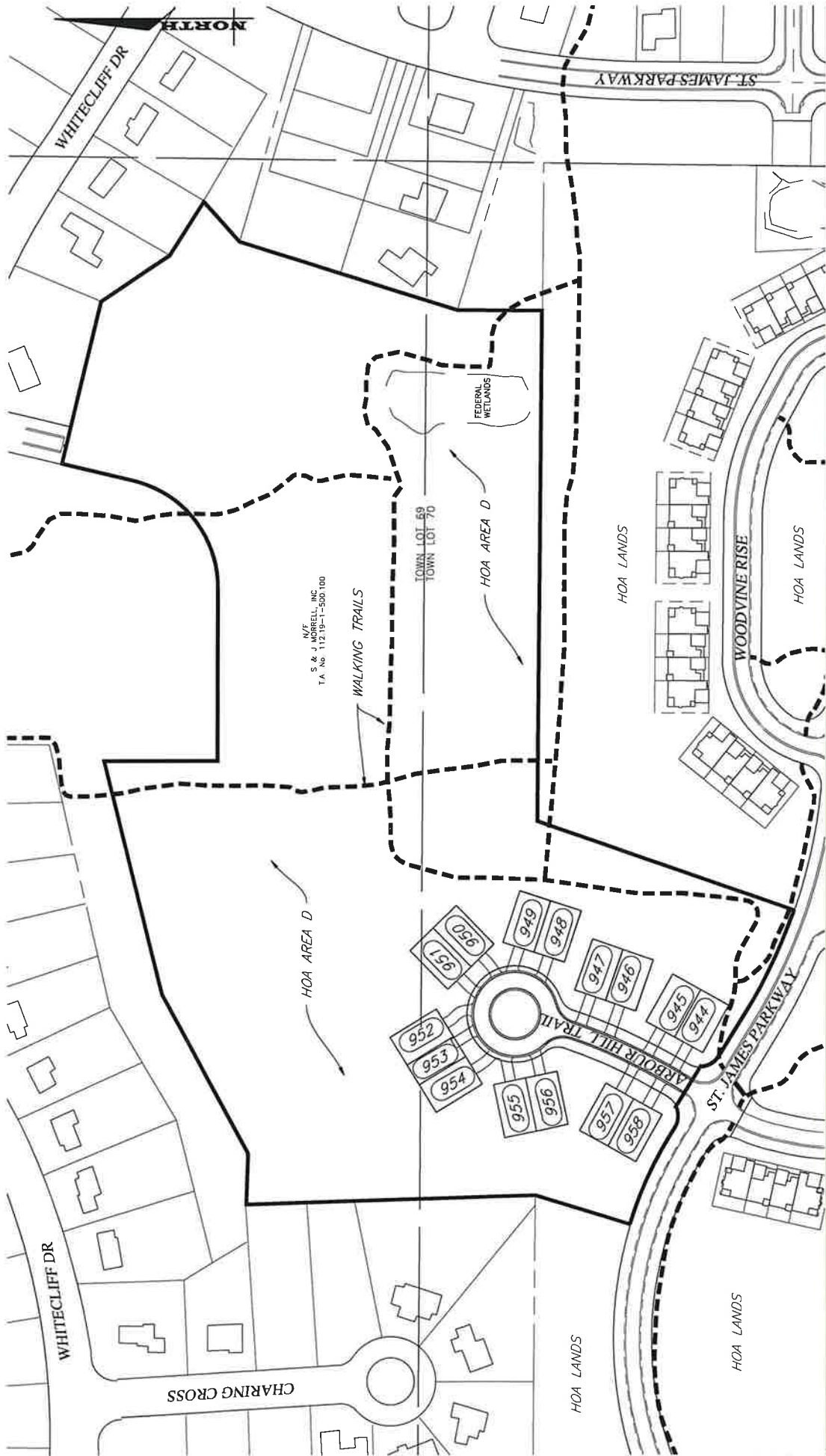


Certified By:

Thomas J. Schwatz
Chairperson, Planning Board

Date:

6-28-19



TITLE

SITE PLAN
for

LAKEWOOD MEADOWS SECTION 9D

TOWN OF CANANDAIGUA ONTARIO COUNTY NEW YORK

P:\2\Engineering\Job\104\1051-24\Drawings\Section 9D\Temporary - Concepts\0531 c-design - 9d HOA.dwg, Plot Date 11/16/2020, Plt: COLE PAYSERCI

Exhibit D

MARATHON ENGINEERING
 18 MARSHALL AVENUE
 ROCHESTER, NY 14614
 716.233.8888
 800.233.8888
 477.233.8888
 www.marathoneg.com

JOB NO. 0551-18
 SCALE 1" = 80'
 DRAWN: CMP
 DATE: 11/13/20

Exhibit E
Addendum to
Engineer's Description
for
St. James Townhomes Association, Inc.

Located in:
Town of Canandaigua
Ontario County, New York

Prepared for:

S&J Morrell Inc.
1501 Pittsford-Victor Road
Suite 100
Victor, NY 14564

Prepared by:

Marathon Engineering
39 Cascade Drive
Rochester, NY 14614

Project No.

0551-14

November 16, 2020



This Addendum is submitted to provided updated information regarding Phase IV of St. James Townhomes Association, Inc., Section 9D of Lakewood Meadows Subdivision as follows:

Section 9D of Lakewood Meadows was amended from the previous Town approval to replace the fifteen (15) patio home lots (that were not part of the St. James Townhome Association), with fifteen (15) townhome lots (to be part of the St. James Townhome Association).

Section 9D comprises a total of 22.908 acres and includes fifteen (15) townhome lots, and Homeowners' Association parcel 'HOA AREA D', comprised of 20.77 acres, which will be owned and maintained by the St. James Townhomes Association, Inc.

Total land of Section 9 of the Lakewood Meadows Subdivision to be owned by the St. James Townhomes Association, Inc. is 68.38 acres.

Access to Section 9D will be from the new dedicated road, Arbour Hill Trail, which right of way is 60 feet wide, and includes a 22 feet wide asphalt street, with concrete gutters on both sides. This road will be built to conform to the latest specifications of the Town of Canandaigua.

Site work for Section 9D has commenced and the anticipated completion of December 30, 2020, weather permitting. The anticipated completion date of all townhomes is June 1, 2024. All townhomes will be built to building codes of New York State. As of January 1, 2016 the Town of Canandaigua is using NYS 2010 Residential Building Code. No townhome is under construction and no building permit has been issued to date.

Utilities to be completed in Section 9D include 346 linear feet of dedicated sanitary sewer main, 528 linear feet of dedicated storm sewer, and 790 linear feet of dedicated water main.

No storm water management ponds will be constructed in Section 9D. Drainage will flow to existing storm water management facilities. The existing pond within 'HOA AREA D' labeled as a federal wetland is not associated with construction activities or storm water management. This federal wetland, consisting of 0.4 acres, existing prior to the overall development, does not need scheduled maintenance from the Homeowners Association, and shall remain undisturbed, as per federal wetland regulations.

Grass trails will be extended through Section 9D to connect to trails in prior phases of the development.

Except as above set forth, the original Engineer's Description applies to the development of Section 9D.

Exhibit F

ENGINEER'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of the offering plan for St. James Townhomes Association, Inc. retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by Marathon Engineering dated February 10, 2015 and prepared the Report dated July 31, 2015, and the Addendum dated November 16, 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 engineer 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;

() in our professional opinion the Report 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;

(i) does not omit any material fact;

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

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

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

(v) does not contain any representation or statement which is false, 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 development of the property as part of St. James Townhomes Association, Inc. 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 November 16, 2020

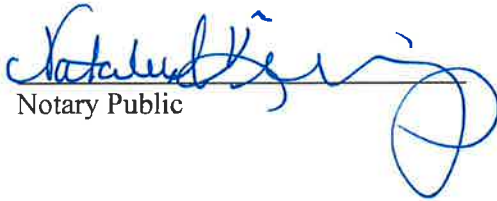


Marathon Engineering

By: 

Registered Engineer Lic. No. 066924

Sworn to before me this
November 16, 2020


Notary Public



ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD, WOODVINE RISE AND ARBOUR HILL TRAIL
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 6 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. Status of Offering and Updated Budget.
2. Financial Disclosure.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phases One thru Four, consisting of 81 Townhome Lots. Of the 81 Townhome Lots in St. James Townhomes, 13 Townhome Lots are currently under construction. As of October 1, 2021, 61 Townhome Lots have been transferred, 11 Townhome Lots are under contract to be sold, and 9 Townhome Lots are being offered for sale.

Each Townhome was sold with a Certificate of Occupancy; upon completion, future Townhomes will be sold with Certificates of Occupancy.

The updated budget for Phases One thru Four of St. James Townhomes is attached as Exhibit A. The Certification as to Adequacy is attached as Exhibit B. This Estimate of Operating Expenses and Reserves for the Association is based on prior years of operation and the current market rate for services provided. This offering does not have a Working Capital Fund, but does have a Reserve Fund. The Reserve Funds in the amount of \$29.45 per unit are collected monthly. The Reserve Fund Account has been opened at M&T Bank, 3290 Monroe Avenue, Pittsford, NY 14618, and has a current balance of \$41,143. As with prior budgets, the Association is responsible for Storm Water & Swale Management, including drainage structures and pipes owned and maintained by the Association. Reference is made to Footnotes 12 and 22 for specific information.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor. The business address of each board member is 1501 Pittsford Victor Road, Suite 100, Victor, NY 1454.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary. The business address of each board member is 1501 Pittsford Victor Road, Suite 100, Victor, NY 1454.

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Financial Statements for the Association for the fiscal year ending April 30, 2021 are attached as Exhibit C.

The last annual meeting (held virtually due to Covid) of the HOA was held on August 10, 2021.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of October 1, 2021, Townhome Lots 901-936, 939-941, 943-959, 962-974, 976-981 and 957 have been transferred; Townhome Lots 937-938, 942, 961, 975, 951-956 are under contract to be sold, and Townhome Lots 960, 944-950 and 958 are being offered for sale.
2. As set forth in this Amendment No. 6 on Exhibit A, the monthly maintenance or common charge per Townhome Lot is \$205.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.

8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.
9. The 2021-22 School tax on unsold lots owned by the Sponsor was \$7,965.03; the 2021 County tax on unsold lots owned by the Sponsor was \$1,037.20
10. Sponsor and the principals of the Sponsor, have not taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were offered during the preceding five (5) years, except for the following:
 - a. Silverton Glenn HOA, File No. H-12-0006. The development and sales are complete. All obligations of the Sponsor are completed.
 - b. St. James Town Homes HOA, File No. H-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. H-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. H-19-0005. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
 - e. Piper Meadows HOA, File No. H-20-0002. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.

No Further Changes

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

Dated: October 1, 2021

S&J Morrell, Inc.

Exhibit A
St. James Townhomes Phases One thru Four
Projected Schedule of Receipts and Expenses
For the Year of Operations Commencing January 1, 2021 and Ending December 31, 2021

	Full Project (81 Units)	Notes
<u>PROJECTED INCOME</u>		
MAINTENANCE CHARGES		1
\$205.00 unit / month based on 81 units	199,260	2
<u>PROJECTED EXPENSES</u>		
ADMINISTRATIVE		
Legal	500	3
Audit	1,750	4
Office Exp.	660	5
Insurance	36,930	6
Management	13,465	7
CONTRACTED SERVICES		
Landscape/Grounds	52,907	8
Snow removal	27,266	9
Refuse	13,802	10
Lawn Fertilization and Weed Control Program	7,680	11
Storm Water & Swale Management	2,000	12
REPAIRS AND MAINTENANCE		
Buildings	5,724	13
Grounds	2,000	14
Supplies	300	15
TAXES		
Property taxes	5,600	16
Federal/State income taxes	50	17
RESERVE FUND		
Driveway Sealing	2,376	18
Driveways Resurfacing	4,900	18
Roofing	17,010	19
Siding/Gutters/Trim	0	20
Painting/Staining	3,038	21
Storm Water & Swale Management	<u>1,302</u>	22
TOTAL	\$199,260	

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Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. The project will be constructed in four phases but will not exceed a total of 81 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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, 1900 Bausch & Lomb Place, Rochester, New York 14604, 585-987-2800.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by USI Insurance Services with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. The blanket building limit for the entire project is quoted at \$17,884,616.00, for 24 buildings with a total of 81 units. A property deductible of \$1,000, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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 with Cincinnati:	\$36,930.00
Building	\$17,884,616.00
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 Expanded Coverage Plus	Included
Crime Expanded Coverage Plus	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00

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

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.

7. Management fees are based on \$1,122 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. Services include weekly mowing of 81 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$52,907 including applicable tax.
9. Snow removal per-trip contract is for the 81 driveways servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738.
10. Refuse is quoted by Casella Waste Systems, with an address of 54 Doran Ave, Geneva, New York, 14456, 315-381-5739. Service is quoted for weekly pick-up of refuse and bi-weekly pick-up of recycling totes.
11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by TruGreen Lawn Care, with an address of 40 Ridgeland Road, Rochester, New York, 14623, 585-301-4413.
12. Annual management of structures, pipes, swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 585-202-4738. Services provided include spring and fall inspection of structures, pipes, swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.

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15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$278,500, estimated at \$5,600 a year based on prior years history of assessment provided by the Canandaigua Town Assessor.
17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. Replacement estimates are based on approximately 1,100 sq. ft. per townhome.

With the project fully completed with 81 units, topcoat of drive 89,100 sq. ft. x \$1.10 per sq. ft. is \$98,010.00/ 20 years = \$4,900.50 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 89,100 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$7,128.00/ 3years = \$2,376.00 per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

With the project fully completed with 81 units, or a total of 2,430 squares, or equivalent of 243,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$425,250.00/25 years = \$17,010.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for the project fully completed with 81 units, based on current bids is \$150.00 per unit x 81 units = \$12,150 / 4years = \$3,037.50 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
22. Cleanup of storm water ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,302.00.

Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.



Exhibit B

◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

Exhibit B
CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of St. James Townhomes Association, Inc. offering plan retained our firm to review or prepare the projections of income and expenses for the first year of operation of the homeowners association with Phases One and Two incorporated therein. Our experience in this field includes the management of multiple residential/commercial developments and or associations.

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 Schedule A.

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

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

We certify that the budget:

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

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

(iii) does not omit any material fact;

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

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

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

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

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

Realty Performance Group

Dated: OCTOBER 8, 2021

By: [Signature]
Robert F. Marvin, Pres.

Sworn to before me this
8th day of OCTOBER, 2021.

[Signature]
Notary Public

NICHOLAS J. HARRIS JR
Notary Public, State of New York
No. 5009474
Qualified in Monroe County
Commission Expires ~~March 15, 2022~~
JUNE 15, 2023

Exhibit C

Association Financial Statement
For Fiscal Year ending April 30, 2021

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**FINANCIAL STATEMENTS
APRIL 30, 2021**

ST. JAMES TOWNHOMES ASSOCIATION, INC.

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Supplementary information on future major repairs and replacements	10



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
St. James Townhomes Association, Inc.
Canandaigua, New York

Opinion

We have audited the accompanying financial statements of St. James Townhomes Association, Inc. which comprise the balance sheet as of April 30, 2021, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. James Townhomes Association, Inc. as of April 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. James Townhomes Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. James Townhomes Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. James Townhomes Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. James Townhomes Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

 Brian D'Agostino, CPA

Rochester, New York
June 23, 2021

ST. JAMES TOWNHOMES ASSOCIATION, INC.

BALANCE SHEET

APRIL 30, 2021

ASSETS

Assets

Cash and cash equivalents	\$	2,845
Accounts receivable from homeowners		390
Prepaid expenses		6,277
Accounts receivable from sponsor		<u>31,606</u>
Total assets	\$	<u><u>41,118</u></u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$	427
Advance payments from homeowners		7,323
Contract liabilities (assessments received in advance-major maintenance fund)		<u>33,368</u>
Total liabilities		<u>41,118</u>

Fund balances

Operating		0
Major maintenance		<u>0</u>
Total fund balances		<u>0</u>
	\$	<u><u>41,118</u></u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2021**

	Operating <u>Fund</u>	Maintenance <u>Fund</u>	<u>Total</u>
Revenues			
Common charges	\$ 85,490	\$ 2,145	\$ 87,635
Sponsor contributions	<u>21,100</u>	<u>0</u>	<u>21,100</u>
Total revenues	<u>106,590</u>	<u>2,145</u>	<u>108,735</u>
Expenses			
Trash removal	9,071	0	9,071
Snow removal	13,235	0	13,235
Landscaping	41,465	0	41,465
Building and grounds repairs and maintenance	3,694	2,145	5,839
Administrative expenses	575	0	575
Management fees	9,118	0	9,118
Legal and professional fees	1,750	0	1,750
Insurance	24,268	0	24,268
Property taxes	<u>3,414</u>	<u>0</u>	<u>3,414</u>
Total expenses	<u>106,590</u>	<u>2,145</u>	<u>108,735</u>
Excess of revenues over expenses	0	0	0
Transfers	0	0	0
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2021

Cash flows from operating activities:	
Excess of revenues over expenses	\$ 0
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents used by operating activities:	
(Increase) decrease in:	
Accounts receivable from homeowners, net	(216)
Prepaid expenses	(3,244)
Accounts receivable from sponsor	(21,100)
Increase (decrease) in:	
Accounts payable	(109)
Advance payments from homeowners	6,627
Contract liabilities (assessments received in advance-major maintenance fund)	12,816
Accrued income taxes	<u>(7)</u>
Net cash and cash equivalents used by by operating activities	(5,233)
Cash and cash equivalents - beginning of year	<u>8,078</u>
Cash and cash equivalents - end of year	<u>\$ 2,845</u>
Supplemental disclosure of cash flow information:	
Cash paid for income taxes	<u>\$ 7</u>

See accompanying notes and independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

NOTE 1: SUMMARY OF OPERATIONS

On November 23, 2015, the Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law, for the purpose of owning common land and maintaining the common areas (consisting of siding, gutters, downspouts, roofs, asphalt, grounds and lawns) of sixty-six townhomes, of which forty eight are sold, in Canandaigua, New York. Currently, S & J Morrell, Inc., the Sponsor, is in control of the Association and hired an independent property management firm to manage the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - The Association considers all highly liquid investments with maturities of three month or less to be cash equivalents.

Fund Accounting - The Association's governing documents provide certain guidelines for governing its financial activities, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operation of the Association.

Major Maintenance Fund - This fund is used to accumulate financial resources for future major repairs and replacements.

Member Assessments - Association members are subject to monthly assessments to provide funds for the Association's operating and major maintenance expenses. Assessment revenue is recognized as the related performance obligations related to its operating and major maintenance assessments are satisfied over time on a daily pro-rata basis using the input method as disclosed in Note 3 to the financial statements.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears. An allowance for uncollectible accounts is not deemed necessary. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - Pursuant to the Tax Reform Act of 1976, homeowner associations are permitted to make an annual election to be treated as a regular corporation or a tax-exempt organization. Each year the Association will file its tax returns under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest, net of expenses).

The Association's tax returns for the years ending 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through June 23, 2021, the date the financial statements were available to be issued. Specific events have been identified in Note 11 to these financial statements.

NOTE 3: NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued guidance that created Topic 606, Revenue Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate – Common Interest Realty Associations, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Association adopted the new guidance as of May 1, 2020, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning major maintenance fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of May 1, 2020. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities (assessments received in advance-major maintenance fund).

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

NOTE 3: NEW ACCOUNTING GUIDANCE IMPLEMENTATION (CONTINUED)

The adoption of the new revenue recognition guidance resulted in the following change to major maintenance fund balance as of May 1, 2020:

Major maintenance fund balance, as previously reported at May 1, 2020	\$ 20,552
Adjustment	<u>(20,552)</u>
Major maintenance fund balance, as adjusted at May 1, 2020	<u>\$ 0</u>

The effect of the adoption is a decrease in assessments by \$20,552, which is recorded as a contract liability at May 1, 2020. The Association had no customer contract modifications that had an effect on the Association's transition to the new guidance.

**NOTE 4: CONTRACT LIABILITIES (ASSESSMENTS RECEIVED IN ADVANCE-
MAJOR MAINTENANCE FUND)**

Contract liabilities (assessments received in advance-major maintenance fund) records the deferral of assessments allocated to the major maintenance fund as a result of the adoption of the new revenue recognition policy described in Note 3.

The implementation of this new policy requires assessments budgeted for the major maintenance fund to be deferred as follows:

Budgeted assessments for the year ended April 30, 2021	\$ 14,961
Assessments deferred in the current year	(12,816)
Assessments previously deferred recognized in the current year	<u>0</u>
Major maintenance assessments at April 30, 2021	<u>\$ 2,145</u>

As of April 30, 2021, contract liabilities (assessments received in advance-major maintenance fund) is recorded as follows:

Contract liabilities, as of May 1, 2021	\$ 20,552
Assessments deferred in the current year	<u>12,816</u>
Contract liabilities, as of April 30, 2021	<u>\$ 33,368</u>

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

NOTE 5: OWNERS' ASSESSMENTS

Monthly assessments to owners for the year ended April 30, 2021 were \$195, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors, currently the sponsor. The Association retains any year end operating surplus for use in future years. As of May 1, 2021, monthly assessments increased to \$205.

NOTE 6: COMMITMENTS

The Association has entered into an agreement with Realty Performance Group, Inc. for management of its operations. The agreement provides for a monthly fee of \$769 until September 30, 2021.

NOTE 7: SPONSOR ASSESSMENTS

The Sponsor is required to fund operating deficits until the last lot is sold.

NOTE 8: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations. Accumulated funds, which aggregate \$20,552 at May 1, 2021, are presented in the accompanying balance sheet as contract liabilities (assessments received in advance-major maintenance fund) at April 30, 2021.

The board of directors and the management company determine amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE 9: CONCENTRATIONS OF CREDIT RISK

The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Association routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

NOTE 10: RECLASSIFICATION

Certain amounts in the prior period statement of revenues, expenses and changes in fund balances have been reclassified to conform to the presentation of the current period statement of revenues, expenses, and changes in fund balances. These amounts effected the previously reported fund balances as described in Note 3 to conform to the new revenue recognition policy implemented in the year ended April 30, 2021.

NOTE 11: SUBSEQUENT EVENT

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. While the disruption is expected to be temporary, there is some uncertainty about homeowners' continued ability to pay common charges. This could have a negative impact on operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2021

Amendment number four to the offering plan contains a study dated October 25, 2019, to estimate the remaining useful lives and the replacement costs of components of common property. The costs are based upon estimated current replacement costs.

The following unaudited table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Driveway resurfacing	20	\$ 79,860
Driveway sealing	3	5,808
Roofing	25	346,500
Siding/gutters/trim	50	Not determined
Painting	4	9,900
Pond cleanup	3	3,182

See independent auditors' report.

ST. JAMES TOWNHOMES ASSOCIATION, INC.

**ST. JAMES PARKWAY, HARVEST VIEW ROAD, WOODVINE RISE AND ARBOUR HILL TRAIL
TOWN OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK.**

AMENDMENT NO. 7 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. Status of Offering and Updated Budget.
2. Financial Disclosure.

Status of Offering

Sponsor is presently developing St. James Townhomes, Phases One thru Four, consisting of 81 Townhome Lots. Of the 81 Townhome Lots in St. James Townhomes, 6 Townhome Lots are currently under construction. As of October 18, 2022, 70 Townhome Lots have been transferred, 5 Townhome Lots are under contract to be sold, and 0 Townhome Lots are being offered for sale.

Each Townhome was sold with a Certificate of Occupancy; upon completion, future Townhomes will be sold with Certificates of Occupancy.

The updated budget for Phases One thru Four of St. James Townhomes is attached as Exhibit A. The Certification as to Adequacy is attached as Exhibit B. This Estimate of Operating Expenses and Reserves for the Association is based on prior years of operation and the current market rate for services provided. This offering does not have a Working Capital Fund, but does have a Reserve Fund. The Reserve Funds in the amount of \$30.46 per unit are collected monthly. The Reserve Fund Account has been opened at M&T Bank, 3290 Monroe Avenue, Pittsford, NY 14618, and has a current balance of \$30,020.00. As with prior budgets, the Association is responsible for Storm Water & Swale Management, including drainage structures and pipes owned and maintained by the Association. Reference is made to Footnotes 12 and 22 for specific information.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or employee of the Sponsor. The business address of each board member is 1501 Pittsford Victor Road, Suite 100, Victor, NY 1454.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary. The business address of each board member is 1501 Pittsford Victor Road, Suite 100, Victor, NY 1454.

Financial Statements for the Association for the fiscal year ending April 30, 2022, are attached as Exhibit C.

The last annual meeting (paper meeting due to Covid) of the HOA was held on May 2022.

Financial Disclosure

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of October 18, 2022, Townhome Lots 901- 943, 946, 959-981, 950-957 have been transferred; Townhome Lots 944, 945, 947, 949 and 958 are under contract to be sold.
2. As set forth in this Amendment No. 7 on Exhibit A, the monthly maintenance or common charge per Townhome Lot is \$205.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.

8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.
9. The 2022-23 School tax on unsold lots owned by the Sponsor was \$26,094.16; the 2022 County tax on unsold lots owned by the Sponsor was \$8,219.91
10. Sponsor and the principals of the Sponsor, have not taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were offered during the preceding five (5) years, except for the following:
 - a. Silverton Glenn HOA, File No. H-12-0006. The development and sales are complete. All obligations of the Sponsor are completed.
 - b. Greenpoint Trail HOA, File No. H-16-0006. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
 - c. Alpine Ridge HOA, File No. H-19-0005. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
 - d. Piper Meadows HOA, File No. H-20-0002. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
 - e. Wolfsberger Park HOA, File No. H-22-0003. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.
 - f. Pierce Brook HOA, File No. H-22-0004. The Offering Plan is current and the development is ongoing. All obligations of the Sponsor are current.

No Further Changes

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

Dated: October 18, 2022

S&J Morrell, Inc.

Exhibit A
St. James Townhomes Phases One thru Four
Projected Schedule of Receipts and Expenses
For the Year of Operations Commencing January 1, 2022 and Ending December 31, 2022

	Full Project (81 Units)	Notes
<u>PROJECTED INCOME</u>		
MAINTENANCE CHARGES		1
\$205.00 unit / month based on 81 units	199,260	2
<u>PROJECTED EXPENSES</u>		
ADMINISTRATIVE		
Legal	500	3
Audit	2,020	4
Office Exp.	660	5
Insurance	36,930	6
Management	13,465	7
CONTRACTED SERVICES		
Landscape/Grounds	52,907	8
Snow removal	27,266	9
Refuse	13,802	10
Lawn Fertilization and Weed Control Program	7,680	11
Pond and Swale Management	3,500	12
REPAIRS AND MAINTENANCE		
Buildings	4,014	13
Grounds	2,000	14
Supplies	240	15
TAXES		
Property taxes	5,600	16
Federal/State income taxes	50	17
RESERVE FUND		
Driveway Sealing	2,376	18
Driveways Resurfacing	4,900	18
Roofing	17,010	19
Siding/Gutters/Trim	0	20
Painting/Staining	3,038	21
Storm Water & Swale Management	<u>1,302</u>	22
TOTAL	\$199,260	

Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. The Sponsor has made this estimate of operating income and expense. The project will be constructed in four phases but will not exceed a total of 81 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
3. 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, 1900 Bausch & Lomb Place, Rochester, New York 14604, 585-987-2800.
4. 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.
5. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
6. Insurance is based on estimates by USI Insurance Services with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. The blanket building limit for the entire project is quoted at \$17,884,616.00, for 24 buildings with a total of 81 units. A property deductible of \$1,000, Non-Owned/Hired Auto Liability, Broadened General Liability Endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement. 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 with Cincinnati:	\$36,930.00
Building	\$17,884,616.00
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 Expanded Coverage Plus	Included
Crime Expanded Coverage Plus	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000.00 Umbrella	\$1,100.00

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

The insurance policy provides that:

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- 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.

7. Management fees are based on \$1,122 per month. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440. 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)
8. This is based on bids from Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. Services include weekly mowing of 81 units and community center, bed maintenance, pruning & shaping, weekly clean up, spring and fall clean-up, \$52,907 including applicable tax.
9. Snow removal per-trip contract is for the 81 driveways servicing the townhomes. The estimate is for plowing at 3 inches of snowfall. Estimate is provided Nobel Hill Limited, with an address of 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738.
10. Refuse is quoted by Casella Waste Systems, with an address of 54 Doran Ave, Geneva, New York, 14456, 315-381-5739. Service is quoted for weekly pick-up of refuse and bi-weekly pick-up of recycling totes.
11. Chemical applications for lawn fertilizer, lawn pest and weed control. Estimate provided by TruGreen Lawn Care, with an address of 40 Ridgeland Road, Rochester, New York, 14623, 585-301-4413.
12. Annual management of structures, pipes, swales and ponds is routine maintenance being quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424 585-202-4738. Services provided include spring and fall inspection of structures, pipes, swales, ponds, forebays and micropools as well as removal of debris from outlets and regrading of swales.
13. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
14. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
15. 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, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
16. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the estimated assessed value of \$278,500, estimated at \$5,600 a year based on prior years history of assessment provided by the Canandaigua Town Assessor.

17. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
18. Driveways are private. Useful life expectancy is 20 years. Replacement estimates are based on approximately 1,100 sq. ft. per townhome.

With the project fully completed with 81 units, topcoat of drive 89,100 sq. ft. x \$1.10 per sq. ft. is \$98,010.00/ 20 years = \$4,900.50 per year allocation to resurface in the future. Sealing maintenance is projected to occur more frequently at 3-year intervals. 89,100 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is \$7,128.00/ 3years = \$2,376.00 per year allocation. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
19. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

With the project fully completed with 81 units, or a total of 2,430 squares, or equivalent of 243,000 sq. feet of material x \$1.75 per sq. ft. of roof or \$425,250.00/25 years = \$17,010.00 per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
20. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
21. Painting trim materials not wrapped in aluminum, front doors. Projected costs for the project fully completed with 81 units, based on current bids is \$150.00 per unit x 81 units = \$12,150 / 4years = \$3,037.50 per year. This estimate is provided by the Realty Performance Group, 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
22. Cleanup of storm water ponds is done once every three years at a cost of \$3,182.00 as quoted by Nobel Hill Limited, 5455 Wells Curtice Road, Canandaigua, New York 14424, 585-202-4738. The annual contribution to the Maintenance Reserve Fund is \$1,302.00.

Note regarding dedicated right of way: A Letter of Credit has been posted with the Town ensuring completion pursuant to the Town specifications for public rights of way. Upon acceptance of dedication a Maintenance Bond will also be posted with the Town. All maintenance costs prior to acceptance by the Town will be the sole responsibility of the Sponsor.

Exhibit C

Association Financial Statement
For Fiscal Year ending April 30, 2022



◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

Exhibit B

CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

The Sponsor of St. James Townhomes Association, Inc. offering plan retained our firm to review or prepare the projections of income and expenses for the first year of operation of the homeowners association with Phases One and Two incorporated therein. Our experience in this field includes the management of multiple residential/commercial developments and or associations.

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 Schedule A.

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

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

We certify that the budget:

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

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

(iii) does not omit any material fact;

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

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

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


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

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

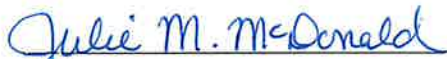
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Realty Performance Group

Dated: October 18, 2022

By: 
Robert F. Marvin, Pres.

Sworn to before me this
18 day of October, 2022.


Notary Public

JULIE M. MCDONALD
Notary Public, State of New York
No. 01MC6076701
Qualified in Ontario County
Commission Expires July 1, 2026

