

HOMEOWNERS ASSOCIATION OFFERING PLAN

STONEWOOD MANOR ASSOCIATION, INC.

AVIAMORE DRIVE, TOWN OF GREECE,
MONROE COUNTY, NEW YORK.

APPROXIMATE AMOUNT OF OFFERING INCLUDED IN PURCHASE PRICE OF LOTS/TOWNHOMES: \$7,000.00 (value of common areas and amenities)

NUMBER OF LOTS/TOWNHOMES FOR SALE IN STONEWOOD MANOR SECTION 2 ASSOCIATION, INC. 30

NAME AND ADDRESS OF SPONSOR AND SELLING AGENT: BEN-FALL DEVELOPMENT, LLC
1726 Long Pond Road
Rochester, New York 14606
(585) 426-5340

THE DATE OF ACCEPTANCE FOR FILING IS May 4th, 2011.

THIS PLAN MAY NOT BE USED AFTER May 3rd, 2012, UNLESS EXTENDED OR AMENDED.

SEE PAGE ONE FOR SPECIAL RISKS TO PURCHASERS.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP IN THE HOMEOWNERS ASSOCIATION KNOWN AS STONEWOOD MANOR ASSOCIATION, INC. THE COST OF MEMBERSHIP IN STONEWOOD MANOR ASSOCIATION, INC. IS INCLUDED IN THE PURCHASE PRICE OF THE LOT/TOWNHOME. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY MEMBERSHIP INTERESTS. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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

PLEASE READ IT CAREFULLY.

**THE PROPERTY YOU ARE PURCHASING IS PART OF A PRIVATE SELF-
GOVERNING SUBDIVISION WHICH MAY INITIALLY BE CONTROLLED BY THE
SPONSOR. PURCHASE OF A LOT INCLUDES AUTOMATIC MEMBERSHIP IN THE
HOMEOWNERS ASSOCIATION.**

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

Stonewood Manor Association, Inc.

Amendment No. 1

(5/29/12)

“This plan has been amended, see inside front cover”



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

(212) 416-6384

Noble Peregrine Development, LLC
c/o Woods, Oviatt, Gilman, LLP
Attention: Louis D'Amato, Esq.
700 Crossroads Building, 2 State Street
Rochester, NY 14614

RE: Stonewood Manor HOA, Inc.

File Number: H 110002

Amendment No: 1

Date Amendment Filed: 05/29/2012

Filing Fee: \$225.00

Receipt Number: 116894

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,

Lisa Wallace
Assistant Attorney General

STONEWOOD MANOR ASSOCIATION, INC.

STONEWOOD MANOR TOWNHOMES
GREECE, MONROE COUNTY, NEW YORK

AMENDMENT NO. 1 TO THE OFFERING PLAN

The amount of this offering is \$7,000.00 (value of common areas and amenities)

This Amendment is made to disclose the first townhome lot transfer, and extend the Offering Plan six months.

Status of Offering

Sponsor is presently developing Stonewood Manor Townhomes. Of the 30 Townhome Lots in Stonewood Manor Townhomes, four Townhome Lots are currently under construction. As of April 24, 2012, two Townhome Lots have been transferred, two Townhome Lots are under contract to be sold, and twenty six Townhome Lots are being offered for sale.

The Declaration establishing the Association was recorded in the Monroe County Clerk's Office on October 13, 2011 in Liber 11051 of Deeds at page 412. The deed conveying the common area to the Association was recorded in the Monroe County Clerk's Office on October 13, 2011 in Liber 11051 of Deeds at page 451. The first Townhome Lot, that is Lot R-220, was transferred to Maria Justice by deed recorded in the Monroe County Clerk's Office on October 27, 2011 in Liber 11056 of Deeds at page 3.

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 Marc Fallone, Stephen Benedek and Mario Fallone, each being either a principal of the Sponsor, an investor in the Sponsor and or a relative of the principal of the Sponsor.

The officers of the Association are Marc Fallone, president, Stephen Benedek, vice president, and Mario Fallone, treasurer and secretary.

The Board of Directors is operating pursuant to the Estimate of Operating Expenses and Reserves for the Association as set forth in the Offering Plan on page 10. With respect to the Reserve Fund set forth in the Estimate of Operating Expenses and Reserves for the Association as set forth in the Offering Plan on page 10, the Association's account has been opened with Canandaigua National Bank and Trust at 210 Alexander Street, Rochester, New York 14607. As of April 24, 2012, the amount in the account is \$693.53, with \$477.03 allocated to Reserves. As set forth on page 39 of the Offering Plan there is no working capital fund.

With only two lots transferred, the first meeting of Lot Owners has not been held.

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 April 24, 2012, Townhome Lots 214 and 220 have been transferred. The Sponsor owns the remaining Townhome Lots in the subdivision; the unsold Lots owned by the Sponsor are Lots 201-213, 215-219, and 221-230. Of the Townhome Lots owned by the Sponsor, two Lots are under contract to be sold. Each of the remaining twenty six Townhome Lots are being offered for sale.
2. The monthly maintenance or common charge per Townhome Lot is \$176.00. See page 10 of the Offering Plan. 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 Townhome Lots of the subdivision will be sold free of the lien of all building loan mortgages. Releases will be paid for from lot sales and Sponsor's operating cash flows.
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 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.

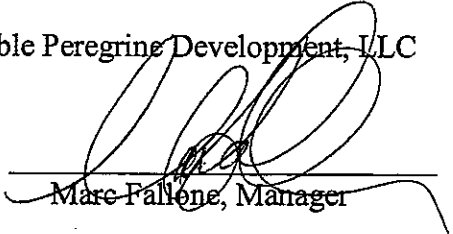
No Further Changes

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: April 24th, 2012

Noble Peregrine Development, LLC

By:



Marc Pallone, Manager

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THE OBLIGATIONS OF THE SPONSOR.**

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SPECIAL RISKS

1. Upon completion of construction, Stonewood Manor Section 2 will consist of 30 Lots improved by 30 Townhomes. Site plan approval granted by the Town of Greece for the subdivision is for the improvement of 30 Lots. Construction of the right-of-way and major utility laterals commenced in the summer of 2010 and the 30 Townhomes are anticipated to be completed by the spring of 2016. Construction of individual Townhomes will be commenced as Sponsor receives the purchase agreement for the Townhome. The Sponsor has no obligation to build any Townhome unless and until Sponsor has a purchase agreement for the Townhome. Prior to the sale of the first Townhome, the Sponsor will complete the subdivision improvements (that is the dedicated right of way known as Aviamore Drive, dedicated water service and sanitary sewers). Landscaping and side walks servicing each Townhome will be completed as each building containing such Townhome is completed. See the section entitled Development and Description of Common Areas, page 8, and Stonewood Manor Association, Inc. Estimate of Operating Expenses and Reserves, page 10.

2. The Sponsor has or will provide the Town of Greece with irrevocable Letters of Credit to secure the completion of public improvements, to wit: the right of way, water mains, and sanitary sewers, all of which will be dedicated to the Town of Greece upon their completion. The Sponsor has capital sufficient to finance the construction of the Association improvements and individual Townhomes. The Sponsor intends to complete that portion of the public improvements servicing any Lot prior to the conveyance of said Lot as required by the Town of Greece. See the sections entitled Development and Description of Common Areas, page 8, and Obligations of Sponsor, page 20.

3. As defined in the Declaration, the Sponsor and all Lot Owners shall automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote. See the section entitled Control by Sponsor, page 22.

4. The Sponsor is offering an express Limited Warranty in connection with the sale of Lots in Stonewood Manor Section 2 and the Townhome constructed on such Lot by the Sponsor. The Limited Warranty is in the amount of \$100,000.00 and is extended to the first owner of the home. The Sponsor has adopted the "Residential Construction Performance Guidelines" published by the Rochester Home Builders Association. The complete terms of the Limited Warranty are set forth in Part II of this Plan as part of the form of Purchase Agreement for Individual Lots, pages 44 and 55.

5. Water service is required for watering Townhome lawns during the June through September watering season, as may be required. Each Lot Owner will furnish water required for his lawn from his external hosebib. Personnel providing the watering service will endeavor to draw

water equally from each Lot Owner's hosebib, as averaged over a sustained time period; however, no assurances can be given that the amount of water drawn from each Lot Owner's hosebib will be equal, and personnel providing watering service may utilize the water from any individual hosebib at any one time to water the lawns of other Townhome Lots. See page 25.

6. The Sponsor may transfer title to the first Lot upon completion of construction of the Townhome on such Lot, and issuance of a Certificate of Occupancy by the Town of Greece. See page 5.

7. Replacement reserves have not been established for all items. Reserves have been established for roofing, asphalt sealing and resurfacing. No amount appears as replacement reserves in the initial Association common charge budget for such items as vinyl siding, vinyl-clad windows, insulated metal doors, overhead garage doors, aluminum gutters and downspouts, and masonry. The foregoing list is given as an example and not in limitation. When items require replacement, a special assessment will be necessary to fund the cost of the capital improvement. See page 14.

8. A nominal provision has been made for real estate taxes on the Association Property; the tax assessor has advised the Sponsor that the value of the Association Property will be reflected in the assessments of the Lots. Should there be an assessment of the Association Property, nominal or otherwise, the Maintenance Assessments will necessarily be increased to fund the resulting taxes. See page 13.

9. Insurance carried by the Association for fire and all risk building coverage does not insure the personal property or dwelling contents of individual Lot Owners. Lot Owners are advised to obtain property insurance for personal property and dwelling contents, including upgrades installed by Sponsor or any other party, as well as liability coverage for accidents occurring in and about their dwelling. See page 13.

10. During Sponsor control (see Special Risk number 3), the Sponsor will not exercise veto power over the expenses in the Projected Schedule of Receipts and Expenses, nor over expenses required to (1) comply with applicable law or regulation; (2) remedy and notice of violation; or (3) remedy any work order issued by an insurer. During Sponsor control, Sponsor may exercise veto power over expenses other than those listed above in compliance with the terms and conditions of the Declaration. See page 23.

11. The Association will indemnify and defend the Managing Agent against all suits brought in connection with Association and from liability for loss of person or property. The Association will also pay all expenses of the Managing Agent in defending against such suits. See page 39.

12. If a Lot Owner fails to maintain his home consistent with the guidelines established by the Association, the Association may perform maintenance not performed by the Lot Owner at the Lot Owners expense, the cost of said maintenance or restoration to be assessed against the defaulting Lot Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such. See page 6.

13. The common areas will consist of open space, storm water management area and lawn areas. Due to the proximity of the Townhome buildings, the common area lawn between buildings will be final graded and seeded when each building is completed. Construction activity of will be completed as reasonably possible, weather permitting. The incomplete items will be completed by the Sponsor, but are not secured by any letter of credit or completion bond. See page 8.

14. If a purchaser desires, his obligations under the Purchase Agreement may be subject to obtaining a written mortgage commitment. If the written mortgage commitment is not received within the time period provided, then either the purchaser or the Sponsor may cancel the contract. Until the contingency is satisfied, the Sponsor shall not be obligated to commence construction of the home. The obligations and conditions of the commitment are the responsibility of the purchaser, and are not contingencies of the contract between the Sponsor and purchaser. Additionally, the purchaser is responsible to obtain a commitment which expires on or after the closing date set forth in the Purchase Agreement with the Sponsor. See page 18.

15. No bond or other security has been posted by the Sponsor to secure the performance of its obligations set forth in this Offering Plan, except as set forth in special risk #2 at page 1. Accordingly, the Sponsor's ability to meet such obligations could depend on its financial condition at the time it is called upon to perform. See page 20.

16. An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing certain provisions of the Declaration and controlling any change in use or any additions, modifications or alterations to any improvement within the Stonewood Manor Section 2 development within guidelines and/or policies established by the Board of Directors. See page 27.

17. The Sponsor will comply with the Escrow Trust Fund provisions establish by the Attorney General. Deposits will be held in trust by the Sponsor's attorney. The name of the account is STONEWOOD MANOR SECTION 2 ESCROW ACCOUNT, located in HSBC Bank, 19 West Main Street, Rochester, New York 14614. This bank is covered by federal bank deposit insurance. The maximum amount of insurance is \$250,000.00 per account through December 31, 2013. If not extended by Congress, the maximum amount of insurance will reduce to \$100,000.00 per account. If deposits in the aggregate are in excess of then applicable maximum amount, such deposits will not be federally insured in excess of the then applicable maximum amount. See page 19.

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INTRODUCTION

The purpose of this Offering Plan is to set forth all the terms of the offer of membership in the Association. The Sponsor, Ben-Fall Development, LLC, may amend the Offering Plan from time to time by filing an amendment with the New York State Department of Law. All amendments shall be served on purchasers and Members. A copy of this Offering Plan and all exhibits delivered to the Department of Law at the time this plan was filed is available for inspection, without charge to prospective purchasers and their attorneys, at the Sponsor's office.

Ben-Fall Development, LLC, (hereinafter referred to as "Sponsor"), is a New York limited liability company, with an office and principal place of business at 1726 Long Pond Road, Rochester, Monroe County, New York. Sponsor acquired approximately 44.81 acres of land located in Greece, Monroe County, New York, by deed recorded in the Monroe County Clerk's Office on May 5, 2005. The property is referred to in this Offering Plan as "Stonewood Manor Section 2." The Sponsor's development concept provides for the construction of a Townhome residential community consisting of 30 Townhomes. The 30 Townhome-building lots comprise Stonewood Manor Section 2, and are offered in connection with Stonewood Manor Association, Inc. (herein before and herein after "Association"). All areas of Stonewood Manor Section 2 not contained within the perimeter of the Townhome-building lots will be common areas and conveyed to the Association prior to the sale of the first lot to a third party purchaser.

Stonewood Manor Section 2 is located in the central portion of the Town of Greece. The immediate area surrounding Stonewood Manor Section 2 is zoned single family and multi-family residential. The area surrounding Stonewood Manor Section 2 is a mixture of developed and vacant farm land. The Sponsor does own and is developing the immediate area comprised of Stonewood Manor, Section 1, consisting of 13 single family detached homes, and Section 3, consisting of 21 single family detached homes. This offering does not include Stonewood Manor, Sections 1 and 3. Stonewood Manor, Sections 1 and 3, consist of single family detached homes on public rights-of-way and there are no existing or future public offerings for those sections required by law. The development of Stonewood Manor, Sections 1 and 3, is separate and distinct from the Stonewood Manor, Section 2; there are no shared properties or amenities. The Sponsor does not own or have the right to acquire any undeveloped or vacant lands adjacent to Stonewood Manor, Sections 1-3.

A "Townhome" shall mean and refer to a residential dwelling constructed upon a given Lot and attached to at least one other Townhome by means of a party wall. A "Lot" shall mean and refer to any portion of Stonewood Manor Section 2 identified as a separate parcel on the tax records of the municipality, or shown as a separate lot upon any recorded or filed subdivision map. Purchasers are purchasing the Lot and the Townhome constructed on it. All areas of Stonewood Manor Section 2 not contained within the perimeter of the Townhome-building lots will be common areas and conveyed to the Association prior to the sale of the first Lot. The common areas are improved by open space, storm water management area and lawn areas. The common areas are not improved by any buildings or structures. Please see Architect's and Engineer's Detailed Description on page 64. The common areas will be owned and maintained by the Association. The street known as Aviamore Drive will be a dedicated right of way owned and maintained by the Town of Greece.

Upon completion of construction, Stonewood Manor Section 2 will consist of 30 Lots improved by 30 Townhomes. Site plan approval granted by the Town of Greece for the subdivision is for the improvement of 30 Lots. Construction of the right-of-way and major utility laterals commenced in the summer of 2010 and the 30 Townhomes are anticipated to be completed by the spring of 2016. Construction of individual Townhomes will be commenced as Sponsor receives the purchase agreement for the Townhome. The Sponsor has no obligation to build any Townhome unless and until Sponsor has a purchase agreement for the Townhome. Prior to the sale of the first Townhome, the Sponsor will complete the subdivision improvements (that is the dedicated right of way known as Aviamore Drive, dedicated water service and sanitary sewers). Landscaping and side walks servicing each Townhome will be completed as each building containing such Townhome is completed.

The Sponsor may transfer title to the first Lot upon completion of construction of the Townhome on such Lot, and issuance of a Certificate of Occupancy by the Town of Greece.

All Owners of Lots at Stonewood Manor Section 2, as defined in a certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration"), to be recorded in the Monroe County Clerk's Office prior to the transfer of title to the first Lot, automatically become Members in the Association which has been formed for the purpose of insuring the efficient preservation of the values and amenities of Stonewood Manor Section 2. (See a copy of the Certificate of Incorporation of the Association set forth in Part II of this Plan). The obligation of each purchaser to become a Member is set forth in the form of Purchase Agreement set forth in Part II of this Plan, which refers to the Declaration which governs the use and ownership of land within Stonewood Manor Section 2. The complete text of the Declaration is set forth in Part II of this Plan. The By-Laws of the Association are set forth in Part II of this Plan.

The purchase price of a Lot in Stonewood Manor Section 2 includes the Townhome constructed on it, the exclusive right to use the improvements, walk and driveway associated with the Townhome, and the cost of the Association property. Purchasers are advised that purchase prices are set by the Sponsor and are not subject to review or approval by the New York State Department of Law or any other governmental agency.

As defined in the Declaration, the Sponsor and all Lot Owners shall automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote. At the first annual meeting following the conversion of Sponsor's Class B Membership to a Class A Membership, the Members shall elect a new Board of Directors unrelated to the Sponsor.

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

1. The operation and maintenance of the Association property.
2. The exterior maintenance of the Townhomes, including the repair and/or replacement of the exterior siding, gutters and downspouts, roof, painting of wood trim, windows and doors, sealing and/or staining of decks, but specifically excluding maintenance, repair and/or replacement of any other improvement or element including but not limited to windows, skylights, window panes, doors, overhead garage doors, storm doors, decks, or maintenance, repair and/or replacement of porches, stone pavers or stoops, patios or concrete walks, if any.
3. Fire and casualty insurance covering the Townhomes, Association property, if appropriate, and liability insurance for the Association.
4. The creation of such reserves for contingencies as the Board of Directors may deem proper.
5. Maintenance, including repair and replacement, as necessary, of the common properties of the Association, including the driveways, walks, and those portions of sewer, water, and utility laterals servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity.
6. Plowing of snow from the paved areas. The Lot Owner shall be responsible for shoveling of snow from walks. The Association shall not be responsible for ice control or removal from driveway or walks. The Lot Owner may take steps to control or remove ice from driveways or walks, but may not use salt or any other corrosive material or chemical that may harm or degrade the walk over time.
7. Maintenance of landscaping and lawns within Stonewood Manor Section 2 originally installed by Sponsor.

See page 26 for further discussion of Maintenance by the Association.

Except as set forth above, individual Lot Owners are responsible for the interior and exterior maintenance of their Townhomes. They may decorate their dwellings as they desire, subject only to such rules and regulations regarding the exterior appearance of the dwellings as may be promulgated from time to time by the Association's Architectural Committee (see Section 7.08 of the Declaration set forth in Part II of this Plan). No Lot Owner shall alter or change the exterior color of the improvements on his Lot without the prior written consent of the Association. The Association may perform maintenance not performed by the Lot Owner at the Lot Owners expense, the cost of said maintenance or restoration to be assessed against the defaulting Lot Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such.

Lot Owners may improve their deck or patio area with the Sponsor's written consent, and thereafter when the Sponsor is no longer in control of the Association, the Association's consent. The specific area of the improvement, and the nature of the improvement and the materials used shall all be reviewed and approved before construction begins. The improvements shall not be attached to an adjoining Lot Owner's property, and the adjoining Lot Owner and Association shall not be obstructed from performing repairs and maintenance on the adjoining Townhome. The Lot

Owner shall maintain the improvements in a clean and good condition, employing a high and proper standard, and in a manner equal to the maintenance standards of the Association. Upon the Lot Owner's failure to maintain, the Association may maintain the area or remove the improvement and restore the area to its original condition at the defaulting Lot Owner's expense, the cost of said maintenance or restoration to be assessed against the defaulting Lot Owner and shall be deemed to be a common assessment, a lien against the Lot and collectable as such.

Owners of Lots, excluding the Sponsor, are responsible for the payment of monthly maintenance assessments to the Association. The estimated charges for the first year that Stonewood Manor Section 2 is completed and operating is set forth immediately following this Section. A certification by an expert concerning the adequacy of such charges is set forth in Part II of this Plan. The Association may place a lien on Lots for unpaid maintenance assessments. This could result in foreclosure. At the time they purchase their Lot, purchasers are advised to obtain a certificate from the Association (see Section 5.10 of Declaration set forth in Part II of this Plan) certifying to the status of payment of assessments. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan.

The Greece Police Department will provide police protection. The Greece Volunteer Fire Department will provide fire protection. The Monroe County Water Authority (with an address of 475 Norris Drive, Rochester, New York 14610) will provide water service. The Monroe County Pure Waters District will provide sanitary sewer service. Storm sewers will be owned and maintained by the Association, and drain into dedicated storm sewers owned and maintained by the Town of Greece. Rochester Gas and Electric Company will provide electricity and gas. The cost of police and fire protection, sewer services and maintenance of dedicated improvements will be included in the Lot Owners real property tax. Electric, gas and water usage and pure waters service will be separately billed on the basis of consumption. The Association, as discussed on the preceding page, provides snow plowing of the paved areas and maintenance services.

Owners of Lots may sell or mortgage their Lots to anyone without restriction. Each Lot is separate and not subject to mortgages of other Lots. Owners of Lots in Stonewood Manor Section 2 should be aware that, if they resell their Lot, those who purchase from them will automatically become Members of the Association, assuming all rights and obligations (see Section 3.02 of the Declaration set forth in Part II of this Plan).

Owners of Lots may lease their Lots subject to the current R-1-44 Zoning Regulations of the Town of Greece. An investor purchaser of Lots for lease and subsequent resale, rather than occupancy, is required to register pursuant to General Business Law §352-e and to provide prospective purchasers with the Offering Plan and all amendments.

The Offering Plan as presented contains all of the detailed terms of the transaction as it relates to the Association. Copies of the Offering Plan and all Exhibits submitted to the Office of the Attorney General will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the property site whenever the on-site sales office is open and at the office of the Sponsor during normal business hours.

The Sponsor has not and will not impose any limitations on who may purchase a home and lot within Stonewood Manor Section 2.

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

DEVELOPMENT AND DESCRIPTION OF STONEWOOD MANOR SECTION 2 COMMON AREAS

Upon completion of construction, Stonewood Manor Section 2 will consist of 30 Lots improved by 30 Townhomes. Site plan approval granted by the Town of Greece for the subdivision is for the improvement of 30 Lots. Construction of the right-of-way and major utility laterals commenced in the summer of 2010 and the 30 Townhomes are anticipated to be completed by the spring of 2016. Construction of individual Townhomes will be commenced as Sponsor receives the purchase agreement for the Townhome. The Sponsor has no obligation to build any Townhome unless and until Sponsor has a purchase agreement for the Townhome. Prior to the sale of the first Townhome, the Sponsor will complete the subdivision improvements (that is the dedicated right of way known as Aviamore Drive, dedicated water service and sanitary sewers). Landscaping and side walks servicing each Townhome will be completed as each building containing such Townhome is completed. A site plan showing the details of the proposed development is set forth in Part II of this Plan.

The construction timetable for the completion of the first Townhome is estimated to be July 1, 2011, the remaining Townhomes will be completed as contracts for sale are entered into. The Sponsor does not intend to complete Townhomes on speculation or without contracts of sale with purchasers. Assuming normal demand by prospective purchasers, the Sponsor anticipates being done with the development in 2016. However, no guarantee can be made by the Sponsor.

The common areas are improved by open space, storm water management area and lawn areas. The common areas are not improved by any buildings or structures.

All areas of Stonewood Manor Section 2 not contained within the perimeter of a Subdivision Lot will be known as common areas, and will be conveyed to the Association prior to the closing of title to the first Lot. The common areas will consist of 38.187± acres of open space, storm water management area and lawn areas. Due to the proximity of the Townhome buildings, the common

area lawn between buildings will be final graded and seeded when each building is completed. Construction activity of will be completed as reasonably possible, weather permitting. The incomplete items will be completed by the Sponsor, but are not secured by any letter of credit or completion bond.

The street known as Aviamore Drive and the sanitary sewers located within the right-of-way will be owned and maintained by the Town of Greece. Aviamore Drive and the sanitary and storm sewers will be constructed in accordance with plans and specifications required by the Town of Greece. The watermains, hydrants, valves and all other appurtenances within the right-of-way or dedicated easement shall be owned and maintained by the Monroe County Water Authority. Water mains will be constructed I accordance with the plans and specifications required by the Monroe County Water Authority.

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

1. Those created by or pursuant to the Declaration,
2. Easements and rights of way granted to governmental authorities for drainage, sewers, and other municipal purposes,
3. Public utility easements,
4. An underground utility easement reserved by Sponsor for future development of adjacent lands,
5. Sewer, drainage or utility easements which may be granted in the future.

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

The Sponsor will construct all improvements in accordance with the Town Zoning and Building Ordinances. The dedicated right of way known as Aviamore Drive will be built according to Town requirements for public roadways.

The Sponsor has or will provide the Town of Greece with irrevocable Letters of Credit to secure the completion of the subdivision improvements, to wit, the public right-of-way, water mains, and sanitary sewers, all of which will be dedicated to the Town of Greece upon their completion. As set forth in Special Risk, number 2, the Sponsor will not provide any completion bond for the construction of Association improvements or the individual homes to be constructed within the Subdivision.

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**ESTIMATE OF OPERATING EXPENSES AND RESERVES
FOR THE FIRST YEAR OF OPERATION COMMENCING
APPROXIMATELY JULY 1st, 2011**

This estimate is prepared as of July 1, 2011, which date is a reasonable projection of when the first closing is to occur. This estimate of operating expenses and reserves has been made by the Sponsor and is based upon quotations obtained by Sponsor. This estimate cannot be construed as an assurance of actual expenses and is based merely upon information available to the Sponsor at the time of preparation.

A nominal provision has been made for real estate taxes on the Association Property; the tax assessor has advised the Sponsor that the value of the Association Property will be reflected in the assessments of the Lots. Should there be an assessment of the Association Property, nominal or otherwise, the Maintenance Assessments will necessarily be increased to fund the resulting taxes.

These operating expenses are based upon the cost of operating the project with 30 Lots transferred to third party purchasers. Each Lot transferred by the Sponsor is assessed 1/30th of the total costs of operations.

The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan.

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

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

**Stonewood Manor Section 2
 Projected Schedule of Receipts and Expenses
 for First Year of Operation
 Operating Commencing July 1, 2011 ¹**

Projected Revenue

Maintenance Charges @ \$176.00 /house/month (1)	63,360
Estimated Revenue from Other Sources (2)	0
<hr/>	
TOTAL PROJECTED REVENUE:	63,360
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Projected Expenses

Landscape (3)	22,601
Snow Plowing (4)	4,549
Rubbish Removal (5)	2,605
Repair (6)	1,000
Management (7)	9,360
Insurance (8)	7,448
Accounting: Audit/Tax Returns (9)	1,100
Copies, Postage, Supplies (10)	500
Legal (11)	300
Property Taxes (12)	74
New York State Franchise Tax (13)	25
Federal Corporate Income Tax (14)	0
Reserve Fund (15)	13,309
Contingency Rounding (16)	489
Water (17)	0
Electric (18)	0
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TOTAL PROJECTED EXPENSE:	63,360
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Footnotes to Projected Budget

1. Maintenance Charges – The monthly assessment for the first full year of operations is \$176.00/townhouse. Costs may change due to inflation or for other reasons – the projection is based on current quotations.

This estimate is based on the assumption that the Sponsor will complete construction of 30 Townhomes. Until construction is completed, and Sponsor retains ownership of any Lot, the Sponsor is obligated to pay to the Association as its share of common charges any deficit incurred by the Association in each year of operation. Specifically, the maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan.

2. Other Sources of Revenue – There are no user fees anticipated for this Association. Late fees and/or fines are possible but not budgeted. Interest revenue is likely to be very low or none until the Reserve Fund begins to build up.

3. Landscape – The following services are quoted by Buttonwood Lawn and Landscape, 1287 Hilton Parma Road, Hilton NY: Grass cutting/trimming: \$345/cut, budgeted for 28 cuts; Spring Clean-up: \$500; Fall cleanup: \$800; Mulch installed at \$50/cu yd, 3 yds per house; Shrub trimming/cleanup: \$385/trip, 2 trips, Miscellaneous labor @ \$28/hr: 15 hours budgeted. The following services are quoted by One Step Tree and Lawn Care, 4343 Buffalo Road, North Chili, NY: Three lawn fertilization and weed control trips, two crabgrass control trips – total \$3,513; Ornamental tree and shrub care: One horticultural oil application and three site inspections with treatments as necessary – total \$500. All costs are before sales tax.

4. Snow plowing – The following service for driveways is quoted by Buttonwood Lawn and Landscape: clearance whenever snowfall reaches an average depth of three inches. Cost depends on season snowfall as measured by the National Weather Service at the Rochester airport: less than 80 inches: \$3,500, 85-100 inches: \$3,900, \$39.00/inch for over additional amount over 100 inches. Average Rochester snowfall is 100 inches, budget covers 108 inches.

5. Rubbish Removal – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide 63 gallon wheeled toters; their price is \$6.70 + tax per house per month. Toters will be picked up and returned just outside the garage door. Recycle boxes must be left at the street end of the driveway.

6. Repair – Routine repair of the grounds and exteriors of the townhouses is estimated at \$1,000. Such repairs will likely increase slowly with the age of the townhouses. These repairs do not include sealing of driveways or replacement/resurfacing of the asphalt, gutters and downspouts, and roofs – these items are covered in the Reserve Fund (see # 15 below).

7. Management – Management services are to be provided by NorthCoast Corporation, 339 East Avenue, Suite 302-4, Rochester, NY. NorthCoast is managing agent for 9 Associations in Monroe County. The owner of NorthCoast, William Tomlinson, has 34 years experience managing homeowners associations and is a Past President of Community Associations Institute (CAI) Research Foundation. CAI is a national organization with approximately 50,000 members throughout the United States.

8. Insurance: Based on quotes from First Niagara Risk Management, Inc., 777 Canal View Blvd., Suite 100, Rochester, NY. Package policy with \$4,590,001 property coverage (full replacement cost, no coinsurance) and \$1,000,000 general liability coverage: \$5,548. Directors and Officers liability \$1,000,000 coverage: \$950. Umbrella liability coverage of \$5,000,000: \$950.

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 is included, and
- e. A waiver of pro-rata reduction if homeowners obtain additional coverage is included.

The following items are not included in the budget and are available at additional cost:

- a. Rent insurance;
- b. Excess liability;
- c. Garage keeper's liability.

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.

The Sponsor has not procured mortgage financing for individual purchasers, however, Sponsor believes that the above insurance will be acceptable to mortgage lenders identified by individual purchasers.

9. Audit – Certified audit and preparation of Federal and State tax returns: Boychuk & Co., Certified Public Accountants, 111 Marsh Road, Pittsford, NY: \$1,100.

10. Copies, Postage, Supplies – These costs are reimbursable per the management agreement. Supplies include payment envelopes, business envelopes, labels, etc. Copies are billed at 10 cents per page.
11. Legal – For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures: \$300.
12. Property Taxes – Property assessment of \$1,800 for common areas estimated per letter from Tax Assessor of the Town of Greece. At current tax rates \$17.81 for County and Town: \$32.06 and \$23.15 for School: \$41.67.
13. New York State Franchise Tax – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$25 budgeted is represent a tax that may occur in later years of the life of the Association.
14. Federal Income Tax – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first year of operation.
15. Reserve Contributions: Reserves are established for the following items: Sealing of driveways every three years, resurfacing of driveways in 15 years, tear off and replacement of roofing shingles in 25 years, and replacement of gutters and downspouts in 25 years. Actual work may be adjusted for timing, dependant on future inspections of these items. There is no reserve established for the replacement of siding which is expected to have a useful life of 30+ years.
16. Miscellaneous/Contingency – For otherwise unbudgeted, unexpected expense and for rounding of monthly assessment payments.
17. Water – Each home has a water meter and members will pay directly to Monroe County Water Authority for water use. Although the Association may use water form the outside spigots on individual homes to water lawns and plantings, it is deemed impractical to reimburse the members for such use, and the right of the Association to use such water is established in the Declaration.
18. Electric – There will be no common area lighting or electric charges to the Association. Each homeowner will pay his/her individual electric bill.

LEASING

The Sponsor and any Lot Owner may lease any Townhome upon terms and conditions they feel appropriate, subject to the R-1-44 Zoning Regulations of the Town of Greece. The Sponsor will construct model Townhomes and complete Townhome buildings and it is possible that a Townhome will be leased prior to sale. Moreover, any Townhome may be conveyed by the Sponsor or a subsequent owner to an individual or entity that may purchase the Townhome for non-owner occupancy. In any event, purchasers are encouraged to have the terms of the lease and the purchase agreement reviewed by the purchasers/tenants' attorney to afford the party with ample opportunity to understand his legal duties and obligations.

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

PROCEDURE TO PURCHASE AND TRUST FUND PROVISIONS

The form of the Purchase Agreement for Lots is set forth in Part II of this Plan. An executed Purchase Agreement and good faith deposit check, made payable to Stonewood Manor Section 2 Escrow Account, shall be delivered to the Sponsor for consideration.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, and all funds paid by purchasers shall be handled in accordance with such statutes and regulations.

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

All deposits, down payments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the plan, will be placed, within five business days after the agreement is signed by all necessary parties and a deposit check has been delivered by purchaser, in a segregated special escrow account of Enzo Faga, as attorney, the Escrow Agent, whose address is 2 State Street, Rochester, New York 14614, and

whose telephone # is (585) 987-2870. The signatory on this account authorized to withdraw funds is Enzo Faga, Esq.

The name of the account is STONEWOOD MANOR SECTION 2 ESCROW ACCOUNT, located in HSBC Bank, 19 West Main Street, Rochester, New York 14614. This bank is covered by federal bank deposit insurance. The maximum amount of insurance is \$250,000.00 per account through December 31, 2013. If not extended by Congress, the maximum amount of insurance will reduce to \$100,000.00 per account. If deposits in the aggregate are in excess of then applicable maximum amount, such deposits will not be federally insured in excess of the then applicable maximum amount. See page 19.

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

All instruments shall be made payable to or endorsed to the order of Stonewood Manor Section 2 Escrow Account.

Within ten business days after tender of the deposit submitted with the purchase agreement, the Escrow Agent will notify the purchaser that such funds have been deposited into the escrow account and will provide the account number. If the purchaser does not receive notice of such deposit within fifteen business days after tender of the deposit, the purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser in conformity with the Attorney General's regulations.

Before funds are transferred to a new escrow account, or the escrow agent is replaced, the Offering Plan shall be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted only after the Office of the Attorney General approves in writing of the alternate form of security.

The Escrow Agent will hold funds in escrow until otherwise directed in:

1. A writing signed by both Sponsor and purchaser;
2. A determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
3. A judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to the Sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provision.

Under no circumstances shall the Sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the plan. Consummation of the plan shall not relieve the Sponsor of its obligations pursuant to General Business Law Section 352-h.

The Sponsor will not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan; or to all purchasers after an amendment abandoning the plan is accepted for filing by the Dept. of Law.

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment. The Sponsor must avail itself of the procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of this Plan. The party applying for a determination must send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the purchaser, and the Escrow Agent shall abide by an interim directive issued by the Attorney General.

If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. The Attorney General shall act upon the application within 30 days after submission to the office of the Attorney General, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until:

1. Sponsor and purchaser and direct payment to a specified party in accordance with a written direction signed by both the Sponsor and purchaser;
2. a judgment or order of a court of competent jurisdiction is served on the escrow agent; or
3. the escrow agent deposits the disputed amount into court.

In no event shall the escrow agent release funds in dispute, other than payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General, by order or judgment of a court of competent jurisdiction, or by written agreement of the Sponsor and the purchaser.

Set forth in Part II of this Plan is a copy of the Escrow Agreement which incorporates the terms of the Attorney General's regulations. Copies of the forms provided by the bank for opening the escrow account and the Escrow Agreement are included as Exhibit B-21 of the materials submitted to the New York State Department of Law. Upon opening the account, a copy of the Escrow Agreement as executed and a copy of the bank forms as executed will be submitted to the New York State Department of Law as supplements to Exhibit B-21 of the materials submitted to the New York State Department of Law.

The Escrow Agent will maintain all records concerning the escrow funds for seven years after the release of funds. The Office of the Attorney General may perform random reviews and audits of any records involving escrow accounts to determine compliance with the statute and regulations.

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each purchaser pursuant to General Business Law Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction to the purchaser. Consummation of the plan does not relieve the Sponsor of its obligations pursuant to General Business Law 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

In addition to the above requirements of the Attorney General, under Section 71-a(3) of the New York State Lien Law you, as the purchaser of this residence, may require the recipient or contractor to deposit the initial advance made by you in an escrow account. In lieu of such deposit, the recipient or contractor may post a bond or contract of indemnity with you guaranteeing the return of such advance.

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

If a purchaser desires, his obligations under the Purchase Agreement may be subject to obtaining a written mortgage commitment. If the written mortgage commitment is not received within the time period provided, then either the purchaser or the Sponsor may cancel the contract. Until the contingency is satisfied, the Sponsor shall not be obligated to commence construction of the home. The obligations and conditions of the commitment are the responsibility of the purchaser, and are not contingencies of the contract between the Sponsor and purchaser. Additionally, the purchaser is responsible to obtain a commitment which expires on or after the closing date set forth in the Purchase Agreement with the Sponsor.

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

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

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

The Sponsor anticipates the first Lot closing to occur on or about July 1, 2011. If a date set for closing is delayed 12 months or longer, the purchaser shall be offered rescission in accordance with the requirements of the Attorney General.

Prior to transfer of title, the Sponsor retains the risk of loss from fire or other casualty, unless and until the purchaser takes actual possession of the home pursuant to a possession agreement with the Sponsor. Purchasers should obtain insurance coverage for personal property prior to taking possession of the home to protect themselves from loss due to fire or other casualty.

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

Pursuant to the Housing Merchant Implied Warranty statute of the State of New York, the Sponsor is offering an express Limited Warranty in connection with the sale of Lots in Stonewood Manor Section 2. The Limited Warranty is in the amount of \$100,000.00 and is extended to the first owner of the home. The Limited Warranty provides for Basic Coverage of one (1) year that the home will be free from latent defects that constitute defective workmanship performed by the builder, an agent of the builder or subcontractor of the builder; defective materials provided by the builder, an agent of the builder or subcontractor of the builder, or defective design, provided by an architect, landscape architect, engineer, surveyor or other design professional engaged solely by the builder. Workmanship, materials and design will be considered defective if they fail to meet the New York State Uniform Fire Prevention and Building Code or the Accepted Standards attached to the Limited Warranty. In addition to the above, the Limited Warranty provides for a two (2) year Major System Coverage of the plumbing, electrical, heating, cooling and ventilation systems of the home which have been installed by the builder. Finally, the Limited Warranty includes a six (6) year Major Structural Defect Coverage warranting that the home is free from a latent defect resulting in actual physical damage to a load bearing portion of the home making the home unsafe, unsanitary or otherwise unlivable. Load bearing portions of the home are the foundation and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems. The complete terms and conditions of the Limited Warranty are set forth on page 55 of the Offering Plan. A copy of the statute governing the Limited Warranty is set forth at page 153 of the Offering Plan.

TERMS OF SALE TO THE ASSOCIATION

The deed conveying the common area to the Association will be a full warranty deed with lien covenant. A copy of the deed is an exhibit to Part II of the Offering Plan submitted to the Attorney General. Title to the Association property will be conveyed free and clear of all liens, encumbrances and title exceptions other than as disclosed in this Offering Plan, the state of facts shown on the subdivision map recorded in the Monroe County Clerk's Office or an instrument survey (provided title is not uninsurable).

The Declaration and such other documents as required by law will be recorded in the Monroe County Clerk's Office prior to the first conveyance of title to a home and lot in accordance with the disclosure set forth in this Offering Plan.

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

A closing will take place only upon issuance of a temporary or permanent certificate of occupancy for the Townhome closed.

OBLIGATIONS OF THE SPONSOR

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

1. Defend and Indemnify. The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions, and will indemnify the Association and Lot Owners.

2. Survival after Closing. The Sponsor's obligations under this Offering Plan shall survive transfer of title.

3. Disclaimers Void. Disclaimer or limitations of liability on the part of the Sponsor or its principles for failure to perform obligations set forth in the Offering Plan are not permitted.

4. Financing. The Sponsor has adequate financing for the construction of the Association property. The Sponsor has or will provide the Town of Greece with irrevocable Letters of Credit to secure the completion of the subdivision improvements, to wit: public right-of-way, water mains, and sanitary sewers, all of which will be dedicated to the Town of Greece upon their completion. Except as stated above, the Sponsor has not obtained any bonds securing its obligations under this Offering Plan.

5. Complete Construction of Common Areas and Facilities. Upon completion of construction, Stonewood Manor Section 2 will consist of 30 Lots improved by 30 Townhomes. Site plan approval granted by the Town of Greece for the subdivision is for the improvement of 30 Lots. Construction of the right-of-way and major utility laterals commenced in the summer of 2010 and the 30 Townhomes are anticipated to be completed by the spring of 2016. Construction of individual Townhomes will be commenced as Sponsor receives the purchase agreement for the Townhome. The Sponsor has no obligation to build any Townhome unless and until Sponsor has a purchase agreement for the Townhome. Prior to the sale of the first Townhome, the Sponsor will complete the subdivision improvements (that is the dedicated right of way known as Aviamore

Drive, dedicated water service and sanitary sewers). Landscaping and side walks servicing each Townhome will be completed as each building containing such Townhome is completed.

The Sponsor will build and complete construction of the common areas and facilities located on Association property in accordance with the building plans and specifications identified in this Offering Plan and any amendments hereto. The Sponsor may substitute equipment or material of equal or greater value. The Sponsor will pay for the authorized and proper work involved in the construction, establishment and transfer of all Association property that the Sponsor is obligated to complete under this Offering Plan. The Sponsor agrees to cause all mechanics' liens with respect to Association property to be promptly discharged or bonded.

The Sponsor will complete construction of the common areas and other facilities that are vital to the health and safety of the Lot Owners prior to the conveyance of the Lot, subject to the terms of this Offering Plan, including the public utilities and Aviamore Drive. If the Town of Greece permits occupancy, and if the incomplete items are not vital to the health and safety of the Lot Owners, such as final pavement of driveways and landscaped areas, then closing may occur. The Sponsor anticipates that the project to be completed by the fall of 2016.

6. Pay Assessments. The Sponsor will pay assessments for each unsold Lot owned by the Sponsor in accordance with the Declaration. The maintenance assessments on Lots owned by the Sponsor shall be in an amount equal to the difference between the actual Association expenses, exclusive of reserves applicable for completed improvements, and the Association charges levied on Owners who have closed title to their Lots. For those Lots owned by the Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. See Article V of the Declaration set forth in Part II of this Plan. The Sponsor has the financial means to meet its obligations with respect for unsold Lots. Income from Lot sales and ongoing operations will fund this obligation.

7. Conveyance of Common Areas and Title Insurance. Prior to the transfer of title to any Lot, the Sponsor will file the Declaration and convey, by full warranty deed, the Association Property to the Association. The lien of any mortgage on the property will be released from the common area, and the lien of the mortgage will be subordinated to the Declaration. The Sponsor will furnish the Association with a policy of title insurance covering such property from a title company authorized to do business in New York. The policy covering the common areas shall be in the amount of the offering. Such policy will be furnished at Sponsor's sole cost and expense, and shall evidence insurable title. The lien of any construction loan mortgage will be released from the common areas prior to the transfer of title to the Association.

The common area is to be improved by open space, storm water management area and landscaping. Prior to transfer to the Association, the Sponsor will assign to the Board of Director's of the Association any manufacturer's warranties with respect to such improvements.

8. File Subdivision Map. The Sponsor will file a subdivision map in the office of the Monroe County Clerk and the Town of Greece prior to the conveyance of the first Lot in Stonewood Manor Section 2, which map shall show the Lots upon which the dwellings are or will be located.

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

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

11. Hold Down Payments and Deposits in Escrow. The Sponsor will hold all down payments and deposits in escrow (or properly post a letter of credit) to assure the return of down payments and deposits if the Sponsor defaults in its obligations under the Purchase Agreement.

12. Insurance. While in control of the Board of Directors, the Sponsor shall procure agreed replacement cost fire and casualty insurance for the Townhomes, and liability insurance for the Association property, as set forth Schedule A of this Offering Plan.

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

14. Amendments. As long as the Sponsor has unsold Lots which are offered for sale pursuant to the Offering Plan, the Sponsor shall amend the Plan whenever the budget materially changes or whenever one year has passed since the budget was last updated. The prior year’s certified financial statements for the Association shall be included in the amendment.

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

16. Completion. The rights-of-way, sewers and water lines, when constructed, will be in accordance with local government specifications. If the construction of the above public improvements has not been completed prior to conveyance to the Town of Greece, a bond or letter of credit will be posted with the Town, or other adequate security will be provided in an amount to be determined by an engineer licensed to practice as a professional engineer in the jurisdiction where the Association is located, which amount shall not be less than the amount required to complete such construction to required specifications.

NO BOND OR OTHER SECURITY HAS BEEN POSTED BY THE SPONSOR TO SECURE THE PERFORMANCE OF ITS OBLIGATIONS AS ABOVE SET FORTH, EXCEPT AS SET FORTH IN SPECIAL RISK #2 AT PAGE 1. ACCORDINGLY, THE SPONSOR'S ABILITY TO MEET SUCH OBLIGATIONS COULD DEPEND ON ITS FINANCIAL CONDITION AT THE TIME IT IS CALLED UPON TO PERFORM.

CONTROL BY SPONSOR

As defined in the Declaration, the Sponsor and all Lot Owners shall automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote. See the section entitled Stonewood Manor Association, Inc., Membership and Voting Rights. At the first annual meeting following the conversion of Sponsor's Class B Membership to a Class A Membership, the Members shall elect a new Board of Directors unrelated to the Sponsor. The meeting to elect the Board of Directors unrelated to the Sponsor will be held within 30 days of the expiration of the control period.

During Sponsor control, the Sponsor will not exercise veto power over the expenses in the Projected Schedule of Receipts and Expenses, nor over expenses required to (1) comply with applicable law or regulation; (2) remedy and notice of violation; or (3) remedy any work order issued by an insurer.

During Sponsor control, Sponsor may exercise veto power over expenses other than those listed above in compliance with the terms and conditions of the Declaration.

No mortgage liens will be placed on the Association property during the Sponsor's control of the Board of Directors.

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

STONEWOOD MANOR ASSOCIATION, INC.

Stonewood Manor Association, Inc. was formed on September 10, 2010, under the Not-for-Profit Corporation Law of the State of New York, when its Certificate of Incorporation was filed with the New York State Department of State. The Association is a Type "A" corporation under the aforementioned law. The Certificate of Incorporation is set forth in Part II of this Plan. The Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (herein before and after referred to as the Declaration), which is set forth in Part II of this Plan,

provides the framework and procedures by which the Association, upon conveyance of common properties to it by the Sponsor, will maintain and administer the lands and the facilities comprising the Association property. The Association will own open space and storm water management area within the common area. The By-Laws which shall govern the operation of the Association are set forth in Part II of this Plan.

There will be 30 lots improved by single family Townhomes. No additional lots are presently contemplated by the Sponsor and the Sponsor has not reserved the right to incorporate additional lands. Membership in the Association is mandatory for all Townhome Owners. Membership is conferred upon an individual taking title and ownership of a Townhome. Membership in the Association will cease upon a Townhome Owner conveying his Townhome to another purchaser. Upon completion of all construction the maximum number of members in the Association will be 30.

All mortgages on Stonewood Manor Section 2 will be subordinate to the lien of the Declaration. The common area will be conveyed to the Association free of the lien of any construction mortgage. The individual Townhomes will be conveyed to purchasers free of the lien of any construction mortgage.

Summary of the Declaration.

Prior to the closing of title to any Lot in Stonewood Manor Section 2, the Sponsor will file a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") in the Office of the Monroe County Clerk. The Declaration is set forth in Part II of this Plan.

The Declaration provides that its provisions shall run with the land and shall be enforceable by the Sponsor, the Association and the Owner of any Lot. With respect to the legal enforceability of the provisions of the Declaration, see the opinion of Sponsor's counsel, Woods Oviatt Gilman LLP. By accepting a deed, lease or other instrument conveying any interest in a Lot, the grantee, lessee, or other person accepting such interest covenants to observe, perform and be bound by the provisions of the Declaration, including the personal responsibility for the payment of all charges and assessments which may become liens while such person holds an interest in a Lot. The Declaration is binding on all parties who acquire title to any portion of Stonewood Manor Section 2. The Sponsor is bound by the Declaration the same as other owners, provided however, the Sponsor's voting rights and obligation for assessments is different than other owners. See the sections below entitle Article III – The Association Structure, Membership and Voting Rights, and Article V – Assessments.

The Declaration does not provide for the Sponsor to annex additional land.

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

Article III - The Association Structure, Membership and Voting Rights

There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including any and all additional lots which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote.

Article IV - Property Rights and Easements

Every Member shall have:

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

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

The Association shall have:

- a) The right to use electricity for occasional Association maintenance without charge;

- b) The right to use water without charge;
- c) An easement to permit the maintenance, repair and replacement of paved areas and other property of the Association;
- d) An easement for access to each Lot for the maintenance, repair and replacement of the exterior of the dwellings and the storm water, sanitary and utility laterals, either because it is the Association's duty or because the Owner has failed to perform his obligations;
- e) An easement for access to each Lot for the maintenance, repair and replacement of any pipes, wires, conduits, drainage areas, utility lines and facilities and cable television lines and facilities located on any Lot and servicing any other Lot;
- f) An easement over the Lots for placement, maintenance, repair and replacement of utility banks, telephone and cable television pedestals.

Article V - Assessments

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

The method for determining Maintenance Assessments is summarized on page 10 of this Offering Plan.

Article VI - Maintenance by the Association

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

- a) Maintenance of the common drive, individual driveways and landscaped areas within Stonewood Manor Section 2.
- b) With respect to the Townhomes, including garages, the Association shall repair and replace the exterior siding, gutters, downspouts and roofs, paint the trim, windows and doors, seal or stain decks, but shall not repair or replace windows, skylights, window panes, doors, garage doors, storm doors, decks, or maintain, repair or

replace porches, stone pavers or stoops, patios or concrete walks. Exterior items which are vinyl coated and require no or low level maintenance will be maintained in accordance with manufacturers' recommendations. The Association shall not be responsible for the removal of snow from roofs.

- c) With respect to the other improvements on the Townhome Lots, the Association shall stain, repair and replace fences or railings and decks initially installed by the Sponsor, but shall not repair or replace spalling concrete walks, stoops or porches, and shall repair those portions of sewer, water, and storm water utility laterals (limited, however, to repair necessitated by leakage or structural failure) servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity. A lateral shall be deemed to terminate at the outer surface of the foundation wall.
- d) Plowing of snow from the paved areas, excluding walks.
- e) Obtain and maintain (i) fire and casualty insurance on the Townhomes, (ii) fire, casualty and liability insurance on the Association property and (iii) directors' and officers' liability insurance for the officers and directors of the Association. (See Sections 9.01 and 9.03 of the Declaration for specific types of coverage obtained by the Association and coverages which are not obtained by the Association.)
- f) Enforcement of restrictive covenants and establishment of rules and regulations governing the use of the Association Property and the conduct of the Lot Owners.
- g) Maintenance, including repair and replacement, as necessary, of the Association property and those portions of sewer, water, and storm water utility laterals (limited, however, to repair necessitated by leakage or structural failure) servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity. A lateral shall be deemed to terminate at the outer surface of the foundation wall.
- h) Replace landscape plant material, including trees and shrubs, which lie over the easement granted to a public agency for sewers and water services, in the event these landscape materials are damaged or destroyed in the course of maintenance or repair by others.

Article VII - Architectural Controls

An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing certain provisions of the Declaration and controlling any change in use or any additions, modifications or alterations to any exterior improvement within the Stonewood Manor Section 2, such as enlarging a deck, changing the color of a door, and the like, within guidelines and/or policies established by the Board of Directors. The Board of Director's may appoint Owners to the Architectural Committee during the Sponsor's period of control of the Board of Directors. The Architectural Committee shall not have any authority over any property owned by the Sponsor.

No such addition, modification or alteration shall be made until plans setting forth such change are submitted to and approved by the Architectural Committee and a Building Permit has been issued by the appropriate municipal authority, if required. Any Owner, lessee or occupant may obtain from the Architectural Committee a written certificate stating whether or not a particular parcel violates any provisions of the Declaration. A reasonable charge may be imposed for the issuance of such certificate. (See the opinion of counsel as to the enforceability of architectural controls.)

Article VIII - Party Walls and Encroachments

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

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

Article IX - Fire and Casualty Insurance, Reconstruction

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

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

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

The proceeds of all policies of physical damage insurance shall, as provided in the Declaration, be payable to the Association or to an insurance trustee (bank, trust company or law firm) to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Lot Owners as hereinafter set forth. The obligation to restore or reconstruct after damage due

to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.

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

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

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

The directors' and officers' liability insurance shall cover the "wrongful" acts of a director or officer of the Association. This coverage provides for funds to be available to defend suits against officers and directors of the Association and to pay any claims which may result. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Directors. The policy shall not provide for "participation" by the Association or by the officers or directors of the Association. Until the first meeting of the Board of Directors elected by the Lot Owners, the directors' and officers' liability coverage shall be in at least the sum of \$1,000,000.00.

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

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

Article X - General Covenants and Restrictions

There are general prohibitions against the following unless the consent of the Architectural Committee and/or Board of Directors, where applicable, has first been obtained:

a. Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development, lease or sale of Lots, no additional sign (other than a professional shingle affixed to the dwelling indicating the name of a firm or person and/or such firm's or person's profession, the materials, size, design, style and color of which shall be approved by the Architectural Committee) or other advertising device of any nature shall be placed for display to the public view on any Lot or other portion of Property, including but not limited to temporary signs advertising property for sale or rent, except with the consent of the Architectural Committee.

b. Pets. The Association may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of pets and (ii) prohibit certain types of pets entirely. Pets may be allowed outdoors only when accompanied by a responsible person, and dogs shall be leashed. Provided an Owner obtains the prior written consent of the Association, an underground pet containment system may be installed. Assuming the Owner has installed an underground pet containment system, a pet may be let outdoors within the area of the underground pet containment system in the company of a responsible person, but need not be leashed. No above ground or visible pet containment enclosures shall be permitted. The Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any pet, if, in the opinion of the Association, acting in its sole discretion, such pet is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled. Dogs and cats must be cleaned up after by their owners.

c. Protective Screening and Fences. Any screen planting, fence enclosures or walls initially installed by the Sponsor on a Lot or other portion of the Property and not maintained by the Association shall be maintained by the Lot Owner and shall not be removed or replaced with other than a similar type of planting, fence or wall except with the permission of the Architectural Committee. Except for the foregoing, no fence, wall or screen planting of any kind, including but not limited to a visible pet enclosure, shall be planted, installed or erected upon said parcel or other portion of the Property. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

d. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pick-up, at such place on the Lot or other portion of the Property designated by the Association so as to provide access to persons making such pick-up. The Association may, in its discretion, adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

e. No Above Surface Utilities Without Approval. No facilities, including without limitation, poles, antennas, dishes or wires for the transmission of electricity, electronic or telephone

messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground on any portion of the Property without the prior written approval of the Association.

f. Noxious or Offensive Activities. No noxious or offensive activity shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance to the area or to the residents or Owners thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electro-magnetic radiation disturbances, shall be controlled so as not to be detrimental to or endanger the public health, safety, comfort or welfare, be injurious to property, vegetation or animals, adversely affect property values or otherwise produce a public nuisance or hazard or violate any applicable zoning regulations or governmental law, ordinance or code.

g. Oil and Mining Operations. No portion of the Property shall be used for the purpose of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth, except soil borings in connection with the improvement of said portion of the Property, and no derrick or other structure designed for use in boring for oil, natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property, except with the consent of the Association.

h. Dwelling in Other Than Residential Unit. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Lot or other portion of the Property, except with the consent of the Association.

i. Antennas. No outside radio, telegraphic, television or other electronic antenna, dish or other transmitting or receiving device shall be erected on any Lot or other portion of the Property, except with the consent of the Association, which shall be in compliance with Federal regulations.

j. Trees and Other Natural Features. After the transfer of title by the Sponsor to any Lot or other portion of the Property, no trees shall be removed from any Lot or portion of the Property, except with the permission of the Association. The Association, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property. The Association may designate certain trees, regardless of size, as not removable without written authorization.

k. Use and Maintenance of Slope Control Areas. Within any slope control area shown on any filed map or plat, no improvements, planting or other materials shall be placed or permitted to remain, nor shall any activity be undertaken, which may damage or interfere with established slope ratios, create erosion or sliding problems, change the direction or flow of drainage channels. The slope control areas of any Lot or other portion of the Property and all improvements thereon shall be maintained continuously by the Owner of said Lot or other portion of the Property, except in those cases where a governmental agent or other public entity or utility company is responsible for such maintenance.

l. Snowmobiles. No snowmobile or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Association, subject, however, to the Town of Greece Zoning Code and the Parks and Recreation Law of the State of New York.

m. Commercial and Professional Activity on Property. No wholesale or retail business, service occupation or home business in conflict with applicable municipal laws and ordinances shall be conducted in or on any Lot or other portion of the Property without the consent of the Association, except by the Sponsor in conjunction with the initial construction, development, lease and sale of Lots, except that Association consent shall not be required for a legal home occupation requiring no visitor parking or employee parking.

n. Outside Storage. Outside storage or parking for more than one 72 consecutive hour period per month of commercial or recreational vehicle, unlicensed vehicle, camper, boat, truck or trailer shall be prohibited.

o. Outdoor Repair Work. With respect to a Lot or other portion of the Property to which title has been transferred by the Sponsor, no work on any motor vehicles, boats or machines of any kind, other than minor servicing and maintenance, shall be permitted outdoors on such Lot or portion thereof, except with the consent of the Association.

p. Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Lots by the Sponsor, or maintenance of the Property, the following shall not be permitted to remain overnight on the Property for more than 72 hours within any month:

- i. any vehicle that cannot fit into a garage of the size constructed by the Sponsor with the Units with the overhead garage door closed;
- ii. commercial vehicles of a weight of two (2) tons or more, unless garaged;
- iii. unlicensed motor vehicles of any type, unless garaged.

q. Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted on the Property unless authorized by the Association.

r. Pools. No aboveground or inground pools shall be erected or constructed on the Property.

s. Window Projects. No air conditioning unit or other equipment shall hang from or project from the walls or units of the dwelling.

Article XI - Enforcement, Amendment and Duration of the Declaration

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

Owner's family or (2) any family member of the tenant of such Lot Owner, such costs shall also be a lien upon the Lot owned by such Lot Owner.

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

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

The Declaration shall continue in full force and effect until December 31, 2014 and shall be extended, as then in force, automatically and without further notice, for successive periods of ten (10) years.

Management and Operation.

The business and affairs of the Association shall be managed by a five (5) member Board of Directors (see Article V of By-Laws set forth in Part II of this Plan), except that an initial Board of three (3) directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of transferring title to the first Lot in Stonewood Manor Section 2. The initial Board of Directors designated by the Sponsor shall serve until the first annual meeting after the Sponsor's Class B Membership has been converted to a Class A Membership, that is after the Sponsor no longer has an ownership interest in the Lots of Stonewood Manor Section 2, or until 15 years following the recording of the Declaration, whichever shall first occur. Thereafter, the Members shall elect directors of the Association.

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

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

The initial Board of Directors will be composed of Marc Fallone, Stephen Benedek and Mario Fallone. The initial officers of the Association are Marc Fallone, President; Stephen Benedek, Vice-president; and Mario Fallone, Secretary and Treasurer. Each named individual is

either a principal of the Sponsor, an investor in the Sponsor, and or a family member of the principal of the Sponsor. The business address of these individuals is 1726 Long Pond Road, Rochester, New York, 14606.

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

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

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

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

Membership and Voting Rights.

As defined in the Declaration, the Sponsor and all Lot Owners shall automatically be deemed to have become Members of the Association (see Section 3.02 of the Declaration set forth in Part II of this Plan). There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including any and all additional lots which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote, regardless of the number of Lots owned.

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

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

Assessments.

The costs and expenses of operating the Association and of making capital improvements, if any, will be allocated among the Lot Owners, excluding the Sponsor, and assessed by the Board of Directors (See Article V of Declaration set forth in Part II of this Plan.) Every Owner of a Lot,

excluding the Sponsor, merely by becoming an owner, covenants and agrees to pay annual maintenance assessments, payable monthly, and special assessments, if any, payable when due, to enable the association to carry out its functions. Maintenance Assessments shall commence on the first day of the month following the sale of the first Lot, or at such later time as the Sponsor shall determine. All Maintenance and Special Assessments become a lien and charge against the Lot and shall also be a personal obligation of the Lot Owner at the time the assessment falls due. If an assessment or installment thereof is not paid within ten (10) days of the due date, the Association may impose a late charge and, if the assessment or installment thereof is not paid within 30 days of the due date, the Association may collect interest at the rate of ten percent per year on the amount due, accelerate the remaining installments, if any, bring legal action against the Owner personally obligated to pay the assessment, and/or foreclose the lien against the Lot. Delinquent Lot Owners will also be assessed attorney's fees for collecting unpaid assessments. The waiver of the use or enjoyment of the Association Property or the abandonment of a Lot shall not be grounds for exemption from the obligation to pay assessments. In no event shall voting rights or the right to use Association Property be suspended for the non-payment of assessments.

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

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

The lien of the Assessments shall be subordinate to the lien of any purchase money first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

After Association charges have been levied on one or more Owners who have closed title to their Lots, the Sponsor's obligation for Association charges for unsold Lots shall be an amount calculated in accordance with the following provision: the Sponsor shall be obligated for the difference between the actual Association expenses, including reserves applicable to completed improvements, and the Association charges levied on Owners who have closed title to their Lots. Sums due shall be estimated and paid monthly, with a final accounting and adjustment annually. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot.

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

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

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Woods Oviatt Gilman LLP

Attorneys

700 Crossroads Building
2 State Street
Rochester, New York 14614

Tel: 585.987.2800
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www.woodsoviatt.com

January 31, 2011

Ben-Fall Development, LLC
1726 Long Pond Road
Rochester, New York 14606

Attn: Mr. Marc Fallone

Re: Stonewood Manor Association, Inc.

Gentlemen:

In response to your request for our opinion in conjunction with your proposed sale of Lots at Stonewood Manor Section 2 with mandatory membership in the Stonewood Manor Association, Inc., (the "Association") a not-for-profit corporation, please be advised as follows:

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

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

Taxation of the Association: Section 530 of the Internal Revenue Code exempts qualifying homeowners associations from income taxes on "exempt function income." Exempt function income includes membership dues, fees, and assessments received from association members. Income which is not exempt function income is subject to income tax at the current rate of 30 percent. Examples of non-exempt function income are interest earned on a sinking fund for capital improvements, amounts from non-members for use of the association's facilities, and amounts paid by association members for special use of the association's facilities.

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

1. It must be organized and operated for exempt function purposes;
2. At least 60% of its gross income must be received as membership dues, fees, or assessments from the Lot Owners;
3. At least 90% of the association's expenditures must be for the acquisition, construction, management, maintenance and care of association property;

4. No part of the association's earnings may inure to the benefit of any individual except through a rebate of excess membership dues or directly through the acquisition or upkeep of association property;

5. The association must file the appropriate election for the year with the Internal Revenue Service.

Based on our review of the estimate of projected income and expenses which you have provided, it is our opinion that the Association can qualify for the limited income tax exemption for homeowners associations under Section 530 of the Internal Revenue Code. We point out, however, that qualifying under Section 530 is determined on a year by year basis. The Association must therefore carefully monitor its operation to insure that the requirements set out above, as well as those that may be added by new legislation or administrative action, are satisfied each year. We also point out that the tax exemption is limited, so that even in years when the exemption applies the Association may nonetheless incur federal tax liability on non-exempt function income.

The Association will not be subject to a franchise tax imposed under Article 9-A of the New York Tax Law. The Association will not be exempt from New York sales taxes.

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

Site Plan Approval: We have received copies of the Final Plat for Stonewood Manor Section 2 approved by the Planning Board, and based upon this information, it is our opinion that if Stonewood Manor Section 2 are built in accordance with the plans and specifications, and approval requirements, they will conform to applicable zoning ordinances and statutes.

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

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

Very truly yours,

WOODS OVIATT GILMAN LLP



Louis M. D'Amato

LOCAL GOVERNMENT APPROVAL

On November 6, 2008, the Planning Board for the Town of Greece approved the Site Plan and Final Plat for Stonewood Manor Section 2. The Sponsor will provide the Association with a filed subdivision map when received.

WORKING CAPITAL FUND

This offering does not involve a working capital fund.

RESERVE FUND

The Association's reserve fund is part of the common charge assessment as discussed in the Budget Section of this Plan. See pages 14 and 11 regarding maintenance, as well as page 10 for common charge information discussing maintenance. Following one full year of operation with all 30 homes completed, based on the assessments disclosed in this Offering Plan, the reserve fund amount will be \$13,309.00. The Owners contribute to the reserve fund each time they pay their monthly assessment. For homes owned by the Sponsor, the Sponsor contributes to reserves for homes on which certificates of occupancy have been issued at the same rate as Owners. It is believed the reserve fund is sufficient to meet the Association's reserve fund needs during the first five years of the Association based on the level of service discussed in the Budget Section of this Plan. Interior and exterior maintenance of the Townhome is discussed in detail elsewhere in this Offering Plan.

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

MANAGEMENT AGREEMENT

North Coast Corporation ("Agent") will manage the Association. The Agent's offices are located at 339 East Avenue, Suite 302-4, Rochester NY 14604-2693. The term of the management agreement is for one year, subject to either party's right to terminate on 60 days written notice to the other. The Agent will receive a fee for its management activities during this time period as set forth in the Association's common maintenance budget; this fee is a market rate fee. There is no relationship, financial or otherwise, between the Sponsor and the Agent. As long as the Sponsor shall control the Board of Directors, the Sponsor will not commit the Board of Directors or the Association to any agreement that extends beyond the date on which the Sponsor's control ceases.

The Agent will assist the Board of Directors with the administrative and fiscal duties and responsibilities of the Association. These duties include the provision of services and maintenance as called for by the estimate of common charges, the annual preparation of the Association's budget for common charges to be adopted by the Board of Directors, the receipt and accounting of common charges paid by Members, and the like. The Association does not anticipate having any employees,

and therefore, the Agent is not responsible for payroll of the Association. The Agent will not prepare the Association's annual certified financial statement. Such statement will be prepared by an independent certified public accountant employed by the Board of Directors at the expense of the Association. This expense is provided for in the estimate of common expenses for the first year of Association operation. The Agent will be reimbursed for miscellaneous office expenses incurred in connection with the provision of services pursuant to the management agreement.

The management agreement may not be assigned by either party without the other party's consent.

No contracts or agreements, except for services to be performed under the Association estimate of common expenses, have been entered into by the Sponsor which would bind the Association after closing of title to the first Lot. Any and all such agreements shall be entered into by the Association on its own behalf on its own authority.

IDENTITY OF PARTIES

Sponsor The Sponsor is Ben-Fall Development, LLC, a New York limited liability company, with its principal office and business address of 1726 Long Pond Road, Rochester, New York 14606. Ben-Fall Development, LLC was formed November 30, 2004 as a residential developer. Its residential projects have concentrated in Monroe County, New York. The Sponsor will act as its own selling agent. Sponsor has been constructing and selling homes since its formation in 2004.

Neither the Sponsor, nor the principal of Sponsor, is currently participating, or has previously participated, in the development of any other project involving a common interest in real property for which offering literature is required to be filed with the Attorney General's Office, except that Marc Fallone is a principal in the following:

a. Hillview Estates, Marc-Mar Trail, Gates, Monroe County, New York. The sponsor of Hillview Estates is current on its obligations under the offering;

b. Ogden Heights, Woodseer Drive, Ogden, Monroe County, New York. The sponsor of Hillview Estates is current on its obligations under the offering.

The principal of Sponsor is Marc Fallone, with a business address of 1726 Long Pond Road, Rochester, New York 14606. Marc Fallone was born November 8, 1976. He attended Aquinas Institute and Geneseo College, graduating with honors with a Bachelor of Arts in Mathematics. He has taken various courses in civil engineering at Monroe Community College. In 1999, he became vice-president of Marc-Mar Homes, Inc.

Legal Counsel The law firm of Woods Oviatt Gilman LLP, Louis M. D'Amato, of counsel, 2 State Street, 700 Crossroads Building, Rochester, New York, prepared the Offering Plan. Enzo Faga, Esq., 2 State Street, 500 Crossroads Building, Rochester, New York, will represent Sponsor in Lot sales. Woods Oviatt Gilman LLP, Louis M. D'Amato, of counsel, and Enzo Faga, Esq. have no financial relationship with the Sponsor or its principals.

Engineering LaDieu Associates, PC, 40 Cedarfield Commons, Rochester, New York, has provided project planning, design, and engineering services. LaDieu Associates, PC has no financial relationship with the Sponsor or its principals.

Managing Agent William G. Tomlinson, PCAM®, President of North Coast Corporation, 339 East Avenue, Suite 302-4, Rochester NY 14604-2693, 585-797-0830. has been managing real estate properties since 1999, and currently manages residential developments, including apartments, condominium and homeowner associations. There is no relationship, financial or otherwise, between the Sponsor and the North Coast Corporation.

Selling Agent The Sponsor has not retained the services of a selling agent.

REPORTS TO MEMBERS

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

1. An annual certified financial statement to be received at the Annual Meeting or within 120 days of the fiscal year end, which ever shall first occur.
2. Notice of the Annual Meeting, to be given not less than ten (10) days or more than 30 days before the date of the Annual Meeting.
3. A copy of proposed budget for the Association 30 days before the date a new monthly common charges becomes effective. While the Sponsor is in control, the budget will be certified by an expert as to adequacy.

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

DOCUMENTS ON FILE

Copies of this Offering Plan and all exhibits or documents filed with the New York State Attorney General shall be available for inspection by prospective purchasers and by any person who shall have purchased securities offered by this Offering Plan or who shall have participated in the offering of such securities, at the on site office of the Sponsor and shall remain available for inspection for a period of six (6) years from the date of transfer of the first Lot.

GENERAL INFORMATION

Pending Litigation

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

Non-Discrimination

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

Right to Rescind

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

No Offering to Minors

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

No Prior Offering

As of the date this Offering Plan is accepted for filing, no contract of sale has been entered into, and no deposits or advances of funds have been accepted by Sponsor. All Townhomes offered in this Offering Plan as part of the Association are vacant as of the date this Offering Plan is accepted for filing. As of the date of this Offering Plan no home is occupied by any individual.

No Contracts Binding Association

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

Offering Plan is Fair Summary

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

PURCHASE AGREEMENT

THIS AGREEMENT made the _____ day of _____, 201__ by and between BEN-FALL DEVELOPMENT, LLC having an office at 1726 Long Pond Road, Rochester, New York 14606 (“Seller”) and

_____, residing at _____ (“Purchaser”).

WITNESSETH:

In consideration of the mutual promises herein made, Seller agrees to sell and Purchaser agrees to purchase the premises described below for the price and upon the terms and conditions set forth below.

1. PREMISES: Those certain premises located in the Town of Greece, County of Monroe and State of New York, known and having a mailing address of _____ Aviamore Drive, and designated as Lot No. _____ of Stonewood Manor Subdivision, Section 2, as shown on a map filed in the Monroe County Clerk’s Office.

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

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

2. PRICE: Purchaser shall pay to Seller for the premises the following sum:

Initial Base Price	\$
Lot Premium	\$
Total Purchase Price	\$

The Purchaser shall pay the sum of \$ _____ upon executing this Agreement.

The Purchaser shall pay the sum of \$ _____ upon removal of all contingencies, and the balance of the Total Purchase Price, plus extras and less credits, shall be paid upon delivery of the deed.

Due to market conditions and volatile supply and demand pressures on building materials and/or labor costs outside of the control of the Seller, which may cause an increase in raw material and/or labor costs to the Seller, ***Seller advises Purchaser that the purchase price set forth above is guaranteed if all contingencies are removed from this Contract within 45 days from the date Seller and Purchaser sign this contract.*** If the 45 day purchase price guarantee is not met, Seller shall notify Purchaser of the increase in purchase price by means of a written change order, and Purchaser shall have five (5) calendar days to accept the increased purchase price. If the increased purchase price is not accepted by the Purchaser, either party shall have the option of terminating this contract, and any deposit shall be refunded to the Purchaser.

3. DWELLING: Seller agrees to sell and Purchaser agrees to purchase the _____, now on the premises or to be constructed on the premises in accordance with plans and specifications on file in the office of Ben-Fall Development, LLC, including the Extras requested by Purchaser, in accordance with Exhibit "A" attached. Purchaser understands that he may make changes and alterations in the plans provided that such changes are made prior to the start of construction and are listed on a change authorization form signed by Purchaser and Seller. The cost of the changes and alterations shall be paid for at the time the Purchasers execute and submit to the Seller the change authorization form, or at the time of closing, at Seller's option only. Provided the Seller has not extended the time for payment of ordered extras, and in the event that any ordered extras are not paid for when the Seller is ready to perform said extras, the Seller may proceed to completion without the furnishing of same.

Notwithstanding the neglect or failure by Purchaser to sign a written change-order authorization, Purchaser shall remain responsible for payment of Purchaser-ordered and Seller made changes and alterations at time of closing.

Purchaser agrees that all work shall be performed by the Seller's vendors and contractors and that any substitutions must be approved by the Seller in writing prior to start of construction and will require an administrative fee and be subject to all requirements and conditions set forth by Seller.

Purchaser understands that the model home constructed by Seller may contain furnishings, carpeting and special features and fixtures which are not included in, and which are or may be more expensive than, those included in the property which Purchaser is purchasing.

Seller reserves the right to: (i) make changes or substitutions of materials or construction for items as set forth in the plans and specifications, provided any such changes are of comparable value and quality; (ii) determine the grading, elevation, location and design of all plots, dwellings, decks, heat pumps and landscaping to fit into the general pattern of the project; (iii) determine elevation and location of foundations, driveways and streets to conform with topographical conditions; and (iv) create both horizontal and/or vertical chases within the dwelling for utility runs. Such chases may be within a wall or boxed out into a space. The Seller also reserves the right to furr-out exterior walls as required for plumbing insulation. Buyer acknowledges that these matters may not be shown on the final construction drawings and are located during the construction process.

Seller has the option to change grades, foundations and footings and setback of the dwelling if underground conditions are such that the original placement makes it inadvisable to construct where originally agreed upon. Underground conditions can be the result of rock, water, soil type or any other condition which in the judgment of Seller would necessitate a change in elevation or setback, or result in extraordinary construction costs or necessitate unusual construction methods. If underground conditions are severe and unusual costs or construction methods would be incurred, Seller shall have the right to cancel this contract by written notice to Purchaser.

Seller will attempt to preserve trees on the site. Seller, however, shall not be responsible for trees which die after closing or for removal of such trees.

Within seven (7) days of contract formation, Purchaser shall meet with the Seller's representative and begin making selections pursuant to the Seller's selection sheets and schedule. Failure to complete all selections by _____ will cause a delay in the completion date contained in paragraph 16 of this Agreement, and/or at Seller's option, this Agreement may be canceled and all deposits will be refunded.

4. DEPOSITS: Purchaser is advised that to assure the return of his payments ("deposits") before delivery of the deed in the event this Agreement is terminated for reasons other than Purchaser's default:

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

All deposits, down payments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the plan, will be placed, within five business days after the agreement is signed by all necessary parties and a deposit check has been delivered by purchaser, in a segregated special escrow account of Enzo Faga, as attorney, the Escrow Agent, whose address is 2 State Street, 500 Crossroads Building, Rochester, New York 14614, and whose telephone number is (585) 987-2870. The signatory on this account authorized to withdraw funds is Enzo Faga, Esq.

The name of the account is STONEWOOD MANOR SECTION 2 ESCROW ACCOUNT, opened at HSBC Bank, 19 West Main Street, Rochester, New York 14614. This bank is covered by federal bank deposit insurance. The maximum amount of insurance is \$250,000.00 per account through December 31, 2013. If not extended by Congress, the maximum amount of insurance will reduce to \$100,000.00 per account. If deposits in the aggregate are in excess of then applicable maximum amount, such deposits will not be federally insured in excess of the then applicable maximum amount.

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

All instruments shall be made payable to or endorsed to the order of Stonewood Manor Section 2 Escrow Account.

Within ten business days after tender of the deposit submitted with the purchase agreement, the Escrow Agent will notify the purchaser that such funds have been deposited into the escrow account and will provide the account number. If the purchaser does not receive notice of such deposit within fifteen business days after tender of the deposit, the purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser in conformity with the Attorney General's regulations.

The Escrow Agent will hold funds in escrow until otherwise directed in:

1. A writing signed by both Seller and purchaser;
2. A determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
3. A judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Seller until the Escrow Agent has given the Purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to the Seller unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provision.

The Seller will not object to the release of the escrowed funds to a Purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan; or to all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

In the event this Agreement is terminated for reasons other than Purchaser's default, deposits, with interest if any, will be returned to Purchaser within 15 days of such termination.

Upon transfer of title to the Purchaser, the deposit shall be paid to the Seller.

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

5. BUILDING PERMIT: This Agreement is subject to Seller being able to obtain a building permit.

6. RISK OF LOSS: Risk of loss or damage to the premises until transfer of title shall be assumed by the Seller. If any damage to the premises occurs prior to transfer of title and Seller determines that it cannot repair or restore such loss or damage, this Agreement shall terminate without any further liability of one party to the other, and Purchaser shall have his deposits returned in accordance with paragraph 4 of this Agreement.

7. SURVEY: Seller shall furnish at Purchaser's expense an instrument survey made by a land surveyor duly licensed by the State of New York, showing the premises above described and the location of all buildings, improvements and other structures affecting the premises. Purchaser shall pay Seller the sum of \$400.00 for the cost of the instrument survey upon transfer of title.

8. DEED: At the time of closing, Seller will tender to Purchasers a Bargain and Sale Deed with Covenants against Grantor's Acts with Lien Covenant conveying insurable title in fee simple to said premises. Purchasers agree to accept title to the premises subject to the matters set forth in paragraph one of this Agreement.

9. SEARCHES: Seller agrees to provide an abstract of title, guaranteed tax search and a United States District Court search to the time of transfer, showing insurable title. Insurable Title shall be defined as such title which any New York State licensed Title Company Underwriter would insure. The searches will be provided to Purchasers' attorney at least seven (7) days prior to transfer.

10. CERTIFICATE OF OCCUPANCY: At the time of closing, Seller agrees to deliver to Purchaser a Certificate of Occupancy, subject to weather related items.

11. INSPECTION: Prior to closing, Purchaser shall have the right to inspect the premises upon reasonable notice to the Seller.

12. POSSESSION: Purchaser shall have possession and occupancy of the premises from and after the date of delivery of the deed.

Check if paragraph 13 is applicable

13. MORTGAGE LOAN FOR PURCHASER: This Agreement is contingent upon Purchaser obtaining and accepting within 30 banking days from date of this Agreement a written commitment for a _____ first mortgage loan in an amount not to exceed \$ _____, at

an interest rate not to exceed _____%, for a term of _____ years, from a lending institution. The contingencies of the mortgage commitment shall not be contingencies of this Agreement, and shall be the sole responsibility of the Purchaser. Issuance and acceptance of the written commitment by the Purchaser shall be a waiver and satisfaction of this contingency. If Purchaser cannot obtain and accept such commitment within the stated period, then either Purchaser or Seller may cancel this Agreement by giving written notice to the other. In that event, this Agreement shall be null and void and both parties released from any and all liabilities. Deposits, with interest if any, shall be returned to the Purchaser less the full cost of all Extras described in Exhibit A attached which were commenced, at the written request of Purchaser, prior to receipt by Seller of advice of the disapproval of the mortgage. In the event the cost of the Extras commenced by Seller exceeds the amount of the deposits, Purchaser shall promptly remit to Seller the difference.

14. ADJUSTMENTS AT CLOSING: There shall be prorated and adjusted as of the date of transfer of title: water charges, pure water charges, current taxes computed on a fiscal year basis, rents, and Association assessments. Purchaser will accept title subject to, and will pay, all assessments and installments of assessments for local improvements which are not payable as of date of delivery of deed and which, if any, appear on the current tax rolls.

15. RECORDING and OTHER COSTS/CLOSING ADJUSTMENTS: Purchaser shall pay for all deed and mortgage recording fees, lenders inspection fees, mortgage tax, mortgagee title insurance or mortgage assumption charges if applicable as well as Real Estate Transfer Tax / revenue stamps. Seller shall provide and pay for the cost of a fee Title Insurance Policy in the amount of the Purchase Contract Price. A Mortgage Policy is available at a simultaneous premium rate, the cost of which is solely payable by Purchasers.

Purchasers shall also reimburse Seller at time of closing for any water meter connection charges, recreation fees, or other municipal or utility agency imposed fees, if any. Said amounts shall be: Water Meter: \$ _____; Recreation Fees: \$ _____; Other: \$ _____.

16. CLOSING: After removal of all contingencies, Seller shall notify Purchaser of the appropriate time to meet with the Seller's representative and begin making selections pursuant to the Seller's selection sheets and schedule. Failure to complete all selections by _____ will cause a delay in the completion date contained in this paragraph 16, and/or at Seller's option, Seller may complete selections on behalf of Purchaser and this Agreement shall continue in full force and effect.

The Seller estimates construction to begin on or about _____, 201 _____. The Seller shall have no obligation to commence construction until all contingencies are satisfied and removed in writing signed by the Purchaser and delivered to the Seller, and Purchaser has paid all required deposits. Seller shall not be obligated to commence construction until Seller has received non-contingent contracts for two units within the subject building. If construction is not commenced within 45 days of the estimated construction start date, provided all contingencies have been removed from this Agreement in writing and Purchaser has paid all required deposits, Purchaser shall have the option of selecting another Lot.

The dwelling shall be completed and ready for occupancy (the "Occupancy Date") on or about the latter of (y) _____ months from the "Commencement Date" (defined below) and (z)

_____, 201____. The Commencement Date shall be the last date on which each of the following shall have been accomplished: the commencement of construction, the removal of all contingencies, the payment of all required deposits, and the completion of all selections. Seller, in its sole discretion, may begin construction prior to the Commencement Date. In the event the framing of the building of which this dwelling forms a part is completed on the date this Agreement is accepted by the Seller, the Occupancy Date shall be _____ months from the last date on which the Purchaser removed all contingencies, paid all required deposits and completed all selections (the "Interior Build Date").

The Occupancy Date may be delayed due to circumstances beyond the Seller's control, including, but not limited to adverse weather, material shortages, strikes, labor troubles, damage by fire or other casualty, theft, governmental restrictions, or delay in receipt of materials special ordered for Purchaser, in which event the closing date shall be extended accordingly without liability to Seller.

Purchaser agrees to accept transfer of title and make all payments provided for herein within ten (10) days of being notified of completion. Transfer of title shall be completed at the offices of Enzo A. Faga, Esq. or at the office of the mortgagee's attorney.

Possession shall be given upon transfer of title and not before.

The parties agree that the residence shall be deemed complete for closing when a Certificate of Occupancy is issued. All incomplete work shall be itemized before closing at a meeting between Purchaser and Seller. Purchaser agrees that the full purchase price will be paid at closing and no amounts will be withheld by Purchaser from Seller for incomplete work, except for escrows established per the following two paragraphs.

If there is a lender involved in this transfer, and the dwelling or its environs shall not be fully completed at the time set by the Seller for the closing of title, the incomplete item(s) will not constitute an objection to closing provided that the lending institution granting Purchaser's mortgage issues an inspection report and an escrow fund is deposited by the Seller with the lending institution if required under its report, and further provided that Purchaser shall have the right to delay the closing of title until a temporary Certificate of Occupancy has been issued. The escrow fund shall be paid by the lending institution directly to the Seller when the lending institution, in its sole discretion, deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no lender involved in this transfer, and the dwelling or its environs shall not be fully completed at the time set by the Seller for the closing of title, the incomplete item(s) will not constitute an objection to closing provided the Town of Greece has issued a temporary or final Certificate of Occupancy. The parties shall establish a list of incomplete items, which shall provide for the manner of completion and the estimated time of completion. No escrow will be held for

punch list items. If an incomplete item has a cost of completion in excess of \$1,000.00, then a written escrow for that item will be established with Seller's attorney.

17. **FAILURE TO DELIVER OR REJECTION OF TITLE:** Should Seller be unable to or fail to deliver title to the premises in accordance with the provisions of this Agreement, or in the event that Purchaser raises objection to Seller's title or to any improvements, which, if valid, would render the title uninsurable, or render the present or intended use of the improvements illegal (being in violation of any effective law, ordinance, regulation or restriction) Seller shall have the right to cancel this Agreement. Seller shall cancel by giving written notice of cancellation to Purchaser and it is agreed that Seller's liability shall be limited to the return of Purchaser's deposits, with interest if any, and upon their return, this Agreement shall become null and void; provided, however, if Seller shall be able within a reasonable length of time to cure the objection or if either party secures a commitment for title insurance at standard rates to insure against the objection raised or title insurance acceptable to Purchaser, Purchaser shall pay the cost of the title insurance and this Agreement shall continue in full force and effect.

18. **PURCHASER'S FAILURE TO TAKE TITLE:** Upon the Purchaser's failure to take title or the Purchaser's failure to make prompt and proper application for his mortgage, this Agreement shall become null and void and the deposits, with interest if any, up to a maximum of 10% of the purchase price excluding Extras, shall belong to the Seller, in addition to which the Purchaser shall pay Seller the full cost of all Extras in Exhibit "B" which were commenced prior to the date of closing, and reasonable attorneys' fees and court costs, if incurred to enforce Seller's remedies, all of which shall be liquidated damages.

19. **ESCROW FOR COMPLETION:** If there is a lender involved in this transfer, and the dwelling or its environs shall not be fully completed at the time set by the Seller for the closing of title, the incomplete item(s) will not constitute an objection to closing provided that the lending institution granting Purchaser's mortgage issues an inspection report and an escrow fund is deposited by the Seller with the lending institution if required under its report, and further provided that Purchaser shall have the right to delay the closing of title until a temporary Certificate of Occupancy has been issued. The escrow fund shall be paid by the lending institution directly to the Seller when the lending institution, in its sole discretion, deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no lender involved in this transfer, and the dwelling or its environs shall not be fully completed at the time set by the Seller for the closing of title, the incomplete item(s) will not constitute an objection to closing provided the Town of Greece has issued a temporary or final Certificate of Occupancy. The parties shall establish a list of incomplete items which shall provide for the manner of completion and the estimated time of completion. No escrow will be held for punch list items. If an incomplete item has a cost of completion in excess of \$1,000.00, then a written escrow for that item will be established with Seller's attorney.

20. **REPRESENTATIONS:** This Agreement constitutes the entire agreement between Seller and Purchaser and supersedes all prior or other agreements and representations in connection with the sale and purchase. Purchaser has not relied on any representation as to size, dimensions or other characteristics of the lot, site landscaping, dwelling or the Association, except as presented in

the Offering Plan. Purchaser agrees that by acceptance of the deed, Purchaser (a) will be a member of the Homeowners Association and thus liable for Association assessments, and (b) will own his property subject to rights of the Association in accordance with the Declaration. This Agreement cannot be modified except in a writing signed by both parties. All the terms, covenants, provisions, conditions and agreements set forth or provided for shall be binding upon and inure to the benefit of the parties and their assigns.

21. MERGER: Delivery and acceptance of a deed by Purchaser shall be full compliance by the Seller with all the terms of this Agreement and a release by the Purchaser of any and all rights, obligations, claims or causes of action against the Seller, except as set forth in the Limited Warranty. The dwelling shall be regarded as completed in accordance with plans and specifications except for the specific items which Seller agrees, prior to closing, will be completed or repaired.

22. ASSIGNMENT: This Agreement may be assigned by Seller, but may not be assigned by Purchaser without Seller's written consent.

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

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

24. ADDENDA TO THIS CONTRACT: Attached to and made a part of this Agreement are the following:

- Exhibit A - Building Specifications.
- Exhibit B - Pricing Worksheet
- Exhibit C - Floor Plan
- Exhibit D - Sale Contingency, if any

Check if paragraph 25 is applicable

25. NO COMMISSIONS: Purchaser represents that no broker has been contacted or engaged in connection with the procurement of this Agreement. Should this representation be contrary to fact, Purchaser shall pay any commission due and hold the Seller harmless from any claim or liability therefore arising out of the act or inaction of the Purchaser. This representation shall survive the closing and delivery of the deed to Purchaser.

Check if paragraph 25a is applicable

25a. COMMISSIONS: Purchaser represents that no broker other than _____ has been contacted or engaged in connection with the procurement of this Agreement. Should this representation be contrary to fact, Purchaser shall pay any commission due any other broker and hold the Seller harmless from any claim or liability therefore arising out of the act or inaction of the Purchaser. This representation shall survive the closing and delivery of the deed to Purchaser. Seller shall not be obligated for the broker's commission if this transaction shall fail to close for any reason whatsoever.

26. LIFE OF OFFER: This offer is good until the ___ day of _____, 201__, at which time it shall be null and void.

27. PURCHASER'S ATTORNEY APPROVAL: This Purchase Agreement is contingent upon Purchaser securing attorney's approval within five (5) days of acceptance by Purchaser and Seller. Failure of Purchaser's attorney to either approve or disapprove within five days shall be deemed an approval.

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

IN WITNESS WHEREOF, the Purchaser has caused this instrument to be duly executed the day and year first above written.

Purchaser

Witness

Purchaser

ACCEPTANCE

Seller hereby accepts this offer and agrees to sell on the terms and conditions set forth.

Dated: _____

Ben-Fall Development, LLC

Witness

By: _____

Buyer's Name: _____

Buyer's Address: _____

Buyer's Phone Number: _____ Fax Number: _____

Seller's Attorney:

Buyer's Attorney:

Enzo Faga, Esq.
500 Crossroads Building
Two State Street
Rochester, New York 14614
Phone—585-987-2870
Fax—585-987-2970

Phone _____
Fax _____

The undersigned broker/agent hereby executes this Agreement to acknowledge its consent to the terms herein concerning the brokerage commission.

Dated: _____

Witness

Broker/Agent

EXHIBIT D
SALE CONTINGENCY

Lot No. _____ of Stonewood Manor Subdivision, Section 2, Greece, Monroe County, New York.

The undersigned hereby agrees that the Purchase Agreement dated _____, 201__, is hereby modified as follows:

The Purchase Agreement is contingent upon Purchaser securing a firm contract for the sale of his property located at _____ no later than _____, 201__. Purchaser shall multiple list the property with a licensed realtor of Purchaser's choice within 72 hours of acceptance of the Purchase Agreement, and provide Seller with proper evidence of the listing, or Seller shall have the option of canceling the Purchase Agreement, and all deposits shall be returned with interest, if any. If Purchaser is unable to obtain a firm contract for the sale of his property by such date, then either Purchaser or Seller may cancel the Purchase Agreement by written notice to the other.

If Seller receives another acceptable purchase offer, Seller may notify Purchaser in writing that Seller desires to accept the other purchase offer and Purchaser will then have 24 hours to remove this sale contingency by written notice to the Seller. If Purchaser does not remove this sale contingency after receiving notice from the Seller, Purchaser's rights under the Purchase Agreement shall terminate, the deposit with interest, if any, shall be refunded, and Seller shall be free to accept the other purchase offer. Purchaser may not remove this contingency by such notice to Seller if Purchaser's mortgage loan commitment requires, or may require, the sale and transfer of Purchaser's property as a condition of the mortgage lender disbursing the mortgage loan proceeds, unless Purchaser has a contract for the sale of Purchaser's property which is not then subject to any unsatisfied contingencies.

Except as modified by the above paragraphs, the original terms and conditions of the Purchase Agreement are hereby ratified and remain in full force and effect.

Dated: _____, 201__.

Purchaser

Purchaser

BEN-FALL DEVELOPMENT, LLC

Dated: _____, 201__.

BY: _____

LIMITED WARRANTY

NAME OF PURCHASER(S): _____

**ADDRESS OF
PURCHASER(S):** _____

**ADDRESS OF HOME
WARRANTED:**

Lot _____, Stonewood Manor Subdivision, Section 2,
Greece, New York

NAME OF BUILDER: Ben-Fall Development, LLC

ADDRESS OF BUILDER: 1726 Long Pond Road, Rochester, New York 14606

WARRANTY DATE: Transfer of Title

**BUILDER'S LIMIT OF
TOTAL LIABILITY:** \$100,000.00

**ACKNOWLEDGEMENT OF
RECEIPT:**

SIGNATURE

SIGNATURE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Workmanship, materials, and design will be considered defective if they fail to meet or exceed the New York State Uniform Fire Prevention and Building Code or the Accepted Standards as published by the Rochester Home Builders Association in effect on the Warranty Date (“Accepted Standards”). The Builder agrees to correct stated deficiencies as described in the Accepted Standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Loss or damage caused by defective materials supplied by any person other than the Builder, an agent of the Builder, or a subcontractor of the Builder.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Builder.

(d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to the transfer of the deed or occupancy of the Home would have revealed.

(e) Defects in outbuildings including but not limited to detached garages and detached carports (excluding outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including but not limited to sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Home itself.

(f) After the first year Basic Coverage, concrete floors of the basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Home.

(g) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.

(h) Any damage to the extent that it is caused or made worse by:

(i) Negligence, improper maintenance, or improper operation by anyone other than the Builder, its employees, agents or subcontractors; or

(ii) failure of the Purchaser or anyone other than the Builder, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Builder of any defects or damage within a reasonable time; or

(iv) changes in the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on Page One; or

(vi) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Home.

(j) Loss or damage caused by or resulting from accident, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Purchaser or occupant has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage.

(p) Bodily injury or damage to personal property.

- (q) Failure of the Builder to complete construction of the Home.
- (r) Loss or damage that arises while the Home is being used primarily for nonresidential purposes.
- (s) Loss or damage due to abnormal loading on floors by the Purchaser or occupant which exceeds design loads as mandated by the New York State Uniform Fire Prevention and Building Code.
- (t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.
- (u) Consequential damages (except where required by New York State law).
- (v) Any claim not filed in a manner set forth below in paragraph 8 entitled, "Step By Step Claims Procedures".

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

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

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

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

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

8. Step By Step Claims Procedures.

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

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

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

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

9. Legal Actions.

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

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty (60)

calendar days after the Builder has given written notice of rejection of claim or completion of corrective action as provided above in paragraph 8(d).

10. General Provisions.

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

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

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

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

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

The rest of this page is intentionally left blank.

NOTICE OF WARRANTY CLAIM FORM

Dear Home Owner:

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

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

Name: _____

Address of Home
Warranted: _____

Home Phone: _____

Work or Day Phone: _____

Warranty Date: _____

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

Signature: _____

Date: _____

Signature: _____

Date: _____

Architect's Description

Attorney General – New York State Department of Law
Investment Protection Bureau / Real Estate Finance Section
120 Broadway – New York, N.Y. 10271
Tel.: (212) 416-8121
<http://www.oag.state.ny.us/realstate.html>

PROPERTY DESCRIPTION

THIS FORM IS DESIGNED TO EXPEDITE THE ENGINEERING REVIEW PROCESS. PLEASE FILL IT IN ITS ENTIRETY. IF A SECTION DOES NOT APPLY, STATE SO. ALSO, DISCLOSE ALL KNOWN ADVERSE CONDITIONS AS AN ADDENDUM.

Note: Approved drawings must be submitted as part of the package. The seal and signature of the design architect or engineer must appear on each sheet of the project drawings as well as the stamp of approval of local authority.

THIS TABLE SECTION IS FOR INTERNAL OFFICE USE ONLY

FILE #: _____	DATE RECEIVED: ____/____/____	DUE DATE: ____/____/____
Reviewing Engineer: _____ (Initials)	Reviewing Attorney: _____ (Initials)	Paralegal: _____ (Initials)

APPLICABLE PART OF TITLE 13 NYCRR – PLEASE CHECK ONE ONLY

- PART 18 – Conversion of Occupied Residential Property to Cooperative Ownership*
- PART 20 – Newly Constructed, Vacant or Non-Residential Condominiums *
- PART 21 – Newly Constructed and Vacant Cooperatives *
- PART 22 – Newly Constructed, Vacant HOA or Non-Residential Property Owners Associations **
- PART 23 – Conversion of Occupied Residential Property to Condominium Ownership **
- PART 24 – Timeshare Offering Plans
- PART 25 – Newly Constructed or Vacant Senior Residential Communities – Effective Dec. 8, 2004

*As Amended Through December 2006 **As amended Through June 1997

FOR PART 18 & PART 23/CONVERSIONS – PROVIDE OTHER DISCLOSURES SPECIFIED ON THE LAST PAGE.

SPONSOR'S INFORMATION:

NAME/ORGANIZATION: Ben-Fall Development LLC (Stonewood Manor)
ADDRESS: 1726 Long Pond Road Rochester, NY 14606
TEL. #: 585-426-5340 FAX #: 585-426-5341

SPONSOR'S ATTORNEY:

NAME: Louis M. D'Amato
ADDRESS: 700 Crossroads Building, 2 State Street Rochester NY 14614
TEL. #: (585) 987-2800 FAX #: (585) 454-3968

PROJECT DESCRIPTION (Please Elaborate): Single family Residential Zoned Land
Consists of 30 saleable townhomes.



OFFERING PLAN SUBMITTED TO THE DEPARTMENT OF LAW ON: ___/___/___

Offering /Inspection Date: ___/___/___ Lapse Time (LT): ___ Days LT < or = 180 Days OK ___

Comprehensive Narrative Description of the Building(s)/Premises Included In Offering Plan: Yes

Inspection Report of the Property and Building(s)-- Included in Offering Plan: Yes

Location/Address of Property: Peck Road, Town of Greece, NY
058.01-02-001.2

Block and Lot Number: 058.01-02-036 Zoning: R1-44

Permissible Use: Residential

Status of Construction / Renovation and Anticipated Completion Date: _____

Year Built: _____ Class of Construction: _____

Certificate of Occupancy - Type and Number: _____

NEW BUILDING: Yes NEW BUILDING JOB #: _____
(Check One)

ALTERATION: Yes ALTERATION JOB #: _____
(Check One)

Is Further Development Anticipated? Yes No
(Check One)

Description of Work Done / Proposed Work: _____

IS THIS JOB SELF CERTIFIED? Yes No

SITE (Discuss)

Size: 38.187 Acres Number of Buildings: _____ Use: _____

Streets Owned or Maintained by the Project: None

Paving Type: Concrete Asphalt Brick Cobble Stones Other (specify)

Curb Material: N.A. Curb Condition: N.A.

Catch Basins, Drainage (location and condition): Roadways and Detention Pond Areas

Street Lighting (material, type, location and condition): Colonial style lamps on fiberglass poles

Are these items in conformity with local fire district, town or municipal building codes. Yes (Yes or No)

DRIVES, SIDEWALKS AND RAMPS (Describe):

Paving Type: Concrete Asphalt Brick Cobble Stones Other (specify)

Curb Material: N.A. Curb Condition: N.A.

Catch Basins, Drainage (location and condition): N.A.

Street Lighting (material, type, location and condition): N.A.

State whether these items are in conformity with local fire district/town/municipal building codes. Yes
(Yes or No)

UTILITIES

Identify Source/Provider of Each Utility: Electric RG&E Gas RG&E
Water M.C.W.A. Sewer Greece
Telephone Frontier Other _____
Specify

Identify Which are Public Utilities All

Identify which Utilities are the Obligation of the Board of Managers of the Condominium:
Utilities outside of right-of-ways and easements

Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing. Individually per unit.

SUB-SOIL CONDITIONS:

- Describe, including water conditions, whether uneven or settling has occurred (cracking, mortar joints decay, etc.): Soils are suitable for residential homes and site improvements. There were no ground water encounters above 8 ft.
- Indicate whether there is any evidence of moisture or seepage or ground water infiltration.
Is corrective action required? Yes No And if so, describe: _____
- Indicate whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslide or erosion and what preventive action is appropriate. State if within the 100-Year flood zone. Portions of the project along the Smith creek tributary are in the Town of Greece 100 yr. flood plain

IS BUILDING IN A FEMA FLOOD ZONE? Yes No

State depth of water table relative to below grade space: _____ Unknown

LANDSCAPING AND ENCLOSURES (Describe the following):

- Grass cover** (type, location) Lawn and storm water management areas
- Plants** (type, location) Sign base and home foundations
- Trees** (type, number, locations) Common areas
- Fencing** (type, location) _____
- Gates** (type, location) _____
- Garden walls** (type, location) _____
- Retaining walls** (type, location) _____
- Display pools and fountains** (location, materials) _____

BUILDING SIZE (specify):

- Total Height** (approximate total feet from ground level to highest part of roof) _____
- Crawl Spaces** (floor to ceiling, height) _____
- As defined by building Codes, list number of floors by type:**
- Sub-cellars** _____ **Cellar** _____ **Basement** _____
- Number of Floors above grade (including penthouses)** _____
- Equipment Room(s)** (location and use) _____
- Parapet Height Above Roof:** _____

STRUCTURAL SYSTEM (Describe materials used; include type of foundation(s) and method of installation):

EXTERIOR OF BUILDING(s)

- Exterior Walls (list materials) 2 x 4 Framing
- Type of Construction Wood frame type s b
- Method of Construction Conventional framing
- Insulation (specify): Materials Fiberglass Type _____ Size 3 1/2" **R-Value 13

*For New York City Building, is Local Law 10 /11 applicable? Yes No NA

Is insulation in compliance with Energy Conservation Code? Yes No

* If such inspection is required, but not performed, specify as a violation.

WINDOWS (specify):

Type Lincoln Timeline double hung Materials Vinyl

Locations All 4 sides - see individual plans

- Sills: Type Vinyl Materials _____
- Screens: Type Gray Materials _____
- Window Guards: Type N.A. Materials _____
- Lintels: Type Wood Materials _____
- Storm: Type None Materials _____
- Sash: Type Vinyl Materials _____
- Hardware: Type Standard Materials _____
- _____ Single Glazing Double Glazing Caulking Yes No

Indicate whether "Lot Line Windows" exist and describe any potential future problems None

LANDMARK STATUS: _____ Yes No If Yes, Consequences _____

PARAPETS AND COPING N/A

Type of Material _____

State how firmly secured in place _____

Indication of problems: Yes No Is yes, specify below.

Leaks: Yes Flashing Deteriorated: Yes

Spalling: Yes Impact Damage: Yes

Deterioration of Mortar: Yes Efflorescence: Yes

Major Cracks: Yes Bulging / Displaced: Yes



CHIMNEYS, FLUES AND CAPS: Number of Chimneys _____ Materials _____

Purpose of Chimney(s): _____ Boilers _____ Incinerators _____ Compactors _____ Fireplaces _____ Decorative _____

Condition of Chimney(s) _____ Location of Chimneys _____

If fireplaces are not usable for wood fires, this fact must be conspicuously disclosed.

If fireplaces are used they will be gas fired.

BALCONIES AND TERRACES (Describe): N/A

Deck/finish material _____

Balustrade type _____ Balustrade material _____

Railings material _____ Coping materials _____

Soffits material _____

Doors to balconies and terraces: Type _____ Material _____



EXTERIOR ENTRANCES (Describe):

Exterior doors and frames: Material Steel Type Insulated Lock Standard

Vestibule doors and frames: Material _____ Type _____ Lock _____

Exterior stairs: Material Pressure treated Location Rear sliding door

Railings: Material Pressure treated Location _____

Mail boxes: Material Metal Location _____

Lighting: Type Lantern Location Front door and garage door

How is drainage provided? Splashblocks

SERVICE ENTRANCES (Describe)

Doors and frames: Material Metal Type Insulated Lock Standard

Gates: Material N.A. Type _____ Lock _____

Exterior Stairs: Material N.A. Location _____

Railings: Material N.A. Location _____

ROOF AND ROOF STRUCTURES (Describe):

Type of roofs for all areas: 30 Yr. Architectural

Roof Material Fiberglass/Asphalt Surface finish _____

Insulation: Size 11" Type Fiberglass Insulating value (if available)/R-Value 38

Bond or guarantee No

Flashing materials (including counter flashing) Metal

Is insulation in compliance with the Energy Conservation Code? Yes No

DRAINS (Describe):

Location Downspouts @ Corners Material Aluminum Type _____

Gutters and leaders: Type Type K 5" Material Aluminum

Is Drain Adequate? Yes No If No, specify _____

SKYLIGHTS (Describe):

Location(s) None

Sizes _____ Material _____

Type (fixed or operable) _____ Condition _____

BULKHEADS (Describe):

Stairs material Wood Elevator material N/A

Other _____

METAL WORK AT ROOF LEVELS (Describe): N/A

Exterior metal stairs material _____ Railing material _____

Vertical ladders (including gooseneck) material _____

Hatches to roof: Type _____ Material _____

Other _____

ROOFTOP FACILITIES (Describe in Details):

N/A

FIRE ESCAPES (Describe at each floor and specify any unusual access situation):

N/A

Location (Describe how attached and supported)

Floors covered: N/A

Drop ladder: N/A

Type N/A Material

YARD AND COURTS (Describe each yard or court including front, rear and interior areas, listing methods of access):

Paving material Asphalt Drainage type and material N/A
Binder Only

Railings material N/A Stairs material N/A

Fencing type None Fencing material

Wall type N/A Wall material

INTERIOR STAIRS (Describe):

Number of stairs of each type Wood stairs only.

Enclosure (construction and interior finishes)

Stair construction: Steel Concrete Wood Other (specify)

Stringers material Pine Treads material Flake Bd. Risers material Pine

Guard rails material Oak Balustrade material Oak Post
Pine spindalls

INTERIOR DOORS AND FRAMES (Describe material, type & location for each. State whether fireproof or exceeds fire safety standards):

MDF hollow core or masonite with wood pine frames

Unit entrance and interior doors and frames Metal insulated main door
Interior frames to be wood

Corridor doors and frames Same as interior

Stair hall doors and frames Same as interior

Roof doors N/A

Basement doors and frames Same as interior

ELEVATORS (Describe): N/A

Service elevators _____ Age _____ Capacity (lbs / passengers) _____ / _____

Manufacturer _____

Type of operation for each elevator by elevator number or location in building (for large numbers of elevators describe by class-passenger / freight.) _____

Type of controls: _____ Automatic Floors served: _____ to _____ Type (hydraulic; gear-less) _____

Doors: Sliding Swinging Manual Automatic

Location of machine room(s) _____

DC motor (manufacturer) _____ AC motor (manufacturer) _____

Other _____

ELEVATOR CABS (Describe): N/A

Kind (manufacturer) _____ Floor (material) _____

Walls (materials) _____ Ceiling (material) _____

Lighting (describe) _____

Alarm / Safety System: _____

AUXILIARY FACILITIES (Describe):

Laundry rooms (describe): Location and number of rooms If shown on plan

Clothes washers: Number N/A Type (heavy duty; coin operated; electric) _____

Clothes Dryers: Number N/A Type (heavy duty; coin operated; electric; gas) _____

Room ventilation (method and final exhaust) N/A

Dryer ventilation (method and final exhaust) Flex vent to wall louver

REFUSE DISPOSAL (Describe, including):

Incinerators: Number N/A Location _____ Capacity _____ Manufacturer _____

Compactors: Number N/A Location _____ Capacity _____ Manufacturer _____

Approvals by authority having jurisdiction (date of each approval) N/A

Initial storage location Garage Ultimate storage location Landfill

Pick-up schedule, and whether public or private provider Private provide pickup schedule varies / 1 / week

PLUMBING AND DRAINAGE (Describe):

Water supply (describe system, pumps, storage and location, size of main, size of units, back-flow, etc.) Public 3/4" size

FIRE PROTECTION SYSTEM (Describe): N/A

Stand-pipes: Material _____ Size _____ Location _____

Hose racks and nozzles location _____

Sprinkler heads type _____ Location _____

Siamese connection type _____ Location _____

WATER STORAGE TANKS AND ENCLOSURES (Describe): N/A

Number _____ Type _____ Location _____

Material (interior, exterior and roof of tank) _____

Access to tank (e.g., vertical goose neck ladder) _____

Tank Capacity _____ Capacity fire reserve _____

WATER PRESSURE - HOW MAINTAINED Booster Pump City/Water Main Pressure

Other -- Describe _____

SANITARY SEWAGE SYSTEM (Describe)

Sewage piping materials PVC SDR.21 Sewage pump (if any) _____

Sewage disposal: Public Private Treatment Drain-field Sewer

Permit(s) required: Yes No If yes, include date(s) obtained _____

STORM DRAINAGE SYSTEM (Describe system, adequacy, method of disposal and materials including):
Downspouts to splashblock

Catch basins locations N/A

Yard and roof drains locations N/A

Piping materials N/A

Eject or sump pumps (Describe in detail and describe conditions requiring pumps)
Forced air heating and air conditioning

HEATING (Describe, including space heating and domestic hot water heating): _____

Is heating and distribution of domestic hot water capable of providing peak required services? Yes No

Description of heating system's ability to maintain legally required temperatures under anticipated weather conditions. 72' in 0' exterior

Specify interior temperature and ambient temperature used in calculations: 72' Interior

Number of boilers and description: N/A

Boiler(s) manufacturer: _____ Age of boiler _____

Model _____ Capacity _____ Type _____
Age _____ Approximate remaining useful life _____

Burners' manufacturer _____ Model _____ Type _____

Age _____ Approximate remaining useful life _____

Type of controls _____ Describe: Radiators _____ Piping _____

Insulation _____ Valves _____ Pumps _____

Fuel type and grade _____ Location of oil tank _____

Condition of oil tank _____ Material _____ Capacity _____

Oil tank enclosure _____

GAS SUPPLY (if not described above) - Describe: Type, Piping and Meters 1" block iron pipe from meter

AIR CONDITIONING (Describe):

Cooling system's adequacy to maintain comfortable temperature under anticipated weather conditions, specifying internal temperature and base ambient temperature used in calculations 76' interior design temp.

Type of AC system HEIL or Equal

Central system (give manufacturer, model and capacity) Sized per house

Cooling Towers N/A

Condensers HEIL or equal

Individual units covered by the offer (window / sleeve, specify number, capacity, amperage and efficiency) N/A

VENTILATION (Describe):

Vent system in kitchen N/A

Vent system in fireplaces N/A

Vent system in windowless areas such as corridors, garages, laundries, baths, boiler/mechanical/electrical rooms: N/A

ELECTRICAL SYSTEM (Specify):

Service from main service switchgear 200 amp

Amps 200 Voltage 120 Phases 1 Wire 3 Protective equipment 6 F1

Service to individual units (risers, etc.) _____

Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards) N/A

Unit service (ratings of fuses and circuit breakers; adequacy of electrical system to handle modern usage and appliance such as AC, dishwashers and dryers) N/A

Adequacy, i.e., service, average number of circuits per apartment and capacity to handle modern appliances – specifically air conditioners, dishwashers and electric dryers N/A 200 amp
Individual service to each house _____

Lighting and fixtures As required

Convenience outlets As required

Appliance outlets As required

INTERCOM & DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV

Specify mode of operation and condition N/A

Describe television reception facilities (master antennae, cable TV, antennae by tenants) N/A

PUBLIC AREA LIGHTING

Describe and state adequacy (entrance halls and stairs, corridors, basements, courts and yard): N/A

GARAGES AND PARKING AREAS (Describe):

Location of garages: Attached

Location of parking areas (number of spaces in each) In driveway

Surfaces (materials used, lighting, fencing etc.) Concrete in Garage

Parking (attended or not attended) N/A

Garage ventilation (method and equipment) N/A

Garage fire protection (method and equipment) 5/8" Type X Drywall

Drainage N/A

SWIMMING POOLS(s) (Describe): NONE

Type (concrete/material composition) _____

Location on property _____

Size (length, width, depth) _____ Approximate number of bathers permitted _____

Enclosure (material including roof) _____

Pumping and filter system (describe material) _____

Water heating equipment or usage of building's hot water (feed or heat exchanger) _____

If system is on building roof, specify structural support system _____

TENNIS COURTS / PLAYGROUNDS AND RECREATION FACILITIES NONE

Tennis courts type (clay, macadam, turf) _____

Number and size _____

Lighting (number and type) _____

Fencing or enclosure (including distance between fence or enclosure and all sides of court) _____

PLAYGROUND (Describe location and size(s), fencing (if any), equipment types and sand bed or safety padding)

OTHER RECREATION FACILITIES (Describe any beach or lake front, boating facilities, golf course(s), handball, basketball or other game courts).

PERMITS AND CERTIFICATES

List all applicable permit that must be obtained and inspections which are to be done -- list the following:

Permit number: _____ Date issued: _____

Authority issuing permit: _____ Duration of approval once obtained _____

Include all compactors, incinerators, boilers, oil storage, tanks, elevators, etc.

In New York City, include Department of Air Resources, Elevator Safety, Boiler Safety, Fire Department and Buildings Department permits.

VIOLATIONS

List all violations outstanding as of the date of this report. If no violation is outstanding, state so.

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

• Agency imposing violation _____ Date violation issued _____
Condition involved _____
Work required by violation to cure _____

REMARKS: _____

UNIT INFORMATION

Specify the number of units inspected _____

Specify the unit designations for each typical unit or line of units, including the number and type of rooms _____

Give criteria for calculations of the number of room _____

For lofts, give useable residential space in square feet _____

Describe (include foyers, living rooms, dining areas, kitchen, bedrooms, bathrooms, etc.)

Storage spaces (give fire separation rating, and what materials may be legally stored?):

Type and grade of finish material used in each type of unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used

Describe presence, type and condition of all bathroom fixtures

Describe presence, type and condition of kitchen and laundry equipment

If any equipment or fixtures described is not included in the offering price, or the offering price is conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the plan.

FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Describe all common rooms & spaces, including but not limited to: sub-sub cellar; sub-cellar; cellar; basement; first floor to penthouse floor; public & service halls; corridors; lobbies; etc.

	<u>Room</u>	<u>Floor</u>	<u>Walls</u>	<u>Ceiling</u>	<u>Remarks</u>
	<u>Sub-sub cellar</u>				
	<u>Sub cellar</u>				
	<u>Cellar</u>				
	<u>Basement</u>				
	<u>1st Floor</u>				
	<u>2nd Floor</u>				
	<u>3rd Floor</u>				
	<u>4th Floor</u>				
	<u>5th Floor</u>				
	<u>6th Floor</u>				
	<u>7th Floor</u>				
	<u>8th Floor</u>				
	<u>9th Floor</u>				
	<u>10th Floor</u>				
	<u>11 to X Floor</u>				
	<u>Penthouse Floor</u>				
	<u>Public & Service Floors</u>				
	<u>Corridors</u>				
	<u>Lobbies</u>				

SAFETY AND WARNING DEVICES

Describe any fire, smoke, and carbon monoxide detector / safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed.

ADDITIONAL INFORMATION REQUIRED-Include the following in the Description of Property/Building Condition section of the plan:

- A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot.
- An area map showing the location of the condominium with respect to its surroundings, if the condominium is not located in a highly urban area.
- Floor plan for each line or type of unit drawn to scale, indicating room dimensions, and showing unit boundaries.
- Floor to ceiling heights of units.
- Approximate total area of each unit and each floor, including cellar, roof and common elements.
- A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations.

aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, fire-stopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

FURTHER DEVELOPMENT

(bb) If the sponsor intends to add additional units to the building, either above the existing roof, outside the existing building development, or by altering space within the building, it must make disclosure about the new units to conform to 13 NYCRR Section 20.7. In addition:

- If the additional units are to be added, sponsor must submit plans and specifications approved by all necessary local governmental agencies before the offering plan may be accepted for filing.
- If the additional units will be on top of an existing structure, state:
 - α. Whether the existing structure has sufficient capacity to support the additional load, and, if not, what steps are being taken to support the increased load?
 - β. What the resulting building height will be.
- 2. Describe the component which will be removed, relocated, or extended, e.g., parapet, bulkheads, roof, tanks, elevators, service rooms, landscaping, etc.
- 3. Describe the effect the additional structure will have on existing systems and state the adequacy of all existing systems which will be affected by the addition, including heat and hot water, water pressure, sewage, elevators, electricity, air conditioning, parking and sprinklers.
- 4. Include a list of facilities that will be shared by the existing and new structures, e.g., laundry room, intercom, garage, etc.
- 5. State the effect that the renovation or construction will have on tenants in occupancy. Specifically:
 - α. State the manner in which construction debris will be handled and its effect on common areas used by tenants.
 - β. Give the schedule for renovation and construction work, e.g., Monday – Friday, 8:00am to 5:00 pm, except holidays.

STORM WATER MANAGEMENT (section 22.7.f)

The storm water treatment facility (basin) as shown on the Site Plans within the project site will be owned and maintained by the HOA. The storm water basin will discharge into an offsite storm sewer system that will be owned and maintained by the Town of Greece.

The basin has been designed as a wetland system with wetland vegetation that shall be maintained by the HOA. The basin shall be maintained as designed and not modified in any way without the approvals of a licensed engineer and the Town of Greece. As designed, the basin meets all current NYSDEC stormwater regulations, and will control storm water runoff from storm events from 1-year to 100-year frequency. The items that require maintenance are the outlet structure, vegetation, stone fill, rip rap and forebays (pipe outlet areas). Sediment that accumulates within the forebay areas shall be removed as needed to establish the initial design depth of 5 feet.

The HOA will be responsible, as a successor, for complying with the future *Stormwater Control Facility Maintenance Agreement* to be signed between the Town of Greece and the project developer.

WATER SUPPLY (section 22.7.e)

The 8" water main, valves, hydrants, and water services up to, and including, the curb box will be dedicated to, owned and maintained by the Monroe County Water Authority. Installation will be in accordance with the Water Authority regulations. Fire hydrants will be installed about 500' apart. An 8" water main stub is being installed to the east property line of the project site to serve future development to the east. Easements will be granted to the Monroe County Water Authority over the dedicated portions of the system.

The HOA is responsible for maintaining the 1" Type "K", copper water services from the curb box to the building units.

LANDSCAPING AND SIGNS (section 22.7.d)

The HOA will be responsible for the maintenance of all site landscaping, including, but not limited to, lawns, berms, shrubs, trees, grasses, wetland vegetation and the storm water treatment area on common and private property of the project site. Maintenance will include cutting the lawn weekly and trimming the shrubs and trees at least once a year. All areas not covered with improvements or existing trees, will be covered with grass.

The HOA will own and maintain all signs on the project site, including the project sign onsite (location to be determined). The Sponsor reserves the right to add additional signs beneficial to the project.

UTILITIES & REFUSE DISPOSAL (section 22.7.e & section 22.7.g)

The project will be served by the following public utilities:

1. Town of Greece Sanitary Sewer District #1, Ext. #532 - Sanitary Sewers
2. Monroe County Water Authority - Water Supply
3. Frontier Corporation - Telephone service
4. Time Warner Cable - Cable television
5. Rochester Gas & Electric Corp. - Gas & Electric service

The individual unit owners are responsible for the costs associated with receiving the above utilities.

Refuse disposal will be provided by the HOA, and includes a weekly pickup.

SUB-SOIL CONDITIONS (section 22.7.c)

The soils within the project area consist mostly of silt loam and fine sandy loam with a seasonally high water table at 1 ½ to 2 feet below ground according to the *Soil Survey, Monroe County, New York, 1973*. The soils generally possess a high bearing capacity and are suitable for foundations and home sites. With the installation of sewers and utilities, and the lack of basements for the units, the occasional high ground water is not a concern. Past experience has proven these soils well suited to residential construction.

The project site is located within FEMA Flood Zone "X" as shown on the Flood Insurance Rate Map, Town of Greece, Community Panel Number 36055C0176G, August 28, 2008.

- Describe any measures that will be taken to protect the security of the building during the construction or renovation process. Include a statement of the manner in which tenants and construction workers will gain access to the building. _____
- State whether there will be any interruption of services during construction or renovation and, if so, provide details. This includes water, electricity, elevator service, and laundry rooms. _____
- State whether new piping will be added to existing piping and whether such work may cause breaks in existing piping. If so, state whether precautions will be taken to minimize damage and state who will be responsible for any such damage. _____
- State whether the sponsor and/or contractors will have liability insurance in effect during construction.

(cc) ASBESTOS

State whether Asbestos Containing Material (ACM) is present in insulating or fireproofing material anywhere in the building(s). Sponsor shall perform such tests as are necessary to make such determination. In the event that ACM is present, sponsor shall have a person who is qualified to render an opinion on asbestos prepare a report on the asbestos in the building(s) (the "asbestos report"). Such asbestos report shall contain at least the following information:

1. The qualifications of the person preparing the report.
2. A detailed inventory of the asbestos in each apartment and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in ACM, and condition. At least ten (10) percent of all apartments must be inspected in an initial inspection. If ACM is found in any of these apartments, a second inspection, with notice to tenants and at least partially during non-business hours, must be performed in all remaining accessible apartments. List apartments inspected.
3. Recommendations for handling each and every item of the asbestos inventory, i.e., removal, enclosure, encapsulation, or leaving undisturbed.
4. How the recommendations should be implemented. Include, if applicable, whether apartments must be vacated or whether use of certain rooms will be limited and the projected duration thereof. State whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.
5. A recommended protocol (operations and maintenance program) for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosed or left undisturbed.

(dd) LEAD BASED PAINT – Include records, reports, violations and any other information known or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards.

OTHER DISCLOSURES

FOR CONVERSION / EXISTING BUILDINGS / RENOVATION – PROVIDE THE FOLLOWING INFORMATION:

- 1. Specify existing UNSAFE CONDITIONS requiring immediate attention. Specify the proposed cure, and the time frame for implementation.**
 - 2. Specify existing conditions requiring immediate or emergency repairs / replacement.**
 - 3. Specify existing conditions that may require repairs or replacement in the near future - 2 to 5 years.**
 - 4. Comment on the general condition of the building.**
 - 5. State whether there is any nuisance such as unpleasant noise, odor, pollutant, horse stable, noxious smoke/chemical fumes from nearby treatment plant/factories, mosquitoes from stagnant ponds/marshes, etc.**
 - 6. Provide the estimated cost for anticipated repair that will be left up to the prospective buyer. And disclose the same as Special Risks.**
 - 7. Specify as Special Risks that “Recreation Areas located in basement and/or cellar shall not be used as bedroom, living room, or rented separately. Shower and/or kitchen amenity will not be installed in such areas.”**
-

STONEWOOD MANOR
HOMEOWNERS ASSOCIATION

SITE ENGINEERING REPORT

July 14, 2010

SITE (section 22.7.a & 22.7.b)

Stonewood Manor is generally located in the State of New York, County of Monroe, Town of Greece. It is more specifically located on the north side of Peck Road, west of North Greece Road. The project entrance drive is located between #101 and #101 Peck Road. Access to the site will be through roads dedicated to the Town of Greece.

The project is located on 44.813± acres of R1-44, Single Family Residential zoned land, and consists of 30 saleable townhomes. The property will be subdivided to create 30 building lots (one per unit) and a common area lot that will include the stormwater management retention ponds and other open land.

ROADS AND DRIVEWAYS (section 22.7.b)

Access to the common areas will be from Town of Greece dedicated right of ways to be known as Aviamore Drive and Putney Place with access to Peck Road, a dedicated Town road. The dedicated roads will be built to the Town of Greece requirements and dedicated to them.

The HOA will be responsible for providing snow removal for private driveways to the units. Only snow falls generally greater than 3" in depth will result in removal operations. Snowfalls of lesser depths will not be removed.

SANITARY SEWERS (section 22.7.f)

The Town of Greece will own and maintain the sanitary sewer mains, manholes, and laterals to the units within the easements to the Town, and up to the first cleanout. This includes all sanitary sewer system and components offsite that serve this project. The HOA will own and maintain the sanitary laterals to each unit from the Town limit up to the building unit. Every unit shall have a separate lateral. The sanitary sewer system shall be built to the Town of Greece requirements, and dedicated to them as noted above.

The sanitary sewer materials shall be as noted:

- Main: 8" diameter PVC (polyvinyl Chloride), SDR 35;
- Laterals & Cleanouts: 4" diameter PVC (polyvinyl Chloride), SDR 21; cast-iron cleanout caps;
- Manholes: Precast Concrete with cast-iron frame and covers

STORM WATER MANAGEMENT (section 22.7.f)

The storm water treatment facility (basin) as shown on the Site Plans within the project site will be owned and maintained by the HOA. The storm water basin will discharge into an offsite storm sewer system that will be owned and maintained by the Town of Greece.

The basin has been designed as a wetland system with wetland vegetation that shall be maintained by the HOA. The basin shall be maintained as designed and not modified in any way without the approvals of a licensed engineer and the Town of Greece. As designed, the basin meets all current NYSDEC stormwater regulations, and will control storm water runoff from storm events from 1-year to 100-year frequency. The items that require maintenance are the outlet structure, vegetation, stone fill, rip rap and forebays (pipe outlet areas). Sediment that accumulates within the forebay areas shall be removed as needed to establish the initial design depth of 5 feet.

The HOA will be responsible, as a successor, for complying with the future *Stormwater Control Facility Maintenance Agreement* to be signed between the Town of Greece and the project developer.

WATER SUPPLY (section 22.7.e)

The 8" water main, valves, hydrants, and water services up to, and including, the curb box will be dedicated to, owned and maintained by the Monroe County Water Authority. Installation will be in accordance with the Water Authority regulations. Fire hydrants will be installed about 500' apart. An 8" water main stub is being installed to the east property line of the project site to serve future development to the east. Easements will be granted to the Monroe County Water Authority over the dedicated portions of the system.

The HOA is responsible for maintaining the 1" Type "K", copper water services from the curb box to the building units.

LANDSCAPING AND SIGNS (section 22.7.d)

The HOA will be responsible for the maintenance of all site landscaping, including, but not limited to, lawns, berms, shrubs, trees, grasses, wetland vegetation and the storm water treatment area on common and private property of the project site. Maintenance will include cutting the lawn weekly and trimming the shrubs and trees at least once a year. All areas not covered with improvements or existing trees, will be covered with grass.

The HOA will own and maintain all signs on the project site, including the project sign onsite (location to be determined). The Sponsor reserves the right to add additional signs beneficial to the project.

UTILITIES & REFUSE DISPOSAL (section 22.7.e & section 22.7.g)

The project will be served by the following public utilities:

1. Town of Greece Sanitary Sewer District #1, Ext. #532 - Sanitary Sewers
2. Monroe County Water Authority - Water Supply
3. Frontier Corporation - Telephone service
4. Time Warner Cable - Cable television
5. Rochester Gas & Electric Corp. - Gas & Electric service

The individual unit owners are responsible for the costs associated with receiving the above utilities.

Refuse disposal will be provided by the HOA, and includes a weekly pickup.

SUB-SOIL CONDITIONS (section 22.7.c)

The soils within the project area consist mostly of silt loam and fine sandy loam with a seasonally high water table at 1 ½ to 2 feet below ground according to the *Soil Survey, Monroe County, New York, 1973*. The soils generally possess a high bearing capacity and are suitable for foundations and home sites. With the installation of sewers and utilities, and the lack of basements for the units, the occasional high ground water is not a concern. Past experience has proven these soils well suited to residential construction.

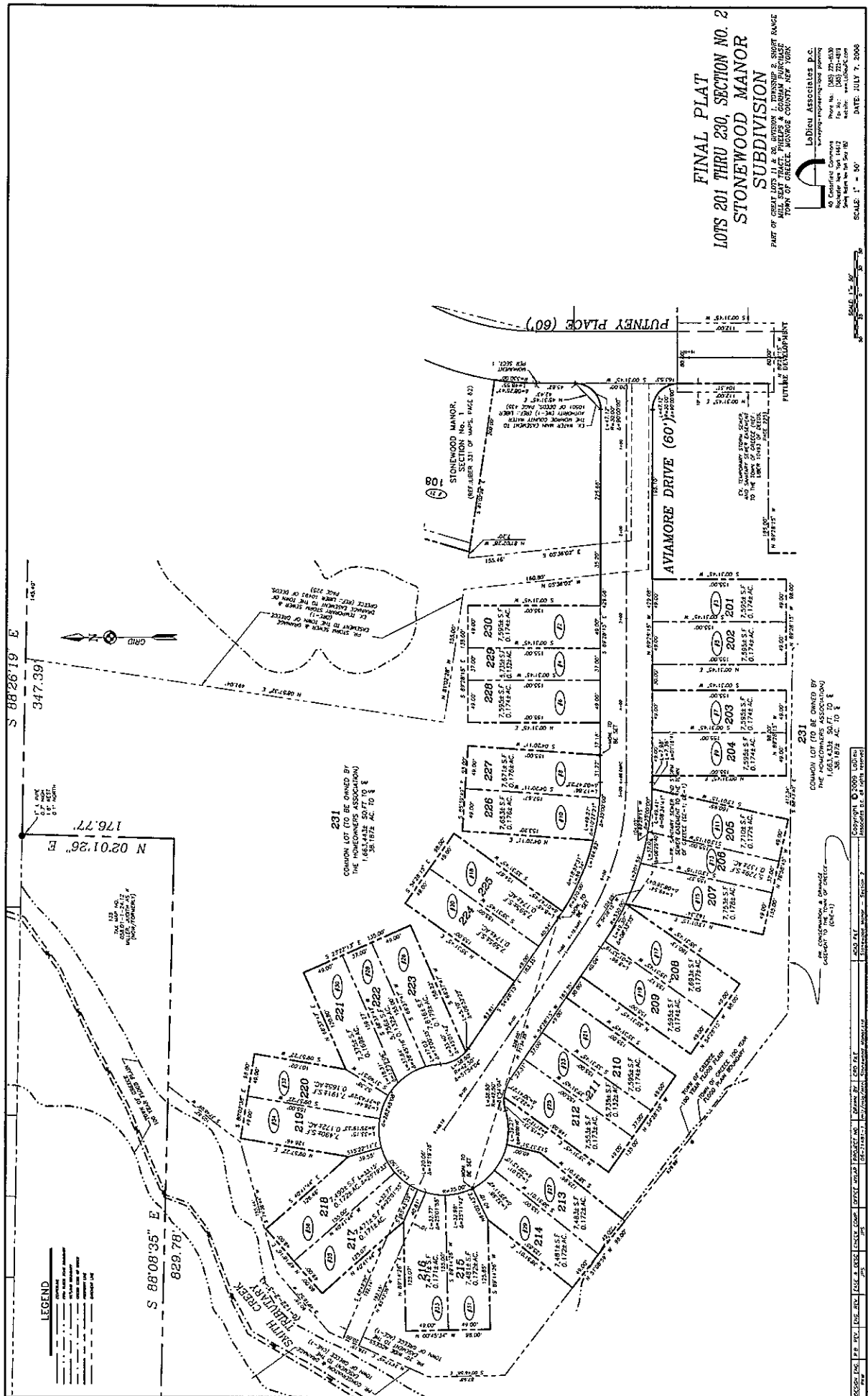
The project site is located within FEMA Flood Zone "X" as shown on the Flood Insurance Rate Map, Town of Greece, Community Panel Number 36055C0176G, August 28, 2008.

Site Plan

FINAL PLAT
 LOTS 201 THRU 230, SECTION NO. 2
 STONEWOOD MANOR
 SUBDIVISION

PART OF GREAT LAKES TRACT, TOWNSHIP 4 NORTH, RANGE 10 WEST, COUNTY OF GRECCO, MONROE COUNTY, NEW YORK

LaDieu Associates, P.C.
 1000 West 10th Street
 Rochester, NY 14617
 Phone: (716) 221-4810
 Fax: (716) 221-4811
 Website: www.ladiuassoc.com
 Scale: 1" = 50'
 Date: July 7, 2006



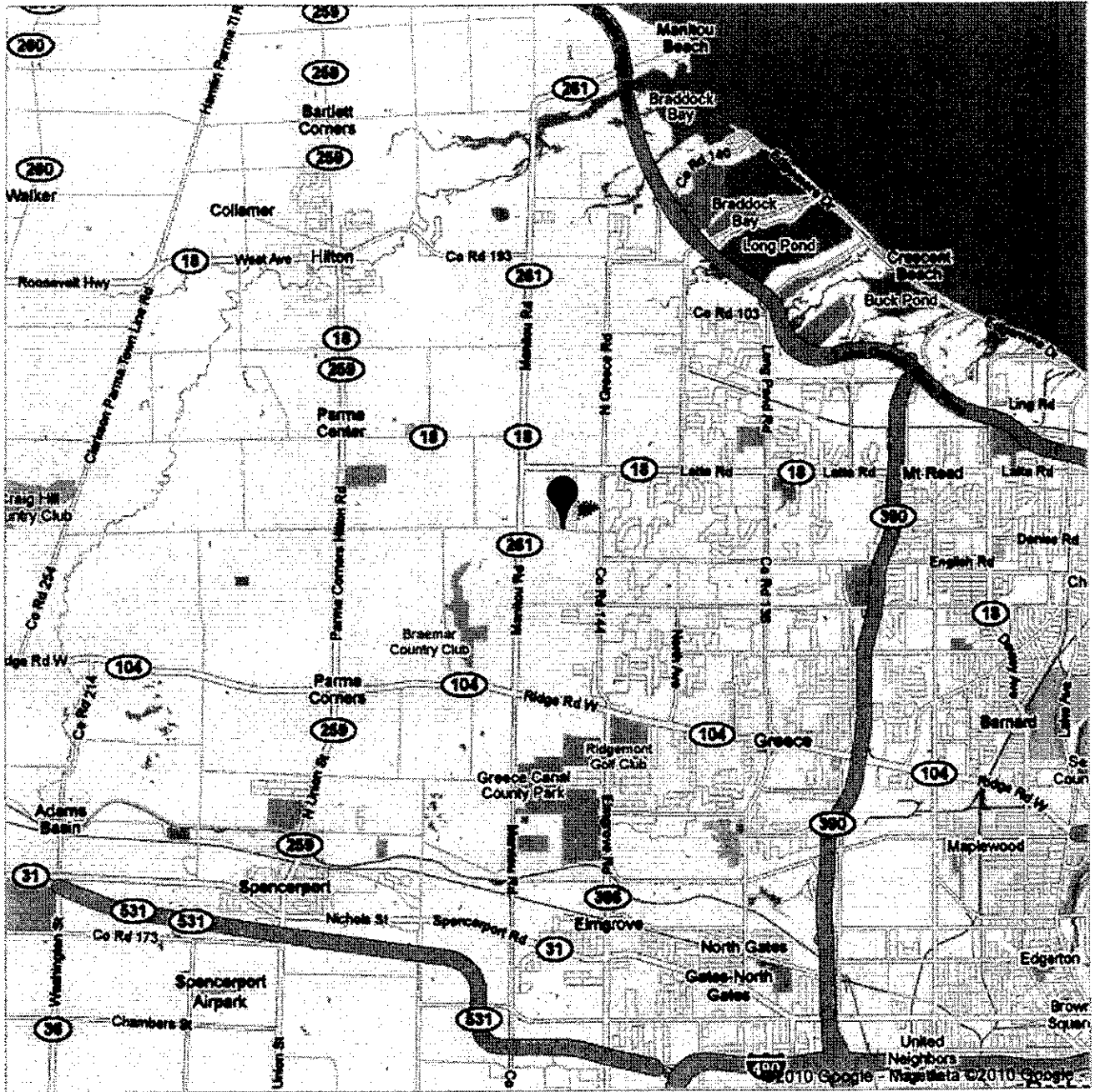
IN LIBER OF MAPS, PAGE _____ FILED _____

R.P.T.S.A. MAP NO.

Google maps

Address Peck Rd
Greece, NY

Notes A = Stonewood Manor
Project Site



DECLARATION

establishing

STONEWOOD MANOR ASSOCIATION, INC.

BEN-FALL DEVELOPMENT, LLC

1726 Long Pond Road
Rochester, New York 14606

SPONSOR

_____, 2011

DATED

WOODS OVIATT GILMAN LLP

700 Crossroads Building
Two State Street
Rochester, New York 14614

ATTORNEYS FOR THE SPONSOR

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

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

THIS DECLARATION, made this ___ day of _____, 2011, by Ben-Fall Development, LLC, a New York limited liability company, which has offices at 1726 Long Pond Road, Rochester, New York, being hereinafter referred to as “the Sponsor”.

WITNESETH:

WHEREAS, the Sponsor is the owner of the real property described in Article II of this Declaration, being Stonewood Manor Section 2 as the same is shown on a map of said subdivision recorded in the Monroe County Clerk’s Office in Liber _____ of Maps, at page _____, which the Sponsor desires to develop as a residential community with open spaces and other common facilities for the benefit of said community, and

WHEREAS, the Sponsor desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and other common facilities, and, to this end, desires to subject the real property described above to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof, and

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

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

WHEREAS, the Sponsor has incorporated the Stonewood Manor Association, Inc. under the Not-for-Profit Corporation Laws of the State of New York for the purpose of exercising the aforesaid functions.

NOW THEREFORE, the Sponsor, for itself, its successors and assigns, declares the real property described in Section 2.01 hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as “covenants, conditions and restrictions”) hereinafter set forth.

ARTICLE I **DEFINITIONS**

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

- A. “ASSOCIATION” shall mean and refer to the STONEWOOD MANOR ASSOCIATION, INC.
- B. “ASSOCIATION PROPERTY” shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by or in possession of the Association.
- C. “DECLARATION” shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens as it may from time to time be supplemented, extended or amended in the manner provided for herein.
- D. “LOT” shall mean and refer to any portion of the property (with the exception of Association Property as heretofore defined) under the scope of this Declaration and (i) identified as a separate parcel on the tax records of the Town of Greece or (ii) shown as a separate lot upon any recorded or filed subdivision map.
- E. “MEMBER” shall mean and refer to each holder of a membership interest in the Association, as such interests are set forth in Article III.
- F. “OWNER” shall mean and refer to the holder of record title, whether one (1) or more persons or entities, of the fee interest in any Lot or Townhome, whether or not such holder actually resides in such Townhome or on such Lot.
- G. “PROPERTY” shall mean and refer to all properties as are subject to this Declaration.
- H. “SPONSOR” shall mean and refer to Ben-Fall Development, LLC

- I. “TOWNHOME” shall mean and refer to each completed dwelling, as evidenced by issuance of a Certificate of Occupancy by the Town of Greece, including garage, situated upon the Property or any such structure or improvement on the Property which is intended to be occupied as a residence or in conjunction with a residence.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

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

Section 2.02. Mergers. Upon a merger or consolidation of this Association with another association as provided in its Certificate of Incorporation or By-Laws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of this Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants, conditions and restrictions established upon any other properties. Any such merger or consolidation, however, may not result in the revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III

THE ASSOCIATION STRUCTURE, MEMBERSHIP, VOTING RIGHTS AND DIRECTORS

Section 3.01. Formation of the Association. Pursuant to the Not-for-Profit Corporation Law of New York, the Sponsor has formed the Association, to own, operate, and maintain the Association Property, enforce the covenants, conditions and restrictions set forth in this Declaration and to have such other specific rights, obligations, duties and functions as are set forth in this Declaration and in the Certificate of Incorporation and By-Laws of the Association, and as they may be amended from time to time. Subject to the additional limitations provided in this Declaration, the Certificate of Incorporation and the By-Laws, the Association shall have all the powers and be subject to the limitations of a Not-for-Profit Corporation as contained in the Not-for-Profit Corporation Law of New York as it may be amended from time to time.

Section 3.02. Membership. The Association shall have as Members only Owners and the Sponsor. All Owners, upon becoming such, shall be deemed automatically to have become Members and there shall be no other qualification for Membership. Membership shall be appurtenant to, and shall not be separated from the ownership of any of the interests described in the definitions of the words “Owner” and “Sponsor” as found in Article I of this Declaration.

Section 3.03. Voting. There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until all Lots owned by Sponsor, including Lots which may be incorporated by amendment hereto, are transferred, or until 15 years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote, regardless of the number of Lots owned.

Section 3.04. Interest in More Than One Lot. If any person or entity owns or holds more than one (1) Lot, such Member shall be entitled to not more than one (1) vote.

Section 3.05. Lots Owned or Held by More Than One Person or by Corporation. When any Lot is owned or held by more than one (1) person as tenants by the entirety, in joint or common ownership or interest such Owners shall collectively be entitled to only that number of votes prescribed herein for such Lot and if such Owners cannot jointly agree as to how that vote should be cast, no vote shall be allowed with respect to such Lot.

In the case of a corporate Owner, votes may be cast by an appropriate officer of such corporation.

Section 3.06. Holder of Security Interest Not a Member. Any person or entity which holds an interest in a Lot only as security for the performance of an obligation shall not be a Member.

Section 3.07. Assigning Right to Vote. The Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership, may take successive like assignments. All such assignments shall be subject to the provisions of the Offering Plan pursuant to which the Sponsor has offered interests in the Association, including any duly filed amendments thereof.

Any other Owner shall be entitled to assign his right to vote, by power of attorney, by proxy or otherwise, provided that such assignment is made pursuant to the By-Laws of the Association. The By-Laws may require that the assignment specify the meeting or issue to which the assignment applies.

Section 3.08. Meeting and Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of this Declaration, the Certificate of Incorporation and By-Laws of the Association and the Not-for-Profit Corporation Law of New York as it may deem advisable for any meeting of its Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.09. Selection of Directors. The nomination and election of Directors and the filling of vacancies on the Board of Directors shall be governed by the By-Laws of the Association.

Section 3.10. Powers and Duties of Directors. The powers and duties of the Board of Directors shall be as set forth in the By-Laws of the Association.

Section 3.11. Indemnification of Officers and Directors. Every director and officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which such officer or director may be a party, or in which such officer or director may become involved, by reason of being or having been a director or officer of the Association, or any settlement thereof, whether or not such person is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each director or officer may otherwise be entitled.

Section 3.12. Sponsor's Written Consent Necessary for Certain Actions Taken by Board of Directors. Notwithstanding anything to the contrary contained in this Declaration, until the Sponsor, or its designee, no longer owns a Lot then subject to this Declaration, the Board of Directors may not, without the Sponsor's written consent, which consent will not be unreasonably withheld, (i) make any addition, alteration, or improvement to the Property of the Association costing more than 20% of the then current annual budget, (ii) assess any amount for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to 150% of the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses for the Association bears to the total amount of such initial budget of estimated expenses, or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Lot, or (v) reduce the quantity or quality of services or maintenance of the Association Property.

Until the Sponsor, or its designee, no longer owns a Lot then subject to this Declaration, this Section of the Declaration or any other section of the Declaration shall not be amended without the prior written consent of the Sponsor.

ARTICLE IV
PROPERTY RIGHTS AND EASEMENTS

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

Section 4.02. Right and Easement of Enjoyment in Association Property. Every Member (and such Member's guests, licensees, tenants and invitees) shall have a right and easement of enjoyment in and to all Association Property, subject, however, to the rights of the Association, the Sponsor, and the Lot Owners as set forth herein. Such easements shall be appurtenant to, and shall pass with, the interests of an Owner.

Every Member (and such Member's guests, licensees, tenants and invitees) also shall have an easement for ingress and egress by vehicle or on foot over Association Property and the common utility and conduit easements described in Section 4.06 hereof. These easements will be subject to the rights of the Association as set forth in Section 4.03 herein.

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

- (a) to promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation of the facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members;
- (b) to grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration;
- (c) to dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of the total votes of all Members who shall vote upon written ballot which shall be sent to every Owner not less than 30 days nor more than 60 days in advance of the canvass thereof. No such conveyance shall be made if lending institutions which together are first mortgagees on 33 1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees, whose names appear on the books or records of the Association, not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance;

(d) to enter into agreements, reciprocal or otherwise, with other Homeowners' and residents' associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than ten (10) days nor more than 60 days in advance of the vote on the proposed agreement;

(e) to use electricity from any Lot for the incidental maintenance needs of the Association;

(f) to draw water more or less equally from Lot Owners outdoor hosebibs for watering lawns and shrubs. Lot Owners shall have the responsibility to have their water supply valve for the outdoor bibs in the open position from May 1st through October 31st of each year.

Section 4.04. Rights of Sponsor. With respect to Association Property, the Sponsor shall have the right until the improvement, marketing and sale of all Lots is completed:

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

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

(c) to use the Association Property for ingress and egress to those portions of the Initial Property (as described in Section 2.01 of this Declaration);

(d) to operate a sales center and to have prospective purchasers and others visit such sales center and use certain portions of Association Property, including, but not limited to, the paved areas;

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

All easements, rights-of-way and other rights granted by the Sponsor pursuant to (a), (b), (c) and (e) above shall be permanent, run with the land and be binding upon and for the benefit of the Association and the Sponsor and their respective successors and assigns. The rights granted to the Sponsor pursuant to (d) above shall remain in effect until the Sponsor completes the improvement, marketing and sale of all Lots or the Sponsor records a written memorandum releasing its rights hereunder.

Section 4.05. Rights of Individual Lot Owners. Each Lot Owner shall have an easement over Association Property and over the property of adjacent Lot Owners for the

performance of routine maintenance on a Lot Owner's Townhome, provided, however, the right of entry shall be exercised upon reasonable notice to the adjoining Lot Owner, except in the case of an emergency, shall be limited to reasonable times, and shall be exercised so as not to impair the enjoyment of the adjacent Lot. The easement area shall be limited to that area reasonably necessary to affect repairs and maintenance of the Owner's Townhome. The easement area shall be used for actual repairs and maintenance only; the storage of material, supplies and other objects associated with the work to be completed shall not be permitted. The Owner entering upon an adjacent Lot shall perform the contemplated work with dispatch, and shall be responsible for all costs for the repair and restoration of any damage caused to the adjacent Lot, including but not limited to structural repairs, replacement of lawns, bushes and similar objects. An Owner entering upon an adjacent Lot shall indemnify and hold harmless the adjacent Lot Owner against any and all claims which may arise by virtue of the repair or maintenance work performed.

Each Lot Owner also shall have an easement for the exclusive use and enjoyment of the Lot Owner's driveway as constructed by the Sponsor.

Each Lot Owner also shall have an easement for the exclusive use and enjoyment of the Lot Owner's enclosed porch, deck or patio, if any, as constructed by the Sponsor, or by the Lot Owner with the Association's prior consent, servicing the Owner's Townhome.

Section 4.06. Common Utility and Conduit Easement. All pipes, wires, conduits and public utility lines located on each Lot shall be owned by the Owner of such Lot. Every Lot Owner shall have an easement in common with other Lot Owners to maintain and use all pipes, wires, conduits, drainage areas and public utility lines located on other Lots or on Association Property and servicing such Owner's Lot. Each Lot shall be subject to an easement in favor of the Owners of other Lots to maintain and use the pipes, wires, conduits, drainage areas and public utility lines servicing such other Lot and located on such other Lot. The Association shall have the right of access to each Lot and residential dwelling thereon for maintenance, repair or replacement of any pipes, wires, conduits, drainage areas or public utility lines located on any Lot or within any residential dwelling thereon. The cost of such repair, maintenance or replacement shall be a common expense funded from the Maintenance Assessments, except that, if occasioned by a negligent or willful act or omission of a specific Lot Owner or Owners, it shall be considered a special expense allocable to the Lot Owner or Owners responsible and such cost shall be added to the Maintenance Assessment of such Lot Owner or Owners and, as part of that Assessment, shall constitute a lien on the Lot or Lots to secure the payment thereof.

Section 4.07. Rear Yard Access Easement. Each Lot Owner shall have an access easement over the rear ten feet (10') of the unimproved portion of all Lots for routine and necessary maintenance purposes.

Section 4.08. Maintenance of Association Facilities. In order to preserve and enhance the property values and amenities of the Property, the Association shall at all times maintain the facilities in good repair and condition, as set forth in this Declaration.

Section 4.09. Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank, or other entity for the

performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with other associations, both within and without the Property.

Section 4.10. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, and in particular the provisions of Articles IX and X herein, the Association and the Architectural Committee shall consider the environmental impact of any existing or proposed activities on the Property or any portion thereof and, in its discretion, may establish standards or guidelines aimed at reducing or eliminating any adverse environmental impact of such activities or take affirmative action to improve the quality of the environment.

Section 4.11. Common Access Easement. The Sponsor and all Owners and their guests, licensees and invitees shall have an easement for ingress and egress in common with one another over all walkways and drives located on the Association Property and the Association shall have an access easement to each Lot for the maintenance, repair and replacement of paved areas and any other property or facilities, the maintenance of which is the responsibility of the Association.

The Sponsor and all Owners and their guests, licensees and invitees shall have an easement of ingress and egress by foot and vehicle for the use and enjoyment of the paved common drive accessing the right of way known as Aviamore Drive.

Section 4.12. Distribution of Condemnation Awards. In the event all or part of the Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors of the Association shall arrange for the repair and restoration of the Association Property not so taken and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the remaining Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds, in accordance with Article IX of this Declaration.

The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceeding to all institutional first mortgagees of Lots whose names appear on the books or records of the Association.

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

ARTICLE V
ASSESSMENTS

Section 5.01. Imposition, Personal Obligations, Lien. Each Lot Owner, excluding the Sponsor, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments or charges for the maintenance and operation of Association Property (“Maintenance Assessments”); (b) special assessments for capital improvements or for repairs which may become necessary as a result of a casualty loss caused by nature, not otherwise covered by insurance and creating a budget deficit for the fiscal year (“Special Assessments”); hereinafter collectively referred to as “Assessments”.

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

Section 5.02. Purpose of Maintenance Assessment. The purpose of the Maintenance Assessment shall be to fund the maintenance, preservation, operation and improvement of the Association Property and the promotion of the recreation, safety and welfare of the Members of the Association, including but not limited to, the payment of taxes on Association Property, any utility services to the Property which are commonly metered or billed, all casualty and liability insurance covering the Association Property obtained pursuant to Article IX of this Declaration, for the maintenance, repair and replacement of all facilities commonly serving the Members, whether on or off the Lots, such as landscaped areas, and of the Townhome exterior, including roof, gutters, and downspouts repairs and maintenance, exterior siding, including the painting of exterior surface frame and trim of windows and doors, the cost of labor, equipment, materials, management and supervision thereof, and for such other needs as may arise, but excluding the repair or maintenance of any glass surface, door, stoop, porch or stair.

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

Section 5.04. Assessments for Specific Lots. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Lot subject to this Declaration, excluding the Sponsor, shall be liable for the payment of full Maintenance Assessments, and Special Assessments,

if any. For so long as Sponsor owns a Lot then subject to the Declaration, the Maintenance Assessment for Lots owned by someone other than Sponsor shall not be less than the amount set forth in the Offering Plan on file with the NYS Attorney General's Office, without the prior written consent of the Sponsor. The Maintenance Assessment on the Lots owned by the Sponsor shall be an amount calculated in accordance with the following: The Sponsor shall be obligated for the difference between the actual Association expenses, exclusive of reserves applicable to completed improvements, and the Association charges levied on owners who have closed title to their Lots. For those Lots owned by Sponsor upon which a home has been completed, the Sponsor shall pay for reserves from and after the issuance of a Certificate of Occupancy. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on each unsold Lot. This Section may not be amended without the prior written consent of the Sponsor.

Section 5.05. Basis for Maintenance Assessment. The annual Maintenance Assessment chargeable to each Lot transferred to a third party purchaser for which Assessments have commenced pursuant to this Declaration shall be apportioned by multiplying the total annual Maintenance Assessment by a fraction, the numerator of which is one (1), and the denominator of which is the total number of Lots then subject to this Declaration, as amended.

Section 5.06. Change in Basis of Assessments. The Association may change the basis of determining the Maintenance Assessment provided for above by obtaining the consent of not less than two-thirds (2/3) of the total votes of Members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all voting Members at least 30 days in advance and shall set forth the purpose of the meeting. Until the Sponsor, or its designee, no longer owns a Lot then subject to this Declaration, no change in the basis of Maintenance Assessments which adversely affects the interest of the Sponsor with respect to unsold Lots shall be valid except with the specific consent of the Sponsor in writing. A written certification of any such change shall be executed by the Board of Directors and recorded in the Office of the Clerk of the County of Monroe.

Section 5.07. Special Assessments for Capital Improvements and Other Needs. In addition to the annual Maintenance Assessment, the Association may levy in any assessment year a Special Assessment, payable in that year and/or the following year for the purpose of defraying, in whole or in part, the cost of any capital improvements or for repairs which may become necessary as a result of a casualty loss caused by nature, not otherwise covered by insurance and creating a budget deficit for the fiscal year, including without limitation, the construction, reconstruction or replacement of, or repair of a capital nature to, the Association Property, including the necessary fixtures and personal property related thereto, provided that for any Special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any Special Assessment amounting to more than 20% of the then current amount of annual Maintenance Assessments, the consent is obtained of two-thirds (2/3) of the total votes of Lot Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least 30 days in advance, setting forth the purpose of the meeting. The Association shall establish one (1) or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least 30 days prior to the first such due date.

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

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

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

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

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

The Board of Directors, when giving notice to a Lot Owner of a default in paying Assessments, may, at its option, or at the request of a mortgagee, shall send a copy of such notice to the mortgagee whose name and address appears on the Board's records for the particular Lot. The mortgagee shall have the right to cure the Lot Owner's default with respect to the payment of said Assessments.

Late charges, penalties and attorney fees shall not be payable or collectable for unpaid common charges or assessments owed by the Sponsor.

Section 5.09. Right to Maintain Surplus. The Association shall not be obligated in any calendar year to spend all the sums collected in such year by way of Maintenance Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Maintenance Assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.10. Assessment Certificates. Upon written request of an Owner or lessee with respect to a Lot which he or she owns or leases, (or any prospective purchaser, lessee, occupant, mortgagee or title insurer of such Lot), the Association within a reasonable period of time, shall issue and furnish a certificate in writing signed by an officer or designee of the Association setting forth with respect to such Lot, as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; (iii) whether any other amounts or charges are owing to the Association, e.g. for the cost of extinguishing a violation of this Declaration. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser or lessee of, or lender on, or title insurer of, the property in question.

Section 5.11. Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any purchase money first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

Section 5.12. Right to Borrow and Mortgage. In order to fulfill the purposes set forth herein, the Association may borrow funds from any recognized lending institution, and in conjunction therewith mortgage its properties. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with note holders shall be subject to (i) the approval of 2/3 of the Lot Owners entitled to vote at a meeting duly called, and (ii) any consent of the Sponsor as required by Section 3.12 of this Declaration shall be obtained.

Section 5.13. Repayment of Monies Borrowed. In order to secure the repayment of any and all sums borrowed from time to time, the Association is hereby granted the right and power:

- (a) to assign and pledge all revenues received and to be received by it under any provision of this Declaration including, but not limited to, the proceeds of the Maintenance Assessment hereunder;
- (b) to enter into agreements with note holders with respect to the collection and disbursements of funds, including, but not limited to, agreements wherein the Association covenants to:
 - (1) assess the Maintenance Assessment on a given day in each year and, subject to the limitation on amount specified in Section 5.04 hereunder, to assess the same at a particular rate or rates;
 - (2) establish such collection, payment and lien enforcement procedures as may be required by the note holders;
 - (3) provide for the custody and safeguarding of all funds received by it;
 - (4) establish sinking funds and/or other security deposits;
 - (5) apply all funds received by it first to the payment of all principal and interest on such loans, when due, or to apply the same to such purpose after providing for costs of collection.

ARTICLE VI **MAINTENANCE BY THE ASSOCIATION**

Section 6.01. Maintenance and Repair by the Association. All maintenance and repair of and replacements to the improvements on Association Property, the maintenance, repair and replacement of all paved areas on the Association Property, snow plowing of all paved areas (but excluding sidewalks), and the maintenance of all landscaped areas within Lots and Association Property shall be the responsibility of, and at the cost and expense of the Association. Maintenance, repair and replacement of pipes, wires, conduits and public utility lines owned by the Association and, for which a utility company or other entity is not responsible (whether such lines and facilities are on individual Lots or Association Property) also shall be the responsibility of, and an expense of the Association. Such cost shall be funded from the Maintenance Assessments.

With respect to the Townhomes, including garages, the Association shall repair and replace the exterior siding, gutters, downspouts and roofs; paint the trim, windows and doors, seal or stain decks, but shall not repair or replace windows, sky lights, window panes, doors, garage doors, storm doors, decks, or maintain or replace porches, stone pavers, or stoops, patios or concrete walks. Exterior items which are vinyl coated and require no or low level maintenance will be maintained in accordance with manufacturers' recommendations. The Association shall not be responsible for the removal of snow from roofs.

With respect to the other improvements on a Townhome Lot, the Association shall stain fences, railings and decks initially installed by the Sponsor, but shall not repair or replace spalling concrete walks, stoops or porches, or fences, railings and decks. Those portions of sewer, water, and utility laterals servicing one (1) or more Townhomes and not maintained by a utility company, public authority, municipality or other entity, will be maintained by the Association, limited however to repair necessitated by leakage or structural failure only.

The Board of Directors of the Association may, upon the affirmative vote of not less than three-fourths (3/4) of the entire Board of Directors, provide for additional maintenance with respect to the Lots to be undertaken by the Association or to discontinue the performance of some or all of the maintenance responsibilities of the Association with respect to the Lots.

The cost of all maintenance performed by the Association shall be funded from Maintenance Assessments.

Section 6.02. Repairs and Maintenance Which Are Not the Responsibility of the Association. Except as provided in Section 6.01 above, the Association shall not be responsible for (i) the maintenance, repair or replacement of any buildings or structures not owned by the Association, or (ii) the maintenance, repair or replacement of any sewer lines, water lines or other utility lines which are maintained, repaired and replaced by a municipality, public authority or utility company, (iii) the maintenance, repair or replacement of the dedicated improvements, or (iv) obstructed sewer laterals. Individual Lot Owners are responsible for snow removal from the walks and entryways servicing their dwellings.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property, but which is occasioned by a negligent or willful act or omission of a Lot Owner, excluding the Sponsor, shall be made at the cost and expense of such Lot Owner. If such maintenance, repair or replacement is performed by the Association, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Lot and such cost shall be added to that Lot Owner's Maintenance Assessment and, as part of that Assessment, shall constitute a lien on the Lot to secure the payment thereof.

Section 6.03. Quality and Frequency of Maintenance and Repairs. All maintenance, repair and replacement, whether or not performed by the Association, shall be of a quality and appearance consistent with the enhancement and preservation of the appearance and value of the Property. The Association may establish reasonable schedules and regulations for maintenance, repair and replacement, which schedules and regulations shall take into account the useful life of any painting and exterior materials and the enhancement and preservation of the appearance and value of the Property.

Section 6.04. Access for Repairs. The Association (and its employees, contractors and agents) upon reasonable notice to the Owner(s), shall have the right to enter upon any portion of the Property and into and upon any Unit at any reasonable hour to carry out its functions as provided for in this Article, except that in an emergency, the Association shall have the right, without notice, to enter upon any portion of the Property and into any Unit to make necessary repairs or to prevent

damage to any Unit or any portion of the Property. The repair of any damage caused in gaining access shall be at the expense of the Association.

ARTICLE VII

ARCHITECTURAL CONTROLS

Section 7.01. Control by Association. After transfer of title by the Sponsor to any Lot or other completed portion of the Property, enforcement of those provisions of the Declaration pertaining to exterior appearance of the Property and control over any change in use or any additions, modifications or alterations to any exterior improvement on said Lot or other portion of the Property, including but not limited to Article X, shall be the responsibility of the Association, acting through the Board of Directors, or through the Architectural Standards Committee when one is appointed by the Board of Directors (hereinafter referred to as the “Architectural Committee”) as provided in Section 7.02 below.

Section 7.02. Composition and Function of Architectural Standards Committee. The Architectural Committee of the Association, may be appointed by, and shall serve at the discretion of the Board of Directors, and shall approve all proposed improvements, additions, modifications or alterations to any existing improvements or any proposed change in the use of a Lot or any other portion of the Property, including Association Property, after transfer of title to such Lot or other portion of the Property, working within guidelines and policies established by the Board of Directors. The Architectural Committee also may assist and advise the Board of Directors of the Association in enforcing the Declaration and in advertising and publishing rules, regulations and guidelines, and may from time to time perform such other duties or functions as may be assigned to it by the Board of Directors. The Architectural Committee shall be composed of three (3) or more persons, as determined by the Board of Directors of the Association, for terms of two (2) years, but shall be subject to removal, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors.

Section 7.03. Submission of Plans to Architectural Committee. After transfer of title to any Lot or other portion of the Property by the Sponsor no improvement, exterior addition, modification or alteration shall be made on or to such Lot or other portion of the Property or the improvements located thereon, unless and until a plan or plans therefore, in such form and detail as the Architectural Committee requires, have been submitted to, and reviewed and approved by the Architectural Committee, working within guidelines and policies established by the Board of Directors. The Architectural Committee may charge and collect a reasonable fee for the examination of plans submitted for approval.

Section 7.04. Basis for Disapproval of Plans by Architectural Committee. The Architectural Committee, working within guidelines and policies established by the Board of Directors, may disapprove any plans submitted pursuant to Section 7.03 above for any of the following reasons:

- a. failure of such plans to comply with any protective covenants, conditions and restrictions contained in the Declaration and which benefit or encumber the Lot or other portion of the Property;
- b. failure to include information in such plans as requested;
- c. objection to the site plan, exterior design, appearance or materials of any proposed improvements, including without limitation, colors or color scheme, finish, proportion, style of architecture, or proposed parking;
- d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses in the vicinity;
- e. failure of proposed improvements to comply with any zoning, building, preservation, health, or other governmental laws, codes, ordinances, rules and regulations;
- f. any other matter which in the judgment and sole discretion of the Architectural Committee would render the proposed improvements, use or uses inharmonious or incompatible with the general plan of improvement of the Property or portion thereof or with improvements or uses in the vicinity.

Section 7.05. Approval of Architectural Committee. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 7.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record, together with such qualifications, or provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any Lot or portion of the Property shall be final as to such Lot or portion of the Property and such approval may not be revoked or rescinded thereafter provided (i) that the improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Lot or portion of the Property, and (ii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, preservation, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Property shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or portion of the Property.

Section 7.06. Written Notification of Disapproval. In any case where the Architectural Committee disapproves any plans submitted hereunder, the Architectural Committee shall so notify the applicant in writing together with a statement of the grounds upon

which such action was based as set forth in Section 7.04. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 7.07. Failure of Committee to Act. If any applicant has not received notice of the Architectural Committee approving or disapproving any plans within 45 days after submission thereof, the applicant may notify the Committee in writing of that fact. Such notice shall be sent by certified mail, return receipt requested. The plans shall be deemed approved by the Committee not later than the later of:

- a. Fifteen (15) days after the date of receipt of such notice, if such notice is given;
- b. Seventy (70) days after the date the plans were originally submitted.

Section 7.08. Committee's Right to Promulgate Rules and Regulations. The Architectural Committee may from time to time promulgate rules and regulations governing the form and content of plans to be submitted for approval or with respect to additions or modifications to improvements, or uses; provided, however, that no such rule or regulation shall be deemed to bind the Architectural Committee to approve or disapprove any plans submitted for approval, or to waive the exercise of the Architectural Committee's discretion as to such plans, and provided further that no such rule or regulation shall be inconsistent with the provisions of the Declaration or any applicable governmental law, code, ordinance, rule or regulation.

Section 7.09. Delegation of Functions. The Architectural Committee may authorize its staff, subcommittees, or individual members of the Architectural Committee to perform any or all of the functions of the Architectural Committee as long as the number and identity of such staff or members, and the functions and scope of authority have been established by a resolution of the entire Architectural Committee. The approval or disapproval of plans by the staff member, individual member or subcommittee will be subject, however, to the reasonable review of the Architectural Committee, in accordance with procedures to be established by the Architectural Committee.

Section 7.10. Liability of Architectural Committee. No action taken by the Architectural Committee or any member, subcommittee, employee or agent thereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulations, codes or ordinances, or with respect to the physical or other condition of any Lot or other portion of the Property. Neither the Association nor the Architectural Committee, nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval or to any Owner, Member or any other person, in connection with any submission of plans, or the approval or disapproval thereof, including without limitation, mistakes in judgment, negligence or nonfeasance. Every person or other entity submitting plans to the Architectural Committee agrees, by submission of such plans, that no action or suit will be brought against the Association or the Architectural Committee, or any member, subcommittee, employee or agent thereof, in connection with such submission.

Section 7.11. Architectural Committee Certificate. Upon written request of any Owner, lessee or any prospective Owner, lessee, mortgagee or title insurer of a Lot or other portion of the Property, title to which has been previously transferred from the Sponsor, the Architectural Committee, within a reasonable period of time, shall issue and furnish to the person or entity making the request a certificate in writing (hereinafter referred to as the “Architectural Committee Certificate”) signed by a member of the Architectural Committee stating, as of the date of such Certificate, whether or not the Lot or other portion of the Property, or any improvements thereon, violates any of the provisions of the Declaration pertaining to exterior appearance, design or maintenance and describing such violations, if any. A reasonable charge, as determined by the Architectural Committee, may be imposed for issuance of such Architectural Committee Certificate. Any such Architectural Committee Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and the party to whom such Architectural Committee Certificate was issued.

ARTICLE VIII

PARTY WALLS AND ENCROACHMENTS

Section 8.01. Party Walls. Each wall which is built as part of the original construction of the Townhomes, whether or not such wall is on the dividing line between two (2) adjacent Lots, and which serves as the exterior limit of the two (2) Townhomes, shall be considered a party wall.

Section 8.02. Maintenance of Party Walls. Each Townhome Owner whose Townhome contains a party wall shall have an easement to enter upon the Townhome with which the party wall is shared to effect necessary repairs or maintenance of said party wall. Each Townhome Owner shall be responsible for the ordinary maintenance and repair of such Townhome Owner’s respective side of a party wall. If it shall become necessary to make substantial repairs to or rebuild a party wall, the cost of such repairing or rebuilding shall be borne equally by the two (2) Townhome Owners which share such wall.

In any event where it is necessary for a Townhome Owner, its authorized employees, contractors or agents, to enter upon a Townhome owned by another for purposes of maintaining a party wall, such right shall be exercised upon reasonable notice to the adjoining Townhome Owner, shall be limited to reasonable times, and shall be exercised so as not to impair enjoyment of said adjacent Townhome.

Section 8.03. Exposure of Wall. A Townhome Owner who, by negligent or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against, and the necessary repair caused by, such elements.

Section 8.04. Materials Used and Workmanship. If and when any party wall is repaired or rebuilt, it shall stand upon the same place and be of the same or similar materials as the original wall. All labor performed shall be performed in a good and workmanlike manner.

Section 8.05. Destruction of Party Wall. In the event of destruction of a party wall by fire or other casualty, to the extent that such damage is not repaired out of the proceeds of the

insurance covering the hazard, the Owner of any Townhome which used the wall may restore it. The Townhome Owner who undertakes such restoration shall be entitled to a contribution equaling one-half (1/2) the cost of such restoration from the Owner of the other Townhome which shares such wall. Such right to contribution shall not be construed, however, to limit in any degree, the right of a Townhome Owner to seek a greater contribution if so entitled under the law of the State of New York regarding liability for negligent or willful acts or omissions.

Section 8.06. Party Wall Rights Run With the Land. The rights of support, quiet enjoyment, entry to repair or restore and contribution for the cost of the same which are described in this Article shall run with the land and shall bind the heirs, successors and assigns of each Townhome Owner.

Section 8.07. Encroachments and Projections. If any Townhome and all improvements associated with it, including but not limited to patios, porches, walks, decks, and privacy fencing, or any other improvement installed by the Sponsor, encroaches or projects upon any other Townhome Lot or upon any portion of the Association Property as a result of the construction of such Townhome, or if any such encroachment or projection shall occur as a result of settling or shifting of such Townhome or portion thereof, there shall be an easement for such encroachment or projection and for the maintenance of same so long as such encroaching or projecting Townhome or portion thereof shall stand. In the event one (1) or more Townhomes or portions thereof are partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, or Proceedings of similar import and effect, and such Townhome(s) or portions thereof are thereafter rebuilt, inadvertent encroachments or projections by such Townhome(s) or portions thereof upon any other Townhome or Lot, or upon any portion of the Association Property, in excess of any encroachment or projection which existed as a result of initial construction, due to such rebuilding, shall be permitted, and valid easements for such encroachments or projection and the maintenance thereof shall exist so long as such improvements shall stand; provided, however, that any increase in such encroachment or projection shall not be greater than two (2) feet.

ARTICLE IX **INSURANCE AND RECONSTRUCTION**

Section 9.01. Insurance to be Carried. The Board of Directors of the Association shall obtain and maintain, to the extent reasonably obtainable and to the extent determined by the Board of Directors to be appropriate or relevant: (i) fire and casualty insurance on the Association Property, the Townhomes, (ii) liability insurance on the Association Property, (iii) directors and officers' liability insurance, (iv) fidelity bond or surety bond, and (v) such other insurance as the Board of Directors shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage. Coverages shall be as follows:

1. Fire and Casualty. Coverage shall be for the unit value of each Townhome under the "single entity" concept, i.e. covering the Townhomes as initially built and including the wall to wall carpeting, lighting fixtures, bathroom fixtures, built-in appliances, wall coverings and all machinery servicing the Townhomes and common facilities, excluding the land, foundations, the personal property of Owners and occupants, and any improvements or alterations (including

upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, and wall coverings) made by present or prior Owners or occupants.

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, vandalism and malicious mischief, (ii) inflation guard, (iii) coverage for loss of Maintenance Assessment from Owners forced to vacate because of fire or other insured against casualty, (iv) waiver of the right of subrogation with respect to individual Owners, their family members, and the officers and directors of the Association, (v) a provision that the policy shall in no event be brought into "contribution" by individual Owners or mortgagees, (vi) a provision that the policy cannot be canceled, invalidated or suspended because of the conduct of someone over whom the Board of Directors has no control, (vii) cross-liability giving the Owners the right to sue the Board of Directors and vice versa with the insuring company agreeing to defend the defendant, (viii) a provision that the policy may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Lots reported to the insurance carrier or its agent, (ix) a provision requiring periodic review at least every two (2) years to assure the sufficiency of coverage, (x) a provision that adjustment of loss shall be made by the Board of Directors and (xi) a provision that the policy not require the insured to be a co-insurer in the event of loss or claim under the policy.

Prior to obtaining any new fire and casualty insurance policy, the Board of Directors shall obtain an appraisal from an insurance company or otherwise for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The proceeds of all policies of physical damage insurance, if \$50,000.00 or less shall be payable to the Association, and if \$50,000.00 or more, to an Insurance Trustee (bank, trust company or law firm) selected by the Board of Directors of the Association to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Owners pursuant to Section 9.02 of this Declaration.

This \$50,000.00 limitation may be raised or lowered from time to time upon approval of not less than two-thirds (2/3) of the entire Board of Directors. All fees and disbursements of the Trustee shall be paid by the Association and shall be a common expense of the Lot Owners.

The policy shall contain the standard mortgagee clause in favor of mortgagees which shall provide that any loss shall be payable to the mortgagees as its interest shall appear, subject, however to the loss payment provisions in favor of the Association and the Insurance Trustee. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.

Each Owner and such Owner's known mortgagee shall be a named insured on the policy and shall receive, at the time of purchase and at the time a new policy is obtained or an existing policy renewed, a certificate evidencing insurance coverage.

Duplicate originals of the policy and of all renewals of the policy shall be furnished to all known institutional mortgagees of Townhomes.

If the Board of Directors decides not to insure the Townhomes or decides to insure the Townhomes in an amount less than that necessary to provide for the full replacement or reconstruction of the damaged improvements taking into account coinsurance provisions, each Owner shall, at the Owner's sole cost and expense, purchase and maintain fire and extended coverage insurance in such amounts as from time to time may be required by the Board of Directors, from a company licensed to do business in the State of New York. Such insurance shall be in the standard New York State form and shall cover loss and damage to the Lot, Townhome (including garage), and all other improvements on the Lot. All insurance policies shall cover the interest of the Owner, the Association, and mortgagees, if any, as their interests may appear.

2. Liability. The liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Owners of Townhomes, but not the liability of Townhome Owners arising from occurrences within such Owner's Townhome or on such Owner's Lot. The policy shall include the following endorsements: (i) comprehensive general liability, (ii) Personal injury, (iii) medical payments, (iv) cross liability and (v) contractual liability.

Until the first meeting of the Board of Directors elected by the Owners, this public liability insurance shall be in a combined single limit of \$1,000,000.00 covering all claims for bodily injury and property damage, with an excess umbrella of \$1,000,000.00.

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

Until the first meeting of the Board of Directors elected by the Owners, the directors' and officers' liability coverage shall be in the amount of \$1,000,000.00.

4. Fidelity Bond. The fidelity bond shall cover all directors, officers and employees of the Association and of the Association's managing agent, if any, who handle Association funds. Until the first meeting of the Board of Directors elected by the Owners, the coverage shall be \$5,000.00 for forgery.

5. Other Insurance. The Board of Directors may also obtain such other insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

6. No Liability for Failure to Obtain Above Coverages. The Board of Directors shall not be liable for failure to obtain any of the coverages required by this Section or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

7. Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense for those claims relating to Association maintenance responsibility. The Board of Directors of the Association shall assess any deductible amount necessitated by the gross negligence or wantonly malicious act of an Owner against such Owner, as well as any deductible amount necessitated by a fire within the Lot Owners dwelling and not caused by the Association's negligence or activities. The Association may pay the deductible portion for which such Owner is responsible, and the amount so paid, together with interest and costs of collection, including attorney's fees, shall be a charge and continuing lien upon the Lot involved, shall constitute a personal obligation of such Owner, and shall be collectible in the same manner as assessments under Article V of this Declaration.

Option to Have Insurance Paid by Lot Owners Directly

The Board of Directors may, at its option, elect to have any insurance which it obtains, paid for directly by the Owners of the Lots rather than from assessments paid to the Association. However, should any Owner fail to pay such Owner's portion of such insurance premium, the Board of Directors may elect to pay such amount on behalf of such Owner in which event such amount so advanced shall be a charge and continuing lien upon the Lot of such Owner and shall also be the personal obligation of such Owner. Such amount shall bear interest and shall be collectible in the same manner as a delinquent assessment as set forth in Section 5.08 of this Declaration.

Section 9.02. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any Townhome, insured through insurance obtained by the Board of Directors, as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property and the Board of Directors, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments; provided, however, that if the Owners of 75% or more of all Townhomes do not duly and promptly resolve to proceed with repair or restoration, the net proceeds of insurance policies, if any, shall be divided among the Townhome Owners in proportion to the damage to their insured property in relation to the total damage to all the insured property, provided, however, that no payment shall be made to a Townhome Owner until there has first been paid out of such Townhome Owner's share of such funds all liens on such Owner's Townhome. In the event that insurance proceeds are, for any reason, insufficient to pay all of the costs of restoring or repairing the property to the same condition as formerly existed, the Board of Directors shall levy a Special Assessment to make up the deficiency against all Owners of the damaged Townhomes in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhome and any negligence which, in the opinion of the Board, contributed to the damage and loss. In the event that insurance proceeds exceed the cost of repair and reconstruction, such expenses shall be paid over to the respective mortgagees and Townhome Owners in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhome and Lot, provided, however, that no part of a distribution that results from an Assessment paid by a Townhome Owner, shall be made to all Townhome Owners and their mortgagees as their interest may appear.

Section 9.03. Insurance Carried by Owners. Owners of Townhomes shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation, and further provided, that the liability of the carriers issuing insurance procured by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by the Owner.

ARTICLE X **GENERAL COVENANTS AND RESTRICTIONS**

Section 10.01. Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development, lease or sale of Lots, no additional sign (other than a professional shingle affixed to the dwelling indicating the name of a firm or person and/or such firm's or person's profession, the materials, size, design, style and color of which shall be approved by the Architectural Committee) or other advertising device of any nature shall be placed for display to the public view on any Lot or other portion of Property, including but not limited to temporary signs advertising property for sale or rent, except with the consent of the Architectural Committee.

Section 10.02. Pets. The Association may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of pets and (ii) prohibit certain types of pets entirely. Pets may be allowed outdoors only when accompanied by a responsible person, and dogs shall be leashed. Provided an Owner obtains the prior written consent of the Association, an underground pet containment system may be installed. Assuming the Owner has installed an underground pet containment system, a pet may be let outdoors within the area of the underground pet containment system in the company of a responsible person, but need not be leashed. No above ground or visible pet containment enclosures shall be permitted. The Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any pet, if, in the opinion of the Association, acting in its sole discretion, such pet is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled. Dogs and cats must be cleaned up after by their owners.

Section 10.03. Protective Screening and Fences. Any screen planting, fence enclosures or walls initially installed by the Sponsor on a Lot or other portion of the Property and not maintained by the Association shall be maintained by the Lot Owner and shall not be removed or replaced with other than a similar type of planting, fence or wall except with the permission of the Architectural Committee. Except for the foregoing, no fence, wall or screen planting of any kind, including but not limited to a visible pet enclosure, shall be planted, installed or erected upon said parcel or other portion of the Property. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

Section 10.04. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in

the open within 24 hours of a scheduled pick-up, at such place on the Lot or other portion of the Property designated by the Association so as to provide access to persons making such pick-up. The Association may, in its discretion, adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

Section 10.05. No Above Surface Utilities Without Approval. No facilities, including without limitation, poles, antennas, dishes or wires for the transmission of electricity, electronic or telephone messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground on any portion of the Property without the prior written approval of the Association.

Section 10.06. Noxious or Offensive Activities. No noxious or offensive activity shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance to the area or to the residents or Owners thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electro-magnetic radiation disturbances, shall be controlled so as not to be detrimental to or endanger the public health, safety, comfort or welfare, be injurious to property, vegetation or animals, adversely affect property values or otherwise produce a public nuisance or hazard or violate any applicable zoning regulations or governmental law, ordinance or code.

Section 10.07. Oil and Mining Operations. No portion of the Property shall be used for the purpose of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth, except soil borings in connection with the improvement of said portion of the Property, and no derrick or other structure designed for use in boring for oil, natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property, except with the consent of the Association.

Section 10.08. Dwelling in Other Than Residential Unit. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Lot or other portion of the Property, except with the consent of the Association.

Section 10.09. Antennas. No outside radio, telegraphic, television or other electronic antenna, dish or other transmitting or receiving device shall be erected on any Lot or other portion of the Property, except with the consent of the Association, which shall be in compliance with Federal regulations.

Section 10.10. Trees and Other Natural Features. After the transfer of title by the Sponsor to any Lot or other portion of the Property, no trees shall be removed from any Lot or portion of the Property, except with the permission of the Association. The Association, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property. The Association may designate certain trees, regardless of size, as not removable without written authorization.

Section 10.11. Use and Maintenance of Slope Control Areas. Within any slope control area shown on any filed map or plat, no improvements, planting or other materials shall be placed or permitted to remain, nor shall any activity be undertaken, which may damage or interfere with established slope ratios, create erosion or sliding problems, change the direction or flow of drainage channels. The slope control areas of any Lot or other portion of the Property and all improvements thereon shall be maintained continuously by the Owner of said Lot or other portion of the Property, except in those cases where a governmental agent or other public entity or utility company is responsible for such maintenance.

Section 10.12. Snowmobiles. No snowmobile or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Association, subject, however, to the Town of Greece Zoning Code and the Parks and Recreation Law of the State of New York.

Section 10.13. Commercial and Professional Activity on Property. No wholesale or retail business, service occupation or home business in conflict with applicable municipal laws and ordinances shall be conducted in or on any Lot or other portion of the Property without the consent of the Association, except by the Sponsor in conjunction with the initial construction, development, lease and sale of Lots, except that Association consent shall not be required for a legal home occupation requiring no visitor parking or employee parking.

Section 10.14. Outside Storage. Outside storage or parking for more than one 72 consecutive hour period per month of commercial or recreational vehicle, unlicensed vehicle, camper, boat, truck or trailer shall be prohibited.

Section 10.15. Outdoor Repair Work. With respect to a Lot or other portion of the Property to which title has been transferred by the Sponsor, no work on any motor vehicles, boats or machines of any kind, other than minor servicing and maintenance, shall be permitted outdoors on such Lot or portion thereof, except with the consent of the Association.

Section 10.16. Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Lots by the Sponsor, or maintenance of the Property, the following shall not be permitted to remain overnight on the Property for more than 72 hours within any month:

- a. any vehicle which cannot fit into a garage of the size constructed by the Sponsor with the Units with the overhead garage door closed;
- b. commercial vehicles of a weight of two (2) tons or more, unless garaged;
- c. unlicensed motor vehicles of any type, unless garaged.

Section 10.17. Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted on the Property unless authorized by the Association.

Section 10.18. Pools. No aboveground or inground pools shall be erected or constructed on the Property.

Section 10.19. Window Projects. No air conditioning unit or other equipment shall hang from or project from the walls or units of the dwelling.

ARTICLE XI
ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 11.01. Declaration Runs With the Land. Each person or entity acquiring an interest in a Lot or other portion of the Property or otherwise occupying any portion of the Property, whether or not the deed, lease or any other instrument incorporates or refers to the Declaration, covenants and agrees for him, her, or itself, and for his, her or its heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration, including personal responsibility for the payment of all charges which may become liens against his property and which become due while he is the owner thereof, and also covenants to incorporate this Declaration by reference in any deed, lease or other instrument further transferring an interest in such Lot or other portion of the Property.

Section 11.02. Enforceability. The provisions of the Declaration shall bind the Property, shall be construed as running with the land and shall inure to the benefit of the Association, which shall be deemed the agent for all of its Members, and may be enforced by any Member or Owner, their respective legal representatives, heirs, successors and assigns, by actions at law or by suits in equity. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of the Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

Section 11.03. No Waiver by Failure to Enforce. The failure of any beneficiary hereof to enforce any provision of the Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or a similar violation occurring prior to or subsequent thereto. No liability shall attach to the Sponsor, the Association, or any officer, director, employee, Member, agent, committee or committee member thereof, or to any other person or organization for failure to enforce the provisions of the Declaration.

Section 11.04. Obligation and Lien for Cost of Enforcement by Association. If the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, (ii) any family member, tenant, guest or invitee of the Owner, (iii) a family member or guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Owner's family or (2) any family member of the tenant of such Owner, such costs shall also be a lien upon the Lot or other portion of the Property owned by such Owner, if any. This paragraph shall not be applicable to any action brought by the Association against the Sponsor.

Section 11.05. Inspection and Entry Rights. Any agent of the Association or the Architectural Committee may at any reasonable time or times, upon not less than 24 hours notice to the Owner, enter upon a Lot or other portion of the Property to inspect the improvements thereon for the purpose of ascertaining whether the maintenance, construction or alteration of structures or other improvements thereon comply with the Declaration, or with rules and regulations issued pursuant hereto. Neither the Association nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

In addition to the above, if the Architectural Committee determines that the Townhome is not being properly maintained, or that it is necessary to trim, cut or prune any tree, hedge or other planting because its location or the height to which, or the manner in which it has been permitted to grow is unsightly, detrimental or potentially detrimental to persons or property, obscures the view of street traffic, or is otherwise in violation of this Declaration, the Association shall notify the Owner of the Lot or other portion of the Property who shall be obliged to remedy the violation. If the Owner fails to remedy the violation within 30 days after such notice is given, then the Association may take such remedial action at the expense of the Owner.

Section 11.06. Default Notices to be Sent to Mortgagees. Each Owner shall notify the Association of the name of the mortgagee of any mortgage on such Owner's Lot. Upon receipt of such notice, the Association shall thereafter endeavor to provide such mortgagee with a duplicate copy of any notice of default sent to such Owner with regard to the violation by such Owner of any provision of this Declaration.

Section 11.07. Amending or Rescinding. Unless otherwise specifically provided for herein, this Declaration may be amended or rescinded upon the consent in writing of the Owners of not less than two-thirds (2/3) of all Lots which are subject to this Declaration. In addition, so long as the Sponsor owns a Lot subject to this Declaration, the written consent of the Sponsor will be required for any amendment which adversely affects the interest of the Sponsor.

In voting for such amendment or rescission, the Members voting rights shall be as set forth in Article III hereof.

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

In addition to the approval of the Lot Owners and Sponsor, as provided for herein, no amendment or rescission which substantially affects the interest of any lending institutions shall become effective if lending institutions, which together are mortgagees on one-third (1/3) or more of the Lots, advise the Association in writing, prior to the date set for voting on the proposed amendment, that they are opposed to such amendment, which opposition must not be unreasonable. Written notice of any proposed amendment or rescission which substantially affects the interest of any lending institution first mortgagee shall be sent to all such lending institution first mortgagees whose names appear on the records of the Association at least 30 days prior to the date set for voting on the proposed amendment or rescission.

Section 11.08. When Amendment or Rescission Become Effective. Any amendment or rescission to this Declaration shall not become effective until the instrument evidencing such change has been duly recorded in the office of the Monroe County Clerk. Such instrument need not contain the written consent of the required number of Owners, but shall contain a certification by the Board of Directors of the Association that the consents required for such amendment have been received and filed with the Board.

Section 11.09. Duration. The provisions of this Declaration shall, unless amended or rescinded as hereinbefore provided, continue with full force and effect against both the Property and the Owners thereof until December 31, 2029, and, as then in force, shall be automatically, and without further notice, extended for successive periods of ten (10) years, except as otherwise set forth herein.

Section 11.10. Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefited or bound by the provisions.

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

In granting any permit, authorization or approval, as herein provided, the Association may impose any conditions or limitations thereon as they shall deem advisable under the circumstances in each case in light of the consideration set forth in the immediately preceding paragraph hereof.

Section 11.11. Conflict with Municipal Laws. The protective covenants, conditions and restrictions set forth herein shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease.

Section 11.12. Change of Conditions. No change of conditions or circumstances shall operate to amend any of the provisions of this Declaration, and the same may be amended only in the manner provided herein.

Section 11.13. Invalidity of Agreement or Declaration. The determination by any court of competent jurisdiction that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE XII **GENERAL**

Section 12.01. Headings and Captions. The headings and captions contained in this Declaration are for convenience only and shall not affect the meaning or interpretations of the content thereof.

Section 12.02. Right Reserved to Impose Additional Protective Covenants. The Sponsor reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 12.03. Notice. Any notice required to be sent to the Sponsor, Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Sponsor, Owner or mortgagee on the records of the Association at the time of such mailing.

Section 12.04. Right of Association to Transfer Interest. Notwithstanding any other provision herein to the contrary, the Association and its successors, shall at all times have the absolute right to fully transfer, convey and assign its right, title and interest under this Declaration to any successor not-for-profit corporation or trust, and upon such assignment the successor corporation or trust shall have all the rights and be subject to all the duties of said Association as set forth in this Declaration and shall be deemed to have agreed to be bound by all provisions hereof, to the same extent as if the successor corporation or trust had been an original party and all references herein to the Board of Directors or Trustees of such successor corporation or trust. Any such assignment shall be accepted by the successor corporation or trust under a written agreement pursuant to which the successor corporation or trust expressly assumes all the duties and obligations of the Association. If the Association, for any reason, shall cease to exist without having first assigned its rights hereunder to a successor corporation or trust, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue and any Owner may petition a court of competent jurisdiction to appoint a trustee for the purpose of organizing a not-for-profit corporation or trust to take over the duties and responsibilities of the entity to exist, subject to the conditions provided for herein with respect to an assignment and delegation to a successor corporation or trust.

Section 12.05. Right of Association To Transfer Functions. Unless otherwise specifically prohibited herein or within the Certificate of Incorporation or By-Laws of the Association, any and all functions of the Association shall be fully transferable in whole or in part to any other homeowners or residents association or similar entity.

BEN-FALL DEVELOPMENT, LLC

By: _____
Marc Fallone, Manager

STONEWOOD MANOR ASSOCIATION, INC.

By: _____
Marc Fallone, President

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

On the ____ day of _____ in the year 2011 before me, the undersigned, a Notary Public in and for said State, personally appeared Marc Fallon, 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.

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

On the ____ day of _____ in the year 2011 before me, the undersigned, a Notary Public in and for said State, personally appeared Marc Fallon, 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.

Schedule A

Stonewood Manor Section 2

**CERTIFICATE OF INCORPORATION
OF
STONEWOOD MANOR ASSOCIATION, INC.**

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

The undersigned, being of the age of 18 years or older, under Section 402 of the Not-for-Profit Corporation Law of the State of New York, hereby certifies:

1. The name of the Corporation is STONEWOOD MANOR ASSOCIATION, INC.

2. The Corporation has not been formed for pecuniary profit or financial gain and no part of the assets, income or profit of the Corporation is distributable to or inures to the benefit of its members, directors or officers. The Corporation shall be a Type A Corporation under Section 201 of the Not-for-Profit Corporation Law.

3. The purposes for which the Corporation is formed are to acquire, construct upon, manage, maintain, care for, preserve, protect and enhance the value of that certain tract of property known as Stonewood Manor Townhomes in the Stonewood Manor Section 2 Subdivision, Town of Greece, County of Monroe, State of New York, and such additions thereto as may hereafter be brought within the jurisdiction of this Corporation and structures, fixtures and improvements thereon, and community facilities and rights, privileges and easements benefiting such property (the "Property") and being initially the premises described in that certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens of Stonewood Manor Association, Inc. and any supplements or additions thereto (the "Declaration") and to promote the health, safety and welfare of the owners of interests in the Property.

4. In furtherance of, and not in limitation of, the purposes of the Corporation, the Corporation shall have all the powers now or hereafter granted to corporations of its type under the Not-for-Profit Corporation Law of the State of New York and any successor statute, including, without limiting the generality of the foregoing, the power to acquire, invest in, hold, sell, exchange and dispose of real and personal property of all kinds and varieties and interests, including security interests and mortgages therein.

5. Nothing herein contained shall authorize the Corporation to undertake or carry on any of the activities specified in Section 404(a)-(u) of the Not-for-Profit Corporation Law of the State of New York, to operate a hospital, drug maintenance program, certified home health agency, health maintenance organization or to provide hospital or health related services, or to offer a comprehensive health services plan as any of the foregoing are respectively defined in Articles 30, 33, 36, and 44 of the Public Health Law.

6. The office of the Corporation will be located in the County of Monroe, State of New York.

7. The Secretary of State is designated as the agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is 1726 Long Pond Road, Rochester, New York 14606.

8. Every person or entity who is a record owner of a fee interest in any Lot in the Property which is subject by covenants of record to assessments by the Corporation, including contract vendors and, in addition, the Sponsor so long as it shall be the record owner of a fee interest in any Lot in the Property, whether or not subject to assessments by the Corporation, shall be a member of the Corporation. The Corporation shall have two (2) classes of membership. No person shall be a member of the Corporation solely on account of ownership of an interest in a Lot in the Property solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot in the Property subject to assessment by the Corporation.

9. The initial directors of the corporation until the first annual meeting are as follows:

Marc Fallone
1726 Long Pond Road
Rochester, New York 14606

Stephen Benedek
1726 Long Pond Road
Rochester, New York 14606

Mario Fallone
1726 Long Pond Road
Rochester, New York 14606

10. Upon dissolution of the Corporation other than incident to a merger or consolidation, no part of the assets of the Corporation nor any of the proceeds thereof shall be distributed to the members, officers or directors of the Corporation as such, but all such property and proceeds shall, subject to the discharge of the Corporation's liabilities, be distributed as directed by the members of the Corporation to a public agency to be used for not-for-profit purposes similar to those for which the Corporation was created or for the general welfare of the residents of the municipality in which the Property is located or to a corporation, association, trust or other organization not organized for profit and operated exclusively for the promotion of social welfare, subject to the approval of a Justice of the Supreme Court of the State of New York.

11. Neither this Certificate of Incorporation nor the Corporation's By-Laws shall be amended in any manner that conflicts with the Declaration.

IN WITNESS WHEREOF, the undersigned has subscribed and affirmed this Certificate as true under the penalties of perjury this March 1, 2010.

A handwritten signature in black ink, reading "Louis M. D'Amato". The signature is written in a cursive style with a large initial "L" and "M".

Louis M. D'Amato
2 State Street, 700 Crossroads Building
Rochester, New York 14614

By-Laws

establishing

Stonewood Manor Association, Inc.

Ben-Fall Development, LLC
1726 Long Pond Road
Rochester, New York 14606

Sponsor

Woods Oviatt Gilman LLP
700 Crossroads Building
Two State Street
Rochester, New York 14614

Attorneys for the Sponsor

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**BY-LAWS
OF
STONEWOOD MANOR ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

SECTION 1.01 Name and Location. The name of the corporation is the STONEWOOD MANOR ASSOCIATION, INC., hereinafter referred to as the “Association”. The principal office of the Association shall be located in the Town of Greece, County of Monroe and State of New York.

ARTICLE II

DEFINITIONS

As used in these By-Laws, the following terms shall have the definitions ascribed to them below:

SECTION 2.01 Association. STONEWOOD MANOR ASSOCIATION, INC., a New York not-for-profit corporation.

SECTION 2.02 Declaration. The document entitled “Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens” imposed by the Sponsor of the Property, as defined below, as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

SECTION 2.03 Lot. Any portion of the Property identified as a separate parcel on the tax records of the Town of Greece or shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as defined in the Declaration.

SECTION 2.04 Member. Every person or entity who is a record owner of a fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract vendors and, in addition, the Sponsor, as that term is defined in the Declaration, so long as it shall be the record owner of a fee interest in any Lot subject to the Declaration, whether or not subject to assessments by this Association. No person, however, shall be a member of the Association solely on account of ownership of an interest in a Lot solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot subject to assessment by the Association.

SECTION 2.05 Property. All property within Stonewood Manor Section 2.

SECTION 2.06 Sponsor. Ben-Fall Development, LLC, its successors and assigns.

SECTION 2.07 Townhome. A single family dwelling on the property that is attached to at least one (1) or more Townhomes by means of a party wall or otherwise.

ARTICLE III

MEMBERS

SECTION 3.01 Membership in the Association. The Members of the Association shall be the Owners of Lots within the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. The Association shall have two (2) classes of Membership. Class A members shall be all Owners of Lots except the Sponsor and the sole Class B member shall be the Sponsor or assignee. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until all Lots owned by Sponsor, including Lots incorporated by subsequent amendment to the Declaration, are transferred by the Sponsor, or until 15 years following the recording of the Declaration, whichever shall first occur. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights.

SECTION 3.02 Right of Sponsor to Assign; Otherwise No Assignment. Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Memberships in the Association shall not otherwise be transferable or assignable.

ARTICLE IV

MEETINGS OF MEMBERS; VOTING

SECTION 4.01 Annual Meeting. There shall be an Annual Meeting of the Members on the first Tuesday of March at 8:00 p.m., or at such other date and time and at such other place convenient to the Members as shall be designated by the Board of Directors, which meeting shall be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the date fixed for the annual Meeting shall be a legal holiday, the meeting shall be held on the first day following, which is not a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

SECTION 4.02 Special Meetings. Special Meetings of the Members may be called at any time by the President or the Board of Directors, and shall be called by the Secretary of the Association at the request in writing of Members of the Association holding not less than the ten percent (10%) of the votes entitled to be cast at the meeting.

SECTION 4.03 Notice of Meetings. Not less than ten (10) days or more than 30 days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member written or printed notice stating the time and place of the meeting and, in the case of a Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail or by presenting it to the Member personally, or by leaving it at such Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the Member at his or her post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person without objection to lack or deficiency of notice prior to the conclusion of the meeting, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, Annual or Special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

SECTION 4.04 Voting Rights. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until all Lots owned by Sponsor are transferred by the Sponsor, or until 15 years following the recording of the Declaration, whichever shall first occur. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights, and each Member shall have one vote, regardless of the number of Lots owned.

SECTION 4.05 Quorum and Vote. The presence in person or by proxy of Members having not less than the lesser of one-half (1/2) or 32 of the total votes of the Membership entitled to vote shall constitute a quorum at any meeting. However, if a meeting cannot be held because a quorum is not present, the majority of the Members present, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours later, until a quorum shall be present in person or by proxy, with the quorum required for each reconvened meeting being one-half (1/2) of the quorum required for the previous meeting, but never less than the lesser of one-tenth (1/10) or 32 of the total votes of the Membership entitled to vote. Directors shall be elected by the affirmative vote of Members entitled to vote and casting a plurality of the vote cast at a meeting of Members. With respect to all acts other than the election of Directors, the act of Members casting a majority of the votes cast at a meeting shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws.

SECTION 4.06 Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

SECTION 4.07 Corporate Members. Any votes of a corporate member may be cast by an appropriate officer of such corporation.

SECTION 4.08 Joint or Common Ownership. Any one (1) joint or common fee owner of a Lot shall be entitled to cast the vote with respect to the Lot so owned, but all such joint or common owners shall together cast only one (1) vote for each Lot conferring voting rights. If the owners are unable to determine how the vote shall be cast, no vote shall be cast.

SECTION 4.09 Absentee Ballots. On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Member intends to vote and that the Member votes for or against the same. Members unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot if so provided by the Board of Directors, or may vote by a proxy which shall be in writing and shall be filed with the Secretary of the Association.

SECTION 4.10 Waiver and Consent. Wherever the vote of the membership is required by law or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

ARTICLE V

BOARD OF DIRECTORS

SECTION 5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5), except that an initial Board of three (3) Directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of transferring title to the first Lot. The initial Board of Directors shall serve until the first annual meeting after the Sponsor no longer has an interest in a Lot then subject to the terms of the Declaration. Directors need not be Members.

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

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

SECTION 5.03 Election. At the first Annual Meeting after the Sponsor relinquishes control of the Board of Directors, that is when it no longer has an ownership interest in a Lot then subject to the Declaration, the Members shall elect three (3) Directors for a term of two (2) years and two (2) Directors for a term of one (1) year. At each Annual Meeting thereafter, the Members shall replace those Directors whose terms have expired and elect such successor Directors for a term of two (2) years. Voting shall be by secret written ballot which shall:

- a. Set forth the number of vacancies to be filled;
- b. Set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- c. Contain space for a write-in for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

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

SECTION 5.05 Removal. At any meeting of Members, duly called at which a quorum is present, the Members may, by the affirmative vote of not less than two-thirds (2/3) of the Members entitled to vote, remove any Director or Directors from office with or without cause and may by plurality vote elect the successor or successors to fill any resulting vacancies for the unexpired term or terms of the removed Director or Directors. In addition the other Directors may, by the affirmative vote of not less than two-thirds (2/3) of the other Directors, declare the position of the Director vacant in the event the person filling such position shall be absent from three (3) consecutive meetings. This paragraph shall not apply to board members appointed by Sponsor.

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

SECTION 5.07 Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice at such places and at such times convenient to the Directors as may be designated from time to time by resolution of the Board of Directors. Should such meeting

date fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 5.08 Special Meetings. Special Meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors after not less than two-(2) days notice to each Director. The person or persons authorized to call such Special Meeting of the Board may fix any place convenient to the Directors as a place for holding such Special Meeting. Any Director may, in writing signed by such Director before or after the time of the Special Meeting stated therein, waive notice of any Special Meeting. The attendance of a Director at any Special Meeting without objection to lack or deficiency of notice prior to the conclusion of such meeting shall constitute a waiver of notice of such Special Meeting. Neither the business to be transacted at, nor the purpose of any Special Meeting need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Certificate of Incorporation of the Association or by these By-Laws.

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

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

SECTION 5.11 Powers of the Board. The Board of Directors may exercise all the powers of the Association, except such as are conferred upon or reserved to the Members by statute or by the Certificate of Incorporation or these By-Laws. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to, the following:

- a. To determine, levy and collect the assessments and common charges as provided for in the Declaration.
- b. To collect, use and expand the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association as permitted by the Declaration.
- c. To procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate

hazard insurance on such of the Association's real and personal properties and the Townhomes as it deems appropriate.

d. To repair, restore or alter the properties of the Association or such other improvements for which the Association may now or hereafter have such responsibility under the Declaration, as amended, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

e. To promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation and use of facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members and to establish and enforce penalties for infractions thereof.

f. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the provisions of the Declaration or of any rules or regulations of the Association.

g. To pay all expenses incurred by the Association and all taxes owing by the Association.

h. To declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors.

i. To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and such other records as it deems appropriate.

j. To issue, or cause to be issued, upon request by any person, an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Lot.

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

l. To dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall, however, require the consent of two-thirds (2/3) of the total votes of all Members at any meeting duly called and held or who shall vote upon written ballot which shall be sent to every Member not less than 30 days nor more than 60 days in advance of the canvass thereof. In addition, no such conveyance shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all

lending institution first mortgagees not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance.

m. To enter into agreements, reciprocal or otherwise, with other homeowners and residents associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than 10 days nor more than 60 days in advance of the vote on the proposed agreement.

n. To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration.

SECTION 5.12 Duties of the Board. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and to regularly present a written report thereon in compliance with New York statutes to the Members at the annual Meeting of the Members, or at any Special Meeting to present a written report only when same is requested in writing by at least one-fourth (1/4) of the Members who are entitled to vote.

b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

c. As more fully provided in the Declaration now or as hereafter amended or supplemented, to:

(1) Fix the amount of Special Assessments and Maintenance Assessments and other assessments to be assessed and levied against each Lot at the time or times and in the manner provided in the Declaration.

(2) Send written notice of each assessment to every owner of a Lot subject thereto at the time and in the manner provided in the Declaration.

(3) Foreclose the lien against any Lot for which assessments are not paid within 30 days after their due date, and to bring an action at law against the Member thereof personally obligated to pay the same.

d. Issue, or cause an appropriate officer to issue, upon demand by any person, a Certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these Certificates. If a Certificate states an assessment has been paid, such Certificate shall be conclusive evidence of such payment.

- e. Procure and maintain adequate liability and hazard insurance for the Association Property, and if it so opts for the Townhomes.
- f. Cause the Association Property, and on the default of the Lot Owner, the exteriors of the Townhomes to be maintained.
- g. Cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate.
- h. Prepare annual finance statements of the Association which are to be mailed to each Member by March 15th of each year.

SECTION 5.13 Performance of Duties: Conflict of Interests. The Directors and Officers of the Association may freely make contracts, enter transactions or otherwise act for and in behalf of the Association relating to or incidental to its operations, notwithstanding the fact that they may also be acting as individuals or as Directors of the Association and as agents for other persons or business concerns or may be interested therein as stockholders of said corporations or business concerns or otherwise, provided, however, that all such dealings shall at all times be at arm's length for and in the best interests of the Association and otherwise lawful.

ARTICLE VI

OFFICERS

SECTION 6.01 Officers. The officers of the Association shall be the President (who shall be a member of the Board of Directors), one (1) or more Vice Presidents (the number to be determined by the Board of Directors), the Secretary and the Treasurer and shall be appointed by the Board of Directors. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority to perform the duties prescribed from time to time by the Board of Directors. Two (2) or more offices may not be held by the same person.

SECTION 6.02 Election. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

SECTION 6.03 Term and Vacancies. The officers of the Association shall be elected annually by the Board of Directors and each shall hold offices until his or her successor shall have been duly elected, unless he or she shall sooner resign, or shall be removed or otherwise be disqualified to serve. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

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

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

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

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

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

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

SECTION 6.10 Compensation. No executive officers of the Association shall receive any stated salary for their services, provided that nothing herein contained shall preclude any executive officer from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE VII

COMMITTEES

SECTION 7.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one (1) or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association provided, however, that no such committee shall have the authority of the Board of Directors to approve an amendment to the Certificate of Incorporation of the Association or to these By-Laws or a plan of merger or consolidation.

SECTION 7.02 Committees of the Association. The committees of the Association shall be the Architectural Standards Committee, the Nominating Committee and such other committees as the Board of Directors shall deem desirable. Each committee shall consist of a chairman and two (2) or more members and shall include a member of the Board of Directors. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration.

SECTION 7.03 Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VIII

FINANCE

SECTION 8.01 Checks. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President or Treasurer and countersigned by one (1) Director of the Association, provided that the President or Treasurer and Director so signing are not the same person.

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

SECTION 8.03 Annual Reports. There shall be a full and correct statement of the financial affairs of the Association including a balance sheet and a financial statement of operation for the preceding fiscal year. Such report shall be submitted at the Annual Meeting of the Members and filed within 20 days thereafter at the principal office of the Association.

ARTICLE IX

BOOKS AND RECORDS

SECTION 9.01 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, Certificate of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE X

CORPORATE SEAL

SECTION 10.01 Corporate Seal. The Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

ARTICLE XI

AMENDMENTS

SECTION 11.01 Alteration, Repeal or Amendment. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of a majority of Members entitled to vote present in person or by proxy or (except as to any matter affecting membership qualifications or voting rights) at any regular or special meeting of the Board of Directors or by the affirmative vote of a majority of the whole Board of Directors.

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

ARTICLE XII

INDEMNIFICATION

SECTION 12.01 Indemnification. To the extent permitted by law, the Association shall indemnify and hold harmless any person made a party to any proceeding by reason of the fact that such person is or was a Director or officer of the Association against any loss or expense incurred by said person by reason of such proceeding, including the settlement thereof, except in relation to matters which such person is adjudicated to be liable for gross misconduct in the performance of that person's duties.

**ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT
ADOPTED BY SPONSOR AND ESCROW AGENT**

AGREEMENT made this 27 day of January, 2011, between Ben-Fall Development, LLC (“SPONSOR”) as Sponsor of the offering plan and Enzo Faga, as attorney, as escrow agent, (“ESCROW AGENT”).

WHEREAS, Sponsor is the sponsor of an offering plan involving the premises located at Aviamore Drive, Greece, Monroe County, New York, which premises are known as Stonewood Manor Section 2; and

WHEREAS, Escrow Agent is authorized to act as an escrow agent hereunder in accordance with General Business Law (“GBL”) Section 352-e(2-b) and the Attorney General’s regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers, pursuant to the terms of this agreement.

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.
 - 1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with HSBC Bank, 19 West Main Street, Rochester, New York 14614. The account number is _____.
 - 1.2 The name of the account is Stonewood Manor Section 2 Escrow Account.
 - 1.3 ESCROW AGENT is the sole signatory on the account.
 - 1.4 The escrow account shall be an IOLA interest-bearing account as disclosed in the offering plan.
 - 1.5 The escrow account is an IOLA Account established pursuant to Judicial Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

- 2.1 All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of Stonewood Manor Section 2 Escrow Account. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT to the terms of this Agreement.
- 2.2 Within ten (10) business days after tender of the deposit submitted with the purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the Offering Plan, provide the account number, and disclose the account as an IOLA Account. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase agreement and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS IF NO LETTER OF CREDIT IS PROVIDED.

- 3.1 ESCROW AGENT shall not release the escrowed funds of the defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until releases pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an

amendment abandoning the plan is accepted for filing by the Department of Law.

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

4. RELEASE OF FUNDS IF LETTER OF CREDIT IS PROVIDED.

- 4.1 The Escrow Agent shall release such funds to the Sponsor, provided the Escrow Agent has documentation showing that the Letter of Credit, or a renewal or replacement Letter of Credit, has been issued and is in effect. The Escrow Agent shall not release funds from escrow, if the Escrow Agent receives notice or information warranting the draw down of the Letter of Credit.

- 4.2 The Escrow Agent as the beneficiary of the Letter of Credit, acting as a fiduciary for the benefit of purchasers under the plan whose funds were released from escrow, shall have the duty and the right to draw upon and collect the proceeds of the Letter of Credit, ten (10) business days after notice to the Sponsor and Sponsor's failure or refusal to restore such funds to the Escrow Agent, without the consent or despite the objection of the Sponsor or the provider of the credit, upon the following events or circumstances:

1. Timely rescission of a purchase agreement by a purchaser pursuant to an offer of rescission contained in the plan or an amendment to the plan;
2. Acceptance for filing by the Department of Law of an amendment abandoning the plan;
3. Determination by the Attorney General mandating that rescission or the return of funds is required;
4. Failure by the Sponsor to obtain a renewal or replacement Letter of Credit no later than sixty (60) days prior to the expiration of the existing Letter of Credit;
5. Direction by the Sponsor upon request of the purchaser;
6. Notice of impending cancellation of the Letter of Credit has been given or received, or the issuer has filed a bankruptcy or insolvency petition or

has been taken over by a federal or state authority, and no proper replacement of the Letter of Credit has been furnished.

- 4.3 In the event of a dispute, the Sponsor shall apply, and the purchaser, the Escrow Agent or the bank issuing the Letter of Credit may apply, to the Attorney General for a determination on the disposition of funds secured by the Letter of Credit, the deposit and any interest earned thereon. Forms for this purpose shall be available from the Department of Law. The party making such application shall contemporaneously send to the other three parties a copy of such application.
- 4.4 Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the purchaser, the Escrow Agent and the bank shall abide by an interim directive issued by the Attorney General.
- 4.5 If the application permitting release of funds is granted, such funds secured by the Letter of Credit, and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.
- 4.6 The Attorney General shall act upon the application within thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.
- 4.7 In no event shall the disputed funds secured by the Letter of Credit be paid to the purchaser nor shall the Letter of Credit be terminated until any dispute is finally resolved either by written agreement of the parties directing payment of the funds, or by a determination of the Attorney General or by order or judgment of a court of competent jurisdiction.

5. RECORD KEEPING.

- 5.1 ESCROW AGENT shall maintain all records concerning the deposits for seven years after release of the funds.
- 5.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.
- 5.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

6. GENERAL OBLIGATIONS OF ESCROW AGENT.

- 6.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.
- 6.2 A fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

7. RESPONSIBILITIES OF SPONSOR.

- 7.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.
- 7.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

8. TERMINATION OF AGREEMENT.

- 8.1 This Agreement shall remain in effect unless and until it is canceled, by either:
- (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
 - (b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
 - (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.
- 8.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in

escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

9. SUCCESSORS AND ASSIGNS.

9.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

10. GOVERNING LAW.

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

11. ESCROW AGENT'S COMPENSATION.

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

12. SEVERABILITY.

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

13. ENTIRE AGREEMENT.

13.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

SPONSOR

Ben-Fall Development, LLC

By: */s/ Marc Fallone*
Marc Fallone, Manager

ESCROW AGENT

/s/ Enzo Faga
Enzo Faga, Esq.

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS**

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: STONEWOOD MANOR ASSOCIATION, INC.

File Number: _____

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

1. Name _____
 of Applicant

2. Address _____
 of Applicant

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

4. This is an application for

 return of down payment.
 forfeiture of down payment.
 other: _____

5. The project is

 newly constructed.
 vacant (as is).

6. The project is structured as an homeowners association.

7. Name and Address of Sponsor:

8. Name and Address of Escrow Agent:

9. If down payments are maintained in an escrow account:

(a) Name of account: _____ ESCROW ACCOUNT

(b) Name and address of bank: _____

(c) Account number (if known) _____

(d) Initial interest rate (if known). Not applicable.
IOLA Account.

10. If down payments have been secured by bonds:

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

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

11. If down payments have been secured by a Letter of Credit:

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

(b) Date of expiration of the Letter of Credit, if known: _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan has been declared effective. Approximate date: _____

has not been declared effective.

(c) If effective, the plan

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

has not closed.

don't know.

(d) Down payments are secured by

escrow account.

bonds.

letter of credit.

13. Contract information:

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

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

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

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

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

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

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

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

Signature: _____ Date: _____

Name
(Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

MANAGEMENT AGREEMENT

AGREEMENT commencing on the day of the first closing of a townhouse unit at Stonewood Manor, by and between STONEWOOD MANOR ASSOCIATION, INC., a New York Not-For-Profit Corporation, herein called the "ASSOCIATION," and NORTHCOAST CORPORATION, a New York Corporation, herein called "NORTHCOAST."

WITNESSETH:

In consideration of the terms, conditions, and covenants hereinafter set forth, the parties hereto mutually agree as follows:

1. **APPOINTMENT.** The ASSOCIATION hereby appoints NORTHCOAST, and NORTHCOAST hereby accepts appointment pursuant to the terms and conditions herein provided, as exclusive managing agent of the ASSOCIATION in the Town of Greece, County of Monroe, State of New York.
2. **LIMITATION OF AUTHORITY.** The authority and duties conferred upon NORTHCOAST herein are confined to the Association Property as defined in the recorded Declaration of Covenants, Conditions, and Restrictions (hereinafter called the "DECLARATION") and the recorded Plat thereof. Such authority and duties do not and shall not include supervision or management of individual houses except with respect to the Rules and Regulations of the ASSOCIATION.
3. **PLANS, SPECIFICATIONS, WARRANTIES.** The ASSOCIATION shall furnish NORTHCOAST with a complete set of the plans and specifications of the community, if available; with the aid of these documents NORTHCOAST will inform itself with respect to the layout, construction, locations, character, plan, and operation of the common areas. The ASSOCIATION shall furnish copies of any and all guaranties and warranties pertinent to the common area and in force at the time of the execution of this Agreement to NORTHCOAST. NORTHCOAST shall have no responsibility for any replacement, repairs, or maintenance of the homes of the members.
4. **NORTHCOAST SERVICES AND DUTIES.** NORTHCOAST shall render services and perform duties as follows:
 - a. **SERVICE REQUESTS.** Maintain businesslike relations with members, whose service requests shall be received, considered, and recorded in systematic fashion in order to show the action taken with respect to each. Complaints of a serious nature shall, after investigation, be reported to the ASSOCIATION's Board of Directors with appropriate recommendations. As part of a continuing program, NORTHCOAST will assist the ASSOCIATION in seeking full performance by members of all items of maintenance for which they are responsible. Members' service requests shall be responded to within fourteen (14) days. If it is not possible to effect the requested repair within fourteen (14) days, the member shall receive a response explaining the reason for the delay.
 - b. **MAINTENANCE STANDARDS.** Assist the Board of Directors of the ASSOCIATION in causing the appurtenances and grounds of the community to be maintained according to standards acceptable to the ASSOCIATION's Board of Directors.

- c. **GOVERNMENT ORDERS AND REQUIREMENTS.** As may be requested or required by the Board, take such action as the Board deems necessary to comply with any and all orders or requirements affecting the premises or improvements placed thereon by any Federal, State, County, or Town authority having jurisdiction thereover, and the Board of Fire Underwriters or other similar bodies. NORTHCOAST shall promptly, and in no event later than seventy two (72) hours from the time of their receipt, notify the President of the ASSOCIATION in writing of all such orders and notices of requirements.
- d. **ASSOCIATION CONTRACTS.** Negotiate all contracts as Agent for the ASSOCIATION for lawn mowing, snow removal, and other necessary services as the Board of Directors may deem advisable. All such contracts shall be made in the name of the ASSOCIATION, may be reviewed by the ASSOCIATION's attorney at the ASSOCIATION's expense, and all contracts valued at five hundred dollars (\$500.00) or more shall signed by an officer of the ASSOCIATION.
- e. **PURCHASES.** NORTHCOAST shall place orders for materials and services as are necessary to properly maintain the community. Expenses incurred for such purchases shall not exceed \$250.00 per occurrence unless specifically authorized by the ASSOCIATION's Board of Directors.
- f. **INSURANCE:**
 - i. **BIDS.** Investigate and seek out bids or quotes from licensed insurers for all necessary forms of insurance as in the opinion of the Board may be required by the Declaration or otherwise be appropriate, including but not limited to public liability insurance and fire and extended coverage insurance on Association Property. All the various types of insurance coverage required shall be placed with such companies, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to the ASSOCIATION's Board of Directors.
 - ii. **CLAIMS.** Investigate and maintain reports of all accidents or claims for damage as reported to it relating to the management, operation, and maintenance of the community, including any damage or destruction thereof and the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.
- g. **RECORDS, FINANCIAL STATEMENTS, AND BUDGET.** Maintain the ASSOCIATION's records, books, and accounts. As a standard practice, NORTHCOAST shall render to the ASSOCIATION quarterly financial statements including a detailed accounting of all bank accounts, an accounts receivable list, and copies of reconciled bank account statements. NORTHCOAST shall also provide quarterly accrual financial statements including a balance sheet, an accounts payable list, and a detailed revenue and expense statement compared to budget. Annually, such records, books, and accounts shall be audited and appropriate tax returns prepared by a Certified Public Accountant, chosen by the ASSOCIATION's Board of Directors, whose report shall be submitted to the ASSOCIATION's Board of Directors. NORTHCOAST shall prepare a draft budget annually for review and approval by the ASSOCIATION's Board of Directors.
- h. **RECEIVABLES.** Collect all quarterly assessments and other charges due the ASSOCIATION. NORTHCOAST shall send a delinquency notice during the first delinquent month for accounts in arrears and shall assist the Board of Directors and the ASSOCIATION's attorney with any necessary collection efforts. NORTHCOAST shall not be required to make phone

calls to delinquent unit owners. All funds received by NORTHCOAST on behalf of the ASSOCIATION shall be deposited in a timely fashion into the ASSOCIATION's bank accounts.

- i. **PROPERTY MANAGER.** Designate one of its employees as property manager for the ASSOCIATION; such employee shall attend quarterly meetings of the Board of Directors (from the time that homeowners are in control of the Board of Directors) and shall also attend the Annual Meetings of the Members of the ASSOCIATION. For additional meetings of the Board with the property manager or with other NORTHCOAST management personnel, NORTHCOAST shall charge the ASSOCIATION at an hourly rate not to exceed \$50.00 per hour, which rate may be lessened or waived depending on the employee, the frequency, location, and/or the time of the day and day of the week of such meeting(s).

5. **AGENCY RELATIONSHIP.** Everything done by NORTHCOAST Corporation under the provisions of Article four (4) shall be done as Managing Agent contracted by the ASSOCIATION, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the ASSOCIATION including but not limited to attorneys fees and/or fees to Certified Public Accountants. NORTHCOAST shall not be obligated to make any advance to or for the ASSOCIATION or to pay any sum, except of funds held or provided as aforesaid, nor shall NORTHCOAST be obligated to incur any liability or obligation for the account of the ASSOCIATION without assurance that the necessary funds for the discharge thereof will be provided. NORTHCOAST shall not reimburse itself for any portion of its overhead expenses, administrative expenses, managerial, or normal secretarial and bookkeeping expenses. However, materials for repairs, postage, long distance telephone calls, and supply expenses are ASSOCIATION expenses and NORTHCOAST is authorized to reimburse itself for such expenses. Charges for copies shall be \$0.10 per side. Bank service charges are ASSOCIATION expenses. If requested, NORTHCOAST shall prepare newsletters arranged them in columns and with the addition of graphics for no additional fee for up to two issues per year if the ASSOCIATION supplies the text in electronic format. Other services, which are not included in the management fee, may be available from NORTHCOAST at fees mutually agreeable to both parties. Examples of such services are substantial negotiations with governmental officials, appearances in courts of law or for depositions on behalf of the ASSOCIATION, assistance with revision of control documents, and preparation of more than two (2) newsletters per year, although there shall not be credits due of one or both newsletters are not published. Charges by NORTHCOAST for preparation of closing packages for property transfers or refinancing (assessment account verifications, bank questionnaires, etc.) are billed to the requesting party (usually the seller).

6. **LIMITATION OF NORTHCOAST'S RESPONSIBILITY: CAPITAL IMPROVEMENTS.** Notwithstanding the provisions of this Agreement regarding NORTHCOAST's general management responsibilities, the services provided by NORTHCOAST do not include research or bidding of new capital improvements. For provision of such services the ASSOCIATION may enter into separate agreements with NORTHCOAST or with any third party.

7. **LIMITATION OF NORTHCOAST'S RESPONSIBILITY: CASUALTY LOSSES:** For casualty losses requiring reconstruction expense of \$1,500.00 or more resulting from a single occurrence, NORTHCOAST shall not be responsible for supervision except as may be mutually agreed by NORTHCOAST and the ASSOCIATION at an additional cost to the ASSOCIATION.

8. **LIMITATION OF NORTHCOAST'S RESPONSIBILITY: MAJOR CONTRACTS:** Notwithstanding the provisions of this Agreement regarding NORTHCOAST's general management responsibilities, the services provided by NORTHCOAST do not include preparation of specifications or bidding of repair or

replacement work (any single project) which project shall incur expense in excess of \$8,000.00.

9. **BANK ACCOUNTS.** NORTHCOAST shall establish and maintain, in a bank or banks whose deposits are insured by an agency of the United States Government, separate bank accounts in the name of the ASSOCIATION for the deposit of monies of the ASSOCIATION, with authority to draw thereon for any payments to be made by NORTHCOAST to discharge any liabilities or obligations incurred pursuant to this Agreement and for payment of NORTHCOAST's fee, unless NORTHCOAST receives written notice to the contrary from the Board of Directors. In case of a dispute over NORTHCOAST's fee, both parties hereby covenant to agree to the decision of an arbitrator including determination of responsibility for the cost of such arbitration.
10. **FIDELITY BONDS.** NORTHCOAST shall maintain a fidelity bond in the principal amount of not less than two hundred fifty thousand dollars (\$250,000) throughout the term of this agreement. NORTHCOAST agrees to furnish the Board of Directors with a certificate of such insurance with the ASSOCIATION named as a certificate holder and entitled to receive not less than ten (10) days notice of any cancellation of such insurance. The ASSOCIATION shall also maintain a fidelity bond in an amount sufficient to cover all cash on hand.
11. **FEES.** The compensation, which NORTHCOAST shall be entitled to receive for services performed under this agreement, shall be a fee payable monthly, in advance, as follows: \$26.00 per unit per month for closed units and units rented by the Sponsor, if any.

These fees increase by 1.5% for the second year of this agreement.

12. **INDEMNIFICATIONS:**

- a. **NORTHCOAST INDEMNIFIES ASSOCIATION.** NORTHCOAST agrees to indemnify and hold harmless the ASSOCIATION from any claim or loss arising from personal injury, bodily injury, or property damage caused by the negligence of NORTHCOAST, its agents, or employees in the performance of its operations. NORTHCOAST agrees to defend promptly and diligently, at its sole cost and expense, any such claim, action, or proceeding brought against the ASSOCIATION even if such claim is asserted after the term of this Agreement.
 - b. **ASSOCIATION INDEMNIFIES NORTHCOAST.** The ASSOCIATION agrees to indemnify and hold harmless NORTHCOAST from any claim or loss arising from personal injury, bodily injury, or property damage by reason of cause other than NORTHCOAST's negligence either on or about the ASSOCIATION's premises or elsewhere. The ASSOCIATION agrees to defend promptly and diligently, at its sole cost and expense, any such claim, action, or proceeding brought against NORTHCOAST even if such claim is asserted after the term of this Agreement.
13. **INSURANCE.** The ASSOCIATION and NORTHCOAST shall carry liability insurance coverage in an amount not less than one million dollars (\$1,000,000) and the ASSOCIATION shall have its policy endorsed to name NORTHCOAST as an additional insured.

14. TERMINATION:

- a. TERM. This Agreement shall be effective as of the date described above and unless terminated as provided below shall continue in effect for two (2) years.
- b. EARLY TERMINATION:
 - (i) MUTUAL CONSENT. This Agreement may be terminated by mutual consent in writing of the parties hereto as of the end of any calendar month.
 - (ii) UNILATERALLY BY NORTHCOAST. Upon thirty (30) days written notice prior to the completion of the first year of this agreement, NORTHCOAST may terminate or renegotiate this agreement if less than 10 houses are, at that time, included in the Association.
 - (iii) BANKRUPTCY. In the event a petition of bankruptcy is filed by or against NORTHCOAST or the ASSOCIATION or in the event that either party shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party may terminate this Agreement without notice to other. In the event this Agreement is terminated pursuant to this subparagraph, the ASSOCIATION shall immediately and automatically have a lien upon all funds held by NORTHCOAST for the benefit of the ASSOCIATION in accordance with the terms of the Agreement. The ASSOCIATION's Board of Directors shall have the right and power to do all things necessary for the enforcement and foreclosure of said lien;
 - (iv) BREACH AND CURE. In the event of a material breach of this Agreement by NORTHCOAST or the ASSOCIATION, the party believing the Agreement to have been breached shall give written notice thereof to the other party and if such breach is not cured within a period of thirty (30) days following the receipt of such notice then the aggrieved party may cancel this Agreement. Notwithstanding the foregoing, a party shall not be deemed in breach hereof so long as it has attempted to commence the cure thereof in good faith but is prevented from doing so by acts of God, acts of government, or, without limitation by reason of the foregoing enumeration, other circumstances beyond its control. The delay caused by such events shall be added to the thirty (30) day period.

In the event this Agreement is canceled pursuant to this paragraph, the Agreement shall be null and void and neither party shall have further rights against the other, except that all funds held in a fiduciary capacity by either party shall be returned to their proper owner, with a full and proper accounting therefore, and NORTHCOAST shall deliver to the Association the originals and copies of the Association's books and records in its possession.

15. DEFINITIONS:

- a. The term "assessments" shall mean those monthly or quarterly rates, or one-time charges, established by the ASSOCIATION's Board of Directors which the members are bound to pay as their share of common expenses under the Declaration.
- b. The term "ASSOCIATION" means, as used herein, a corporation existing of all of the owners of houses in the community, organized and existing under the laws of the State of New York.

16. BOILERPLATE

- a. **BINDING AGREEMENT.** This Agreement shall inure to the benefit of and constitute a binding obligation upon the contracting parties, their respective successors and assigns.
- b. **ENTIRE AGREEMENT.** This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement, and shall be construed according to New York State Law.
- c. **TWO ORIGINALS.** For the convenience of the parties, the Agreement has been executed in several counterparts, which are in all respects similar and each of which is deemed to be complete in itself so that any one may be introduced in evidence for any other purpose without the production of the other counterpart.
- d. **CAPTIONS.** The captions used in this agreement are intended merely as a convenience and may not be interpreted to alter the meaning of the remainder of the text.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective the day and year first above written.

STONEWOOD MANOR ASSOCIATION, INC.

Date: _____ By: _____
Marc Fallone, President

NORTHCOAST CORPORATION

Date: 02 NOV 10 By: 
William G. Tomlinson, PCAM®, President

SPONSOR'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

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

We are the Sponsor and the principals of the Sponsor of the Stonewood Manor Association, Inc. Offering Plan.

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

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

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

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

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

(iii) not omit any material fact;

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

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

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

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

We certify that the rights-of-way, sanitary sewers and water lines, when constructed, will be in accordance with local government specifications. If the construction of the above public improvements has not been completed prior to conveyance to the Town of Greece, a bond or letter of credit will be posted with the Town, or other adequate security will be provided in an amount to

be determined by an engineer licensed to practice as a professional engineer in the jurisdiction where the Association is located, which amount shall not be less than the amount required to complete such construction to required specifications.


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

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

Dated: Jan 27, 2011

Ben-Fall Development, LLC

By:

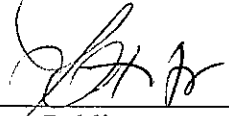


Marc Pallone, Manager



Marc Pallone

Sworn to before me this
21 day of Jan., 2011



Notary Public

LOUIS M. D'AMATO
Notary Public, State of New York
Qualified in Monroe County
No. 01DA4954365
Commission Expires August 7, 2013

ARCHITECT'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 Stonewood Manor Association, Inc. retained me firm to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by LaDieu Associates PC dated July 7, 2008 and prepared the Report dated August 10, 2010, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a licensed architect in the State where the property is located.

I understand that I am 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.

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

I certify that the Report:

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

(ii) in my 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 I examined;

(iii) does not omit any material fact;

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

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

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

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

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the development of the property as part of Stonewood Manor 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: Jan 28 2011



Alfred P. Arilotta
NYS Licensed Architect
Lic. No. 018859-1

affix license seal here

Sworn to before me this
28 day of January 2011

Anne M. Chiruck
Notary Public

ANNE M. CHIRUCK
Notary Public, State of New York
Member No. 01CH0151421
Commission Expires 11-08-13

NorthCoast CORPORATION

339 East Avenue, Suite 302-4
Rochester NY 14604-2693

William G. Tomlinson, PCAM®, President
Office: 585. 797.0830, Extension 201
Fax: 585. 797.0832
E-mail: bill@northcoastcorp.com

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 Stonewood Manor Association, Inc. offering plan retained NorthCoast Corporation to prepare Schedule A containing projections of income and expenses for the first year of operation of the homeowners association. NorthCoast Corporation is managing agent for nine community associations, ranging in size from 30 to 236 units. William G. Tomlinson, president of NorthCoast Corporation, is a Professional Community Association Manager certified by Community Associations Institute, and has been in the community association management business for 34 years.

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

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

We certify that the Schedule:

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

29 October 2010

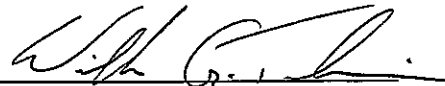
Page 1 of 2

- (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.

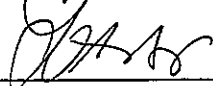
We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of operation as a homeowners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

NorthCoast Corporation

By: 
 William G. Tomlinson, PCAM®
 President

Sworn to before me this
 29nd day of October 2010.



 Notary Public

LOUIS M. D'AMATO
 Notary Public, State of New York
 Qualified in Monroe County
 No. 01DA4954365
 Commission Expires August 7, 2013

*** THIS SECTION IS CURRENT THROUGH CH. 45, 04/30/2003 ***
*** WITH THE EXCEPTION OF CHS. 1-3 ***

GENERAL BUSINESS LAW

ARTICLE 36-B. WARRANTIES ON SALES OF NEW HOMES

NY CLS Gen Bus § 777 (2003)

§ 777. Definitions

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unliveable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of

completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

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

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the

builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing

merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777-b. Exclusion or modification of warranties

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited

warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other

warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.