

OFFERING PLAN
FOR
CONVERSION OF EAGLE APARTMENTS
TO CONDOMINIUM OWNERSHIP
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PART 1**INTRODUCTION**

David B. Liese, 2591 Spencerport Road, Spencerport, New York 14559, hereinafter referred to as the "Sponsor", presents herewith an offering plan (the "Plan") for the sale of condominium units in the Eagle apartment complex located at 6082, 6084, 6086 and 6090 Brockport-Spencerport Road in the Town of Sweden, Monroe County, New York. The land, buildings and appurtenances are hereinafter sometimes referred to as the "Property". The condominium is or will be known as the Eagle Condominium and is hereinafter sometimes referred to as the "Condominium." A Site Plan showing the perimeter boundary lines of the Condominium and the buildings and other major improvements may be found at the end of this Plan. A detailed description of the Property may be found at Part III of this Plan.

Twenty-two (22) residential dwelling units (the "Units") are offered for sale. The Units are currently occupied by tenants. Prospective purchasers are referred to page 23 of this Plan for a discussion of rights of present tenants.

FEATURES OF CONDOMINIUM OWNERSHIP

The ownership of a condominium Unit is similar in many respects to the ownership of a private home. Each Owner of a Unit (the "Unit Owner") owns title to his Unit and is entitled to exclusive possession of it. Each Unit Owner is privileged to mortgage his Unit or not, as he sees fit, and in such amount as he chooses. Each Unit is separate and shall not be subject to mortgages on other Units.

A Unit Owner may sell his Unit to anyone without restrictions or limitation. Each Unit Owner will be solely responsible for the maintenance of his Unit and he may decorate it as he desires. His Unit will be taxed as a separate tax lot for real estate tax purposes, just as a private home, and he will incur no tax liability if the Owners of other Units fail to pay their taxes. Under present income tax laws, if a Unit Owner itemizes deductions, he may deduct from his income, for income tax purposes, the real estate taxes and the interest paid on the mortgage(s) on his Unit. See opinion of Sponsor's counsel on page 19 of this Offering Plan.

In addition, a Unit Owner also owns, in common with the Owners of all other Units, an undivided interest in all parts of the Property other than the Units ("common elements"). The percentage interest of each of the Units in the common elements is set forth in the Schedule on page 6 of this Offering Plan. The percentage interests were arrived at by determining the approximate square footage of the various Units in relation to the square footage of all Units. Percentage interests in the common elements may only be altered with the consent of all Unit Owners and mortgage holders affected.

Each Unit Owner will have the right to vote annually for the election of members of the Board of Managers, who will supervise the Property and manage the affairs of the Condominium.

CLC/MS

The Board of Managers will assess every Unit Owner in proportion to his interest in the common elements for the operating costs of the Property (all such expenses being referred to herein as either "common charges" or "common expenses"). A Unit Owner may not exempt himself or herself from responsibility for common charges by waiving use of the common areas.

The cost of repairs, replacements, and improvements of the common elements will be a common expense. Repairs, replacements, improvements and decorations to the Unit will be under the control and at the expense of the Unit Owner.

Under the New York State Condominium Act, a condominium unit may be owned by an individual, a corporation, a partnership or a trust.

The cash prices for the Units are listed on the Schedules on pages 6 and 7 of this Plan. This Schedule has been prepared for the 22 Units.

The agreement to purchase a Unit is called a "purchase agreement" and may be found in Part II of this Plan beginning at page 53.

The Declaration (the instrument which will create the Condominium) (see page 67 of this Plan) and the By-Laws governing the operation of the Condominium (see page 97 of this Plan) can be found in Part II of this Plan. Each Unit Owner and occupant must abide by the covenants and restrictions set forth therein, as well as any Rules and Regulations adopted by the Board of Managers.

Under this Plan, the purchaser of a Unit may elect to finance a portion of the purchase price or pay all cash. Details of the financing are set forth on page 21 of this Plan.

Part III of the Plan contains a report of the condition of the Property made by an independent engineer.

Parts I, II and III together constitute the entire Plan. All the documents referred to in this Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him or her with a copy of this Plan.

THE PROPERTY

The Eagle Apartment complex (the "Property") was constructed in 1967 and 1968 and is situated on approximately one acre of land on the northwest corner of Brockport-Spencerport Rd. (Rt. 31) and Owens Road. The Property will collectively be known as the Eagle Condominium.

The Buildings and the Units

The Condominium is comprised of five buildings, each containing from 4 to 5 residential Units (see Site Plan at the end of this Plan). All 22 Units are "garden apartment" type Units having one floor of living space. There is one studio apartment Unit, three one-bedroom Units, seventeen two-bedroom Units and one three-bedroom Unit.

Each Unit has a living room, dining area and kitchen except Unit #5 in Building No. 1, which has a living/dining room combination, and the studio apartment Unit in Building No. 3 (Unit #5), which has a living/dining/bedroom combination. Each Unit has one bathroom except Units #1 and #2 in Building No. 1, which have two bathrooms each.

All first floor Units have patios, and all second floor Units have or will have balconies. The studio apartment Unit in Building No. 3 has neither a patio nor a balcony.

The Buildings are designated as follows:

<u>Building</u>	<u>Address</u>
- Building No. 1 (5 Units)	6090 Brockport-Spencerport Road
- Building No. 2 (4 Units)	6088 Brockport-Spencerport Road
- Building No. 3 (5 Units)	6086 Brockport-Spencerport Road
- Building No. 4 (4 Units)	6084 Brockport-Spencerport Road
- Building No. 5 (4 Units)	6082 Brockport-Spencerport Road

All buildings have common hallways and stairways which are part of the common elements of the Condominium.

Each Unit Owner will be assigned one garage and one enclosed storage area by the Condominium Board of Managers. The garages and storage areas are located in the basements of all five buildings, although certain Unit Owners may be assigned a garage and/or storage area in a building other than that in which his or her Unit is located. Such assignments are in the sole discretion of the Board of Managers.

Water will be supplied to each Unit and to the common elements by the Sweden-Ogden Water District and will be paid for by the Board of Managers as a common expense. Gas is supplied by Rochester Gas and Electric Company, and Unit Owners will be separately metered and billed directly for their consumption. Electricity for each Unit is also separately metered, and Unit Owners will be directly billed by Niagara Mohawk Power Corporation. Gas and electricity for the common elements will be paid for by the Condominium as a common expense.

Equipment in the Units

Each Unit except the studio apartment is furnished with a range, range hood, refrigerator, garbage disposal, dishwasher, wall-to-wall carpeting and air conditioning unit. The studio apartment contains a range, range hood, refrigerator and wall-to-wall carpeting. Smoke detectors will be installed in the living room of each Unit. Each Unit will also be provided with its own gas heating unit and hot water tank in the basement. The heating units, hot water tanks and separate gas meters for each apartment are currently being installed and will be completed prior to the conveyance of title to the first Unit by the Sponsor. Each Unit will also have its own thermostat, doorbell, intercom and mailbox.

Dimensions of the Units

Each Unit is measured horizontally from the unexposed faces of the drywall at the exterior walls of the building to the unexposed faces of the drywalls dividing the Units from the stairhalls or other Units; vertically each Unit consists of the space between the upper face of the sub-floor and the upper face of the drywall ceiling.

Doors, windows and interior walls which abut a Unit are part of the Unit. All pipes, wires and conduits from the gas and electric meters to the Unit are part of the Unit. Air conditioning units, heating units and hot water tanks are deemed part of the Unit and shall be the responsibility of the Unit Owner.

Laundry

A coin-operated washer and dryer is located in the basement of each building. These machines are owned by Zacruth, Inc. and are operated on the premises pursuant to a lease executed by the Sponsor. This lease shall bind the Condominium until June 1, 1990, and the Condominium shall be entitled to 30% of the gross receipts from the machines.

Basements

Each building has a basement containing garage spaces, storage areas, a central vacuum unit, and a laundry/utility room. A recreation room is located in the basement of Building 4.

Parking

There are twenty-two garage spaces located in the basements of the buildings, as well as sufficient paved parking areas on the Property to accommodate 25 additional automobiles. There are therefore at least two automobile parking places for each Unit. Except for the garage spaces, parking spaces shall be general common elements, and individual parking spaces shall not be initially designated for use of occupants of specific Units. The Board of Managers of the Condominium may assign such spaces if the Board determines such assignment to be appropriate or necessary in the future.

Utilities

Water is supplied to the area by the Sweden-Ogden Water District, telephone service is supplied by the Rochester Telephone Corporation, gas service is supplied by the Rochester Gas & Electric Company, and electricity is supplied by the Niagara Mohawk Power Corporation. The Property is within the Sweden-Ogden Sewer District and is connected to the public sewer system.

Refuse Disposal

Refuse disposal is provided by Bestway Refuse Service in accordance with a contract with the Sponsor which extends through December, 1982. (See footnote 5 on page 10 of this Offering Plan.) There are garbage cans located in each of the five buildings, and Bestway picks up refuse from these cans on a weekly basis.

Surrounding Area and Facilities

The nearest shopping facility is the Big N Plaza, located approximately one mile from the Property. It includes supermarkets, banks, a drugstore and other stores and services.

The Property is located in the Brockport Central School District, and the public school which services the area is Brockport Central School. There are also a number of parochial schools in the area. The State University of New York at Brockport is two miles away. The Sponsor makes no representation that anyone residing on the Property can be enrolled in any of such schools.

The Lakeside Memorial Hospital is located on New York Route 31 (West Avenue), approximately two and one-half miles west of the Property.

The area in which the Property is located is protected by the Brockport and New York State Police Departments and the Brockport Volunteer Fire Department.

Houses of worship representing all denominations are within two miles of the Property.

Public transportation is provided by the Rochester-Genesee Regional Transportation Service and Greyhound Bus Lines.

SALES PRICES AND ESTIMATED MONTHLY CHARGES

The following pages 6 and 7 contain Schedules A and B which set forth the sales prices and estimated monthly charges for the Units.

Schedule A (see page 6) applies to tenants and non-tenants during the first 90 days the Units are offered for sale. Tenants, however, have the right to purchase the unit which they occupy at these prices for the duration of the 90 day period. (See page 23 of this Offering Plan.) These prices are \$2,500.00 lower than the prices at which Units will be offered after the initial 90 day period. Non-tenants who contract to purchase a Unit occupied by a tenant during this 90 day period will purchase subject to the purchase right of the tenant of such Unit.

Schedule B (see page 7) applies to tenants and non-tenants after the expiration of the 90 day period described on page 23 of this Plan.

The Units are offered to both tenants and non-tenants in an "as is" condition. The Sponsor will also offer new refrigerators, ranges, garbage disposals and dishwashers to purchasers at a price to be negotiated at the time of contract.

Individual Unit prices are negotiable. In order to meet the particular requirements of prospective purchasers or for any other reason, the Sponsor reserves the right, without altering the total amount of space contained in the Unit, to change the price of any Unit for which a purchase agreement has not been executed by the purchaser or with respect to which the purchaser is in default. Notwithstanding the right to change prices herein reserved, no prices may be increased nor may there be an overall decrease in prices except by duly filed amendment to this Plan.

Schedule A
(as-is condition)
(See page 8 for footnotes)

THE EAGLE CONDOMINIUM
SALES PRICES AND ESTIMATED MONTHLY CHARGES
BASED ON SALES TO TENANTS AND NON-TENANTS DURING
FIRST 90 DAYS OF OFFERING ONLY

(Sales Prices Include Right to Use One Garage Parking Space)
(Figures Set Forth Below are Based on a Closing Date of September 1, 1983)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
UNIT DESIG- NATION	EST. SQ. FT. AREA (A)	ROOMS/ BATHS (B)	% INT. IN COMMON ELEMENTS (C)	SALE PRICE (D)	EST. MONTHLY/ YEARLY COMMON CHARGE (F)	EST. MONTHLY/ YEARLY REAL ESTATE TAX (G)	EST. MONTHLY/ YEARLY CARRYING CHARGE (H)	EST. YEARLY INCOME TAX DEDUC- TION (NO MORT. INVOLVED) (I)	EST. HEATING COST (MONTHLY) (J)
Building 1, Unit.... (6090 Brookport- Spencerport Road)	1 859 706 611 654	6/2 5/2 4/1 4/1 4/1	6.02 4.64 3.81 3.30 3.53	48,000.00 40,000.00 36,000.00 36,000.00 36,000.00	82.27/987.28 63.41/760.96 52.07/624.84 45.10/541.20 48.24/578.92	62.69/752.22 48.51/582.12 39.17/469.98 34.76/417.06 37.28/447.30	144.96/1,739.52 111.92/1,343.04 91.24/1,094.88 79.86/958.32 85.52/1,026.24	752.22 582.12 469.98 417.06 447.30	82.50 65.50 53.00 47.00 50.00
Building 2, Unit.... (6088 Brookport- Spencerport Road)	1 891 891 891 891	5/1 5/1 5/1 5/1 5/1	4.80 4.80 4.80 4.80 4.80	39,000.00 39,000.00 39,000.00 39,000.00 39,000.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52	607.32 607.32 607.32 607.32 607.32	68.00 68.00 68.00 68.00 68.00
Building 3, Unit.... (6086 Brookport- Spencerport Road)	1 891 891 891 352	5/1 5/1 5/1 5/1 2/1	4.80 4.80 4.80 4.80 1.90	39,000.00 39,000.00 39,000.00 39,000.00 9,000.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20 25.97/311.60	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32 17.85/214.20	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 43.82/525.84	607.32 607.32 607.32 607.32 214.20	68.00 68.00 68.00 68.00 30.00
Building 4, Unit.... (6084 Brookport- Spencerport Road)	1 891 891 891	5/1 5/1 5/1 5/1	4.80 4.80 4.80 4.80	39,000.00 39,000.00 39,000.00 39,000.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52	607.32 607.32 607.32 607.32	68.00 68.00 68.00 68.00
Building 5, Unit.... (6082 Brookport- Spencerport Road)	1 891 891 891	5/1 5/1 5/1 5/1	4.80 4.80 4.80 4.80	39,000.00 39,000.00 39,000.00 39,000.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52	607.32 607.32 607.32 607.32	68.00 68.00 68.00 68.00

Notes: There are no vacant apartments as of May 1, 1983.

1400
28
2400
350

1983/09/16
16-4-59, 22

Schedule B
(as-is condition)
(See page 8 for footnotes)

THE EAGLE CONDOMINIUM
SALES PRICES AND ESTIMATED MONTHLY CHARGES
BASED ON SALES TO TENANTS AND NON-TENANTS AFTER
FIRST 90 DAYS OF OFFERING ONLY

(Sales Prices Include Right to Use One Garage Parking Space)
(Figures Set Forth Below are Based on a Closing Date of September 1, 1983)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
UNIT DESIG- NATION	EST. SQ. FT. AREA (A)	ROOMS/ BATHS (B)	% INT. IN COMMON ELEMENTS (C)	SALE PRICE (E)	EST. MONTHLY/ YEARLY COMMON CHARGE (F)	EST. MONTHLY/ YEARLY REAL ESTATE TAX (G)	EST. MONTHLY/ YEARLY CARRYING CHARGE (H)	EST. YEARLY INCOME TAX DEDUC- TION (NO MORT. INVOLVED) (I)	EST. HEATING COST (MONTHLY) (J)
Building 1, Unit.... (6090 Brockport- Spencerport Road)	1 859 706 611 654	6/2 5/2 4/1 4/1 4/1	6.02 4.64 3.81 3.30 3.53	50,500.00 42,500.00 38,500.00 38,500.00 38,500.00	82.27/987.28 63.41/760.96 52.07/624.84 45.10/541.20 48.24/578.92	62.69/752.22 48.51/582.12 39.17/469.98 34.76/417.06 37.28/447.30	144.96/1,739.52 111.92/1,343.04 91.24/1,094.88 79.86/958.32 85.52/1,026.24	752.22 582.12 469.98 417.06 447.30	82.50 65.50 53.00 47.00 50.00
Building 2, Unit.... (6088 Brockport- Spencerport Road)	1 891 891 891 891	5/1 5/1 5/1 5/1 5/1	4.80 4.80 4.80 4.80 4.80	41,500.00 41,500.00 41,500.00 41,500.00 41,500.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52	607.32 607.32 607.32 607.32 607.32	68.00 68.00 68.00 68.00 68.00
Building 3, Unit.... (6086 Brockport- Spencerport Road)	1 891 891 891 352	5/1 5/1 5/1 5/1 2/1	4.80 4.80 4.80 4.80 1.90	41,500.00 41,500.00 41,500.00 41,500.00 11,500.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20 25.97/311.60	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32 17.85/214.20	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 43.82/525.84	607.32 607.32 607.32 607.32 214.20	68.00 68.00 68.00 68.00 30.00
Building 4, Unit.... (6084 Brockport- Spencerport Road)	1 891 891 891	5/1 5/1 5/1 5/1	4.80 4.80 4.80 4.80	41,500.00 41,500.00 41,500.00 41,500.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52	607.32 607.32 607.32 607.32	68.00 68.00 68.00 68.00
Building 5, Unit.... (6082 Brockport- Spencerport Road)	1 891 891 891	5/1 5/1 5/1 5/1	4.80 4.80 4.80 4.80	41,500.00 41,500.00 41,500.00 41,500.00	65.60/787.20 65.60/787.20 65.60/787.20 65.60/787.20	50.61/607.32 50.61/607.32 50.61/607.32 50.61/607.32	116.21/1,394.52 116.21/1,394.52 116.21/1,394.52 116.21/1,394.52	607.32 607.32 607.32 607.32	68.00 68.00 68.00 68.00

Note: There are no vacant apartments as of May 1, 1983.

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FOOTNOTES

- (A) Square footage figures are approximate. They were determined by calculating the net usable area in each Unit, including hallways and closets, but excluding walls.
- (B) Each 6-room Unit includes kitchen, living room, dining room, and three bedrooms; each 5-room Unit includes kitchen, living room, dining room, and two bedrooms; each 4-room Unit includes kitchen, living room, dining room, and one bedroom; each 2-room Unit includes kitchen and a living/dining/bedroom combination.
- (C) Based on approximate square footage of the Unit in relation to approximate total square footage of all Units (18,555 square feet).
- (D) For tenants and non-tenants during first 90 days of offering. See page 5 for a discussion of sales prices and price changes. Closing costs and \$150.00 contribution to condominium working capital fund will be extra. See pages 25-28.
- (E) For tenants and non-tenants after first 90 days of offering. See page 5 for a discussion of sales prices and price changes. Closing costs and \$150.00 contribution to condominium working capital fund will be extra. See pages 25-28.
- (F) Based on estimate for first year of condominium operations. See page 9 of this Offering Plan for discussion of first year condominium budget.
- (G) Based on each Unit's proportionate share of total real estate taxes. Estimates based on 1983 Monroe County Tax and 1982-83 and projected 1983-84 School Tax. County Tax for the complex was \$4,371.93 for 1982 and \$4,792.98 for 1983. School Tax for the complex was \$7,901.65 for 1981-82 and \$7,642.16 for 1982-83 (1982-83 School Tax rate was \$121.69/\$1000.00). Projected 1983-84 School Tax is \$7,800.00, based on prior years. Taxes are subject to increase in following years, and may be increased upon transfer from the Sponsor. (See page 49.)
- (H) Total of Columns 6 and 7. If mortgage loan is obtained in conjunction with purchase, the carrying charges will be increased by the amount of the mortgage payments.
- (I) If the Unit is owner-occupied and is not financed by an interest-bearing loan, the only tax deductible item will be real estate taxes. Hence, this column simply sets forth the estimated first year's deduction for real estate taxes. (See (G) above.) If a mortgage or other interest-bearing loan is used to finance the purchase, the amount of the tax deduction will increase. Also, if the Unit is held by the purchaser as income-producing property, the purchaser may be able to deduct other items, although the Sponsor expresses no opinion in this regard. Each purchaser is advised to consult with his or her tax advisor.
- (J) Individual heating units, hot water heaters and gas meters for all apartments have been, and continue to be, installed by the Sponsor. Such new equipment will be completed for every Unit on or before the date the first condominium Unit is conveyed by the Sponsor to a purchaser. The estimates set forth in column 10 are approximate projections only, and were supplied by Rochester Gas and Electric Corporation. See "Sponsor's Comment on Energy Costs" on page 11 of this Plan.

**ESTIMATE OF FIRST YEAR ANNUAL EXPENDITURES,
INCOME AND RESERVE FUNDS OF THE EAGLE CONDOMINIUM (1)**
(Estimated First Year of Operations:
September 1, 1983 - August 31, 1984)

INCOME:

Common Charges (22 Units)	\$16,400.00
Laundry (2)	830.00
Bank Interest	<u>50.00</u>

Total Income:\$17,280.00EXPENSES:

Utilities:

- Water (3)	\$1,310.00
- Electricity (4)	3,000.00

Maintenance:

- Refuse Removal (5)	990.00
- Snow Removal (6)	864.00
- Lawn, Grounds (7)	924.00
- Repairs and Maintenance (8)	928.00
- Cleaning (common halls, basement) (9)	1,200.00
- Miscellaneous (10)	500.00

Insurance (11) 1,464.00

Legal and Audit (12) 800.00

Supplies (13) 400.00

Management (14) 1,650.00

Community Associations Institute
Membership (15) 200.00

Income Tax (16) 50.00

Contingent Reserves (17) 3,000.00Total Expenses:\$17,280.00

FOOTNOTES

- (1) This estimate of operating expenses has been made by the Sponsor. This is an estimate of the Condominium's projected income and expenses, based on the first year of operations commencing on or about September 1, 1983. It cannot be construed as an assurance of final expenses, and is merely based on information available at this time.
- (2) Estimate of laundry income is based on income previously received by Sponsor, pursuant to contract with the owner of the washers and driers on the premises, Zacruth, Inc. Pursuant to that contract, the Condominium will be entitled to 30% of the gross receipts from the machines. See page 4 of this Plan.
- (3) Based on Sponsor's average annual cost for water over the past three years (\$1,091.35, broken down as follows: \$947.58 for 1980, \$1,068.92 for 1981 and \$1,257.56 for 1982), plus 20% for inflation.
- (4) Based on Sponsor's average annual cost for electricity over the past three years (\$1,997.47, broken down as follows: \$1,640.14 for 1980, \$2,101.98 for 1981 and \$2,250.28 for 1982), increased as follows: (a) 30% to account for electric heat of common hallways, based upon Niagara Mohawk Power Corporation estimate; and (b) 20% for inflation.
- (5) Based upon Sponsor's cost for refuse removal for the past year, pursuant to contract with Bestway Refuse Service.
- (6) Based upon Sponsor's cost for removal of snow and ice from driveways, walkways and parking areas during the winter of 1981-82 (\$720.00), plus 20% for inflation.
- (7) Based on Sponsor's cost for maintenance of lawn and grounds during 1981, plus 20% for inflation.
- (8) Based on Sponsor's expenses for miscellaneous repairs, including repairs to driveways and parking areas, during 1981 (\$690.00), plus 20% for inflation, plus \$100 for unanticipated items.
- (9) Sponsor's estimate of projected cost of cleaning common halls and basements by employees of the Sponsor (\$100 per month). No minimum wage laws will be violated thereby.
- (10) Includes other minor miscellaneous repairs, based on Sponsor's past experience.
- (11) Estimated cost of (a) fire and casualty insurance covering units for their full replacement cost (not including contents and improvements made by Unit Owners) (\$795,000.00); (b) liability insurance covering common elements; (c) directors' and officers' liability coverage; (d) surety bond; and (e) workmen's compensation insurance. Binders will be presented to unit purchasers at closing as proof that this coverage is in place. Written estimate was obtained from Grimaldi, Hart & Keenan Agency, 360 Delaware Avenue, Buffalo, New York. See page 38 of this Offering Plan for further details of insurance coverage.

FOOTNOTES (cont'd)

- (12) Based upon past experience of Sponsor's budget consultant, who currently manages several other condominium and townhouse communities. Extraordinary legal expenses, such as litigation or amendment of Declaration, will cause this figure to increase.
- (13) Includes miscellaneous office and maintenance supplies, postage, etc., based on Sponsor's previous experience.
- (14) Based upon written contract to be entered into with the Sponsor for management of the Condominium for the first year of operations. See page 47 of this Offering Plan. This is based upon \$6.25 per Unit per month. This figure may increase in subsequent years if another managing agent is hired, as many independent condominium managers in Western New York may charge in excess of \$10.00 per Unit per month.
- (15) Membership fee, plus funds for publications and/or attendance at educational programs. The Community Associations Institute (CAI) is a not-for-profit organization comprised of members of various groups involved in the creation and operation of community associations, including condominium associations.
- (16) Estimated tax on interest income.
- (17) Yearly reserve to be accumulated for replacement or repair of capital items, based upon present condition as described in Part III of this Plan. No assurance is given that this amount if collected annually, will be sufficient to fully fund these repairs.

SPONSOR'S COMMENT ON ENERGY COSTS

The Sponsor has obtained estimates from Rochester Gas and Electric Corporation that the yearly per-Unit cost for heat and hot water will be approximately as set forth in column 10 of the schedules found on pages 6 and 7 of this Plan. This is based upon current gas rates, assuming a heating season of approximately seven months.

This is only an approximation, since (1) energy consumption may vary greatly, depending on the apartment's occupants and weather conditions, and (2) the apartment complex has used one master gas meter since the buildings were originally constructed. The Sponsor is arranging for new individual heating units, hot water tanks and gas meters to be installed for each apartment, a process which has been commenced and will be completed prior to the first Unit closing. Thereafter, more accurate estimates of unit-by-unit energy consumption will be possible. Moreover, each Unit Owner will then be able to control both his gas and electricity consumption and the resulting costs incurred.

In accordance with the trend of recent years, it should be expected that utility costs will increase in the future. In addition, the effect of inflation, severe weather, fuel shortages and other factors may raise the cost of fuel substantially higher than the current rate. The Sponsor advises that these and other factors beyond the Sponsor's control could substantially affect the utility costs in subsequent years.

May 18, 1983

CERTIFICATION RE BUDGET : EAGLE CONDOMINIUM, TOWN
OF SWEDEN, NEW YORK

The Sponsor of the Condominium offering plan for the captioned property retained our firm to review or prepare a budget containing projections of income and expenses for the first year of Condominium operations. My experience in this field includes:

I have held the position of Purchasing Agent, and, as such have been responsible for the preparation of cost estimates and project budgets in the Ransom Oaks Planned community in the Town of Amherst, NY.

I am presently engaged as Property Manager for 188 townhouse units in the area of Charlesgate Village, East Amherst, NY; for 82 townhouse units in Forest Edge in East Amherst, NY; for 30 townhouse units in West Ferry Village in the City of Buffalo, NY; for 289 condominium units in Oakbrook, Williamsville, NY; for 50 condominium units in Stoneledge in Williamsville, NY; for two new townhouse developments, one being Harbour Pointe in the City of Buffalo, NY and in Evergreens in East Amherst, NY; for 58 condominium units at 800 West Ferry in the City of Buffalo, NY; for 52 condominium units at Williamsville Towers in Williamsville, NY; and for 96 townhouse units at Harrogate Square in Williamsville, NY.

I am a member of the Community Associations Institute (CAI) and have served as President and Treasurer of the Board of Directors of the Western New York Chapter.

I am a member and now serving on the Board of Directors of the Niagara Frontier Builders Association (NFBA) affiliated with the New York State Builders Association and the National Association of Home Builders.

I have been designated by the National Association of Home Builders, as a Registered Apartment Manager (RAM).

I am licensed to sell real estate in the State of New York having held such licence for 16 years.

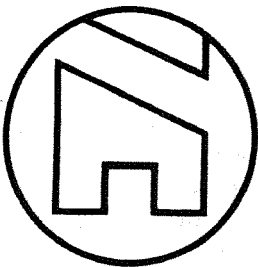
I am also engaged in the residential and light commercial contracting business.

I understand that I am responsible for complying with Article 23 A of the General Business Law and the regulations promulgated by the Department of Law in Part 19 insofar as they are applicable to said budget.

I have reviewed the budget projected for September 1, 1983-August 31, 1984 and investigated the facts set forth in the budget and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

continued -

EDWARD J. ZABEL, JR., INC.
Property Management



I certify that the projections in said budget appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of Condominium operations,

I certify that, based upon the foregoing and the facts presented to me, the budget:

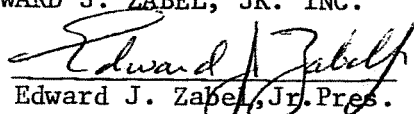
- i. sets forth in detail the projected income and expenses for the first year of Condominium operations;
- ii. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of Condominium operations;
- iii. does not omit any material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

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan.

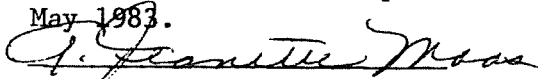
This statement is not intended as a guarantee or warranty of the income and expenses for the first year of Condominium operations, since the possibility exists of unforeseeable changes in the economy, or increase or decrease in the expenses of operations. It may be expected, based upon current trends, that such items as maintenance repair and other related expenses will be subject to periodic changes. Moreover, Condominium owners are apt to expect more in terms of maintenance and upkeep of the property than was the case when the complex was operated on a rental basis. Although the estimates I reviewed are, in my opinion, reasonable for the adequate maintenance of the property, it is possible that the future unit owners may wish to increase maintenance expenditures therefor.

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

EDWARD J. ZABEL, JR. INC.

By 
Edward J. Zabel, Jr. Pres.

SUBSCRIBED AND SWORN TO
before me this 18th day of
May 1983.



A. JEANETTE MAAS OIMA 4635808
Notary Public, State of New York
Qualified in Erie County
My Commission Expires March 30, 1984

BRIAN SUTTON
CERTIFIED PUBLIC ACCOUNTANT
5024 DEWEY AVENUE
ROCHESTER, NEW YORK 14612

(716) 621-6568

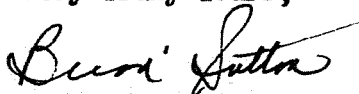
February 26, 1983

D. Liese Associates, Inc.

I have examined the excerpted income statements for Eagle Apartments per your request. The statements covered the ten months ended 9/30/80, the twelve months ended 9/30/81, the twelve months ended 9/30/82 and the three months ended 12/31/82. I did not examine the financial statements of D. Liese Associates, Inc. taken as a whole, so therefore cannot express an opinion on them.

Based on my review of the income statements and the tests performed, it is my opinion that they fairly represent the cost of operations for the Eagle Apartments and were prepared in accordance with generally accepted accounting principles.

Very Truly Yours,



Brian Sutton, CPA

D. Liese Associates Inc.
 Excerpt for Eagle Apartments
 For the Three Months Ended 12/31/82

Rental Income		\$19,524.00
<u>Operating Expenses</u>		
Professional Fees	125.00	
N.Y. Franchise Tax	175.00	
Insurance	483.00	
Rochester, Gas & Electric (Gas)	3,493.00	
Niagara Mohawk (Electric)	691.00	
Water	384.00	
Refuse Removal	193.00	
Maintaince, Repairs & Supplies	1,194.00	
Property Taxes	3,004.00	
Interested Expense	8,018.00	
Miscellaneous Expense	9.00	
Depreciation	<u>2,572.00</u>	
Total Operating Expense		<u>20,341.00</u>
Net Income		<u>(817.00)</u>

D. Liese Associates Inc.
Excerpt for Eagle Apartments
For the Year-ended 9-30-82

Rental Income		\$73,896.00
<u>Operating Expenses</u>		
Professional Fees	250.00	
N.Y. Franchise Tax	682.00	
Insurance	1,662.00	
Rochester, Gas & Electric (Gas)	9,858.00	
Niagara Mohawk (Electric)	2,208.00	
Water	1,397.00	
Refuse Removal	835.00	
Maintenance, Repairs, & Supplies	3,009.00	
Property Taxes	12,155.00	
Interest Expense	32,299.00	
Miscellaneous Expenses	404.00	
Depreciation	<u>10,242.00</u>	
Total Operating Expenses		<u>75,001.00</u>
Net Income		<u>(1,105.00)</u>

D. Liese Associates, Inc.
Excerpt for Eagle Apartments
For the Year-ended 9-30-81

Rental Income		\$68,572.00
<u>Operating Expenses</u>		
Professional Fees	192.00	
N.Y. Franchise Tax	655.00	
Insurance	1,162.00	
Rochester, Gas & Electric (Gas)	7,903.00	
Niagara Mohawk (Electric)	2,047.00	
Water	985.00	
Refuse Removal	760.00	
Maintenance, Repairs & Supplies	7,036.00	
Property Taxes	11,988.00	
Interest Expense	32,636.00	
Miscellaneous Expense	131.00	
Depreciation	<u>10,242.00</u>	
Total Operating Expenses		<u>75,737.00</u>
Net Income		<u>(7,165.00)</u>

D. Liese Associates, Inc.
Excerpt for Eagle Apartments
For the 10 Months Ended 9-30-80

Rental Income		\$49,747.00
<u>Operating Expenses</u>		
Professional Fees	146.00	
N.Y. Franchise Tax	585.00	
Insurance	697.00	
Rochester, Gas & Electric (Gas)	5,979.00	
Niagara Mohawk (Electric)	1,317.00	
Water	765.00	
Refuse Removal	653.00	
Maintenance, Repairs & Supplies	3,606.00	
Property Taxes	9,962.00	
Interest Expense	24,991.00	
Miscellaneous Expense	178.00	
Depreciation	<u>8,520.00</u>	
Total Operating Expenses		<u>57,399.00</u>
Net Income		<u>(7652.00)</u>

ALBRECHT, MAGUIRE, HEFFERN & GREGG, P. C.
ATTORNEYS AT LAW

RALPH J. GREGG
GEORGE M. ZIMMERMANN
JAMES M. BEARDSLEY*
DAVID C. HORAN*
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PHILIP JOHN SZABLA
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BRUCE S. ZEFTEL
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THOMAS R. BEECHER, JR.
CARLTON S. MOORE, JR.
COUNSEL

April 18, 1983

* ADMITTED IN NEW YORK AND FLORIDA

David B. Liese
2591 Spencerport Road
Spencerport, New York 14559

Dear Mr. Liese:

In response to your request for our opinion as to various matters in conjunction with your proposed conversion of the Eagle Apartments to the condominium form of ownership, please be advised as follows:

Taxation of Unit Owners: Under the provisions of Sections 163 and 164 of the Internal Revenue Code of 1954 as amended and Section 615 of the New York State Tax Law, each unit owner who itemizes his income tax deductions will be entitled to deduct from his gross income for federal and New York State income tax purposes the real estate taxes assessed against his unit, and paid by him, and the amount paid on account of interest on any mortgage indebtedness covering such unit. See Revenue Ruling 64-31 (1964-1 Cumulative Bulletin Part I 300). No opinion is expressed as to the effect of either Federal or New York State income tax laws regarding tax preference or minimum tax on the foregoing deductions or on the unit owner's income tax liability. It is suggested that unit owners consult their respective tax counsel for advice regarding tax preference items or minimum tax.

We also advise you that unit owners who are veterans of the United States Armed Forces may be entitled to a veteran's exemption covering a portion of the real estate taxes assessed against their respective units. It is suggested that unit owners who are veterans inquire at the Town of Sweden Assessor's Office promptly after closing to determine whether or not they qualify for a veteran's exemption.

Taxation of the Condominium: We call your attention to Section 528 of the Internal Revenue Code which contains provisions exempting certain condominiums from federal income tax on funds retained in the condominium account at the end of the condominium's fiscal year if:

1. 60% or more of the condominium's gross income in the fiscal year consisted of membership dues, fees or assessments from unit owners; and
2. 90% or more of the condominium's expenditures in the fiscal year were for the acquisition, construction, management or maintenance and care of the condominium property; and

Page 2

3. except for 2 above, no part of the net earnings of the association inures to the benefit of the unit owners; and
4. no part of the net earnings of the condominium, not used for the purposes set out in 2 above or rebated to the unit owners, inures to the benefit of any private individual or member; and
5. the condominium elects to take the exemption provided.

Based on our review of the estimates of projected income and expenses which you have submitted to us and which we understand you will include in your offering plan for the sale of these units, we are of the opinion that the condominium will be eligible for tax exempt status should it elect to take such exemption. We suggest, however, that specific reference be made to the actual text of Section 528 prior to making any decisions which could have an impact on the taxability or the extent of taxability of the condominium. We also bring to your attention that interest income earned on condominium funds and any income not received from membership dues, fees or assessments will be taxable to the condominium whether or not tax exempt status under Section 528 is obtained and that the condominium must file a tax return even though it may qualify for tax-exempt status. We further advise you that we are making no opinion as to the taxability or effect of any income to the condominium from the sale or lease of units acquired through the foreclosure of a lien for non-payment of common charges.

Certificates of Occupancy: There are Certificates of Occupancy for the residential buildings comprising the Eagle Apartment complex permitting occupancy of 22 residential units. The Town of Sweden Building Inspector has advised us that there are currently certain violations of the New York State Building Construction Code of record, which apparently came about during the course of your recent improvements to the premises. You have informed us that these violations will be corrected within the next 30 days.

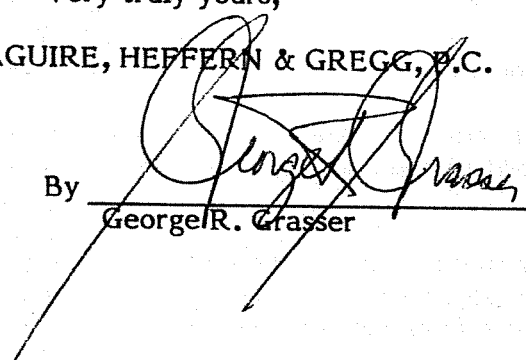
Compliance with Zoning Ordinances: We have been advised by the Town of Sweden Building Inspector that the improvements on the premises comprising the Eagle Apartment complex and the use of such improvements for residential purposes are in accordance with the Town of Sweden Zoning Ordinance.

You are authorized to include this letter in the Offering Plan submitted to the New York State Department of Law.

Very truly yours,

ALBRECHT, MAGUIRE, HEFFERN & GREGG, P.C.

By


George R. Grasser

PURCHASER MORTGAGES

The Sponsor is endeavoring to make arrangements with mortgage lenders to have mortgage funds available for purchasers of Units. If the Sponsor receives a binding written commitment from a mortgage lender for individual Unit mortgages, the Sponsor will amend this Offering Plan, disclosing the terms and conditions of the mortgages that will be available. The Sponsor anticipates that loans granted to individual Unit purchasers will be for up to 80% of the purchase price of the Unit. The loans will bear interest at the rate in effect at the time application is made for such loans, at the time the commitment is granted, or at the time the transaction closes. Each mortgage loan will be for a term of up to 30 years. The mortgage lender may offer alternatives to the conventional constant amortization mortgage, such as renegotiable rate mortgages and variable rate mortgages. Before making any decision on the type of mortgage financing to obtain, purchasers are advised to meet with representatives of lending institutions to learn what forms of mortgage loans are available and how they differ. The granting of such loans will be subject to the approval of the credit of the purchaser and will likely be contingent upon the Sponsor entering into contracts to sell a minimum number of Units. If a mortgage loan is required by the purchaser, such loan may be obtained from any source approved by the Sponsor, which approval will not be unreasonably withheld. If the purchaser does not receive a commitment for a mortgage loan within 60 days from the date of execution of the sale contract by the purchaser and the purchaser so notifies the Sponsor in writing within five (5) days after the expiration of said 60 day period, the purchase agreement will terminate and be null and void and all deposits made by the purchaser thereunder will be refunded, with interest, unless the Sponsor elects, by written notice to the purchaser, given within 15 days after expiration of said 60 day period, to provide such loan, by itself or through its designee. If such election is made, the loan will be for a term, and in an amount, set forth in the purchase agreement executed by the purchaser and the Sponsor and will be substantially upon the terms and conditions specified in the usual form of notes and mortgages used by any major institutional lender in the Rochester area. In addition, the purchaser will receive and be required to sign a "Disclosure Statement" conforming to Regulation Z under the Federal Truth in Lending Act. The loan will bear interest at a rate not greater than one percent per annum higher than the rate indicated in the purchase agreement, i.e. ___% or the prevailing rate in effect at such time by savings banks in the Rochester area for loans of this type at the time of the Sponsor's election to provide such loan. However, if the rate proposed to be charged by the Sponsor is higher than the rate indicated in the purchase agreement, the purchaser may, within five (5) days after receiving notice of Sponsor's election to make such loan, notify Sponsor that such interest rate is not acceptable, in which event the purchase agreement shall terminate automatically and the Seller shall cause the downpayment to be returned to the purchaser, with interest.

Each initial mortgage loan will close simultaneously with the closing of title to the Unit and proceeds thereof will be applied on account of the purchase price of the Unit. Unless the Sponsor elects to make the loan by notice as above stated, given within the aforementioned 15 day period, the purchase agreement will be deemed terminated and null and void and all deposits made by the purchaser thereunder will be refunded, with interest.

There is no assurance that the Sponsor will make any loans available and its election to do so shall be entirely within its discretion.

A purchaser, as mortgagor, will be required to bear the cost of title insurance for the mortgagee and the mortgage tax, recording fees, and any other expenses incurred with regard to the individual Unit loan, including fees imposed by the mortgagee in payment of its counsel's fees and otherwise. See page 25 for typical closing costs.

SUBMISSION OF PROPERTY TO CONDOMINIUM OWNERSHIP

The Declaration submitting the Property to Article 9-B of the Real Property Law of the State of New York and the By-Laws of the Condominium will be recorded in the Monroe County Clerk's Office prior to the conveyance of the first Unit. A set of floor plans of the buildings on the Property, showing the layouts, locations and approximate dimensions of the Units and the Unit designations, certified as conforming to the official tax lot number for each Unit, also will be filed in the Monroe County Clerk's Office at such time. Copies of the floor plans, the Declaration, the By-Laws and all related documents will also be on file at the office of the Sponsor's attorney (see page 48 of this Plan) and may be examined by tenants and other prospective purchasers.

The Property will become a condominium upon the recording in the Monroe County Clerk's Office of the Condominium Declaration and By-Laws together with the filing of the floor plans of the buildings with the Monroe County Clerk.

DATE OF EFFECTIVENESS OF THIS PLAN

This Plan will be declared effective by duly filed amendment. The Declaration and By-Laws will not be recorded and the closing of title to Units will not take place unless and until the Plan has been declared effective.

The Sponsor will not declare the Plan effective until purchase agreements have been signed for at least 15% of the Units by either tenants or bona fide purchasers who represent an intent to reside in the Unit. (Tenants who are related to or employed by the Sponsor will not be counted in determining when this level of sales has been reached.) When this quota has been achieved, this Plan will be declared effective at the Sponsor's option, but the Sponsor must declare this Plan effective upon sale of 50% of the Units. This Plan may be abandoned by the Sponsor at any time prior to being declared effective. However, if the Plan is not declared effective within 18 months from the date of acceptance for filing, then the Plan shall be deemed abandoned, void and of no effect. If the Plan is abandoned or deemed abandoned, all purchasers will be promptly notified and all monies paid by them under their respective purchase agreements will be promptly returned to them with interest. When this Plan is effective, all purchasers will be promptly notified. If title to a Unit has not been conveyed to a purchaser within twelve (12) months after the date of the purchase agreement between the Sponsor and the purchaser (except where such failure is due to the default of the purchaser) unless there is an adjourned date which has been agreed upon by both the Sponsor and the purchaser, then the purchaser shall have the right to cancel his purchase agreement upon written notice given to the Sponsor and upon such cancellation the Sponsor shall return any monies paid under the terms of the purchase agreement, with interest.

RIGHTS OF PRESENT TENANTS

Purchase Right

Each tenant in occupancy of a Unit at the date of initial presentation of the Offering Plan will have the right to purchase the Unit occupied by the tenant in an "as is" condition for a period of 90 days from such date for the prices shown in Schedule A on page 6. Purchasers who become tenants during the 90 day period will be entitled to purchase at the prices in effect for other tenants at such time and will have this purchase right for the remainder of the 90 day period.

The Sponsor has the right to offer Units to non-tenants during this initial period for the same prices set forth on Schedule A. Unless the tenant in occupancy of the Unit contracted for by the non-tenant provides the Sponsor with a written waiver of the right to purchase, the contract for such Unit will not become final until the end of the 90 day period for tenants. The Sponsor will promptly notify the tenant in occupancy if a non-tenant contracts to purchase the Unit occupied by such tenant during the 90 day period.

After the expiration of the initial 90 day period, any tenants or non-tenants contracting to purchase Units will pay the prices set forth on Schedule B on page 7.

Occupancy Rights of Tenants

A non-purchasing tenant in occupancy of an apartment at the date of initial presentation of this Plan shall be entitled to remain in possession (except for nonpayment of rent or similar justifiable reasons ordinary to landlord rights) until such tenant's lease expires or, if such lease expires within four months from the date of presentation of this Plan, until the last day of the fourth month following the date of presentation of this Plan, and in any event until at least June 30, 1983. Unless otherwise agreed upon, the tenant, with the consent of the owner of the apartment (including the Sponsor) shall be permitted to remain in occupancy after the expiration of the tenant's lease. Unless a new lease is entered into between the owner of the apartment and the tenant, the occupancy shall be month to month at the rent currently paid unless the owner of the apartment increases the rent.

RIGHTS AND DUTIES OF NON-OCCUPANT PURCHASERS

Purchasers who are not tenants of the Unit which they are purchasing should examine all the terms of the lease, if any, in effect for the Unit being purchased including the expiration date. Copies of all leases in effect at the date of presentation of the Plan are available for examination by prospective purchasers. A schedule setting forth the Units and the expiration dates of leases in effect as of the initial date of this offering is included at the end of this Plan. A purchaser of a Unit which is occupied by a non-purchasing tenant may, at such purchaser's expense, obtain possession by eviction proceedings after the expiration of the tenant's right to possession. No representation can now be made as to whether a purchaser may gain possession of a Unit, or, if possession may be obtained, as to the length of time which may elapse before a final court judgment is granted or as to the length of time which may elapse before possession is obtained, or as to the expense which a purchaser may incur in pursuing eviction proceedings.

A purchaser of a Unit occupied by a tenant will purchase subject to: (a) the terms and conditions of the existing tenancy, (b) the terms and conditions of this Plan, and (c) applicable provisions of New York State law then in effect. A non-occupant purchaser will be required to pay to the Board of Managers the common charges and expenses for his Unit, whether such common charges and expenses are greater or less than the rent received from the tenant in occupancy. Such purchaser will also be responsible for all the obligations of the landlord under the lease or tenancy of the tenant. The purchaser will have the further obligation of repair, replacement and maintenance of the plumbing fixtures, refrigerator, range, lighting fixtures and other equipment in the Unit, as well as painting of the Unit. Purchasers of Units occupied by tenants should consult their attorneys with respect to their rights and obligations.

If a Unit is purchased by a non-occupant purchaser, the Sponsor will, in accordance with Article 7, Title 1 of the General Obligations Law of New York, transfer to the purchaser any security deposit, including any interest earned on such security deposit, which the Sponsor has previously received from the tenant in occupancy, if any. The purchaser will then be obligated to hold the deposit in accordance with the provisions of said Article 7, Title 1.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute a purchase agreement in triplicate in the form contained herein, starting at page 53, and return it to the office of the Sponsor together with a check for a downpayment in the amount of \$1,000.00 drawn to the order of "Eagle Escrow Account."

A list of vacant Units will be available upon request of the Sponsor for examination by tenants. A tenant who desires to purchase a Unit other than the Unit occupied by such tenant, may submit a signed purchase agreement in the form beginning on page 53 for the other Unit(s) (the "Substitute Unit(s)") provided that the purchase agreement is accompanied by a check for a downpayment in the amount of \$1,000.00 for the Substitute Unit(s). Should the Substitute Unit be purchased by the tenant thereof within the initial 90-day period described above, the downpayment will be returned. Purchase agreements for Substitute Units will be received and acted upon by the Sponsor on a "first come, first served" basis. Any tenant who desires to avail himself of the right to purchase a Substitute Unit(s) shall give notice to the Sponsor in the form of a letter sent by registered mail or certified mail, return receipt requested. In the event of a dispute, priority will be given to the tenant whose letter bears the earliest governmental postmark. In the event no distinction between postmarks can be determined, priority will be given to the tenant who has been a tenant for the longest period. Purchase agreements for occupied Substitute Unit(s) will be subject to the rights of the occupant under the lease or tenancy for the Unit.

TRUST FUNDS

The Sponsor will hold all monies received by it, directly or through its agents, employees or escrow agent in trust in interest bearing "passbook" rate (currently 5-1/2% per annum) special accounts (the "Eagle Escrow Accounts") in the Monroe Savings Bank (3228 Chili Avenue, Rochester, New York 14624)

until actually employed in connection with the consummation of this Plan. When title to a Unit closes (and not before such time, except in the event of a default by the Purchaser), the Escrow Depository shall pay to the Sponsor all the monies held by the Escrow Depository for the Purchaser's account. If the Purchaser at the time specified for closing, or any adjourned time for closing, fails to pay the balance of the purchase price or otherwise defaults and if such default shall continue for 30 days after notice from the Sponsor of the Sponsor's intention to cancel the purchase agreement, the Sponsor shall have the right to cancel the purchase agreement and direct the Escrow Depository to pay to the Sponsor as liquidated damages (not to exceed 10% of the contract purchase price) all payments made by the Purchaser and then held by the Escrow Depository. The Purchaser shall also be responsible for the amount agreed upon for any "optional extras" performed or installed by the Sponsor.

If title to a Unit has not been conveyed to the Purchaser within twelve (12) months after the date of the purchase agreement between the Sponsor and the Purchaser (except where such failure is due to the default of the Purchaser), unless the purchase agreement provides otherwise or there is a mutually agreeable adjourned date, then the Purchaser may cancel his purchase agreement and if he does so, the Escrow Depository will be directed to refund to the Purchaser in full, with interest, all monies paid by the Purchaser under his purchase agreement. The Escrow Depository will disburse the escrow funds in accordance with the provisions of this paragraph only on instructions of counsel to the Sponsor. The amounts paid by the Purchasers will be handled in accordance with Section 352 (h) and 352 (e)2b of the New York General Business Law. The Sponsor also agrees to pay such interest on deposits as a court may consider just and proper as part of an order granted pursuant to Section 354 of the General Business Law.

FINANCIAL FEATURES

Pages 6 and 7 of this Plan set forth the purchase price of each Unit. If all the Units are sold at the prices offered as shown in Schedule B, their aggregate purchase price to the Sponsor will be \$884,000.00.

Closing Costs and Expenses

If the purchaser desires to have an owners' title insurance policy insuring the title to his Unit, the scheduled premium therefore is \$80.76 plus \$6.46 per thousand for each \$1,000.00 or portion thereof above \$5,000.00 up to \$50,000.00, with lesser increments thereafter. If the purchaser will be obtaining mortgagee title insurance and owner's title insurance at the same time, a simultaneous rate is available which significantly lowers the premium for the owner's (fee) policy. The examples of estimated closing costs, shown below, are based on such a simultaneous rate. Each purchaser will be required to pay the cost of recording the deed which will be approximately \$13.00 and the cost of New York State deed tax stamps at the rate of \$2.00 for each \$500.00 of the amount, arrived at by taking the purchase price and deducting therefrom the amount of any mortgage indebtedness of the Sponsor assumed by the purchaser.

In addition, each purchaser will be responsible for payment of the fees of his own attorney, if any.

The purchaser will also be required to reimburse the Sponsor for any mortgage tax credit he or she may receive pursuant to Real Property Law, Section 339-ee(2).

A purchaser who elects financing may be required to make an escrow deposit for real estate taxes or other expenses, as required by the lender.

If a purchaser elects financing from a lending institution, he will be required to pay the fee of said institution's attorney.

Examples of Estimated Closing Costs

On a purchase price of \$48,000.00 and purchase money mortgage of \$38,400.00, a purchaser can expect to pay the following estimated closing fees and expenses: New York State deed tax stamps (\$192.00); recording of deed (\$13.00); recording of mortgage (\$40.00); a fee title insurance premium (\$168.00); mortgagee title insurance premium (\$250.00); New York State mortgage tax (\$263.00); mortgagee's attorneys fees (\$384.00); judgment search (\$15.00).

On a purchase price of \$40,000.00 and a purchase money mortgage of \$32,000.00, a purchaser can expect to pay the following estimated closing fees and expenses: New York State deed tax stamps (\$160.00); recording of deed (\$13.00); recording of mortgage (\$40.00); a fee title insurance premium (\$150.00); mortgage title insurance premium (\$213.00); New York State mortgage tax (\$215.00); mortgagee's attorneys fees (\$320.00); judgment search (\$15.00).

On a purchase price of \$36,000.00 and purchase money mortgage of \$28,800.00, a purchaser can expect to pay the following estimated closing fees and expenses: New York State deed tax stamps (\$144.00); recording of deed (\$13.00); recording of mortgage (\$40.00); a fee title insurance premium (\$138.00); mortgagee title insurance premium (\$197.00); New York State mortgage tax (\$191.00); mortgagee's attorneys fees (\$288.00); judgment search (\$15.00).

On a purchase price of \$39,000.00 and a purchase money mortgage of \$31,200.00, a purchaser can expect to pay the following estimated closing fees and expenses: New York State deed tax stamps (\$156.00); recording of deed (\$13.00); recording of mortgage (\$40.00); a fee title insurance premium (\$143.00); mortgage title insurance premium (\$213.00); New York State mortgage tax (\$209.00); mortgagee's attorneys fees (\$312.00); judgment search (\$15.00).

On a purchase price of \$9,000.00 and a purchase money mortgage of \$7,200.00, a purchaser can expect to pay the following estimated closing fees and expenses: New York State deed tax stamps (\$36.00); recording of deed (\$13.00); recording of mortgage (\$40.00); a fee title insurance premium (\$61.00); mortgage title insurance premium (\$83.00); New York State mortgage tax (\$29.00); mortgagee's attorneys fees (\$200.00); judgment search (\$15.00).

Adjustments at Closing for Common Charges, Taxes and Rents

Real estate taxes for each Unit for the tax year in which title closes and the estimated common charges and expenses for each Unit (see Schedules on pages 6 and 7 of this Plan) for the month in which title closes will be apportioned between the Sponsor and the purchaser of each Unit as of the date of closing of title. In the event that a Unit has not been separately assessed on the closing date for the then current tax fiscal year, the apportionment of real estate taxes shall be based upon the total assessment for the land and the buildings comprising the Condominium and the percentage of the common elements appurtenant to the Unit, and the Purchaser will be required at closing to place in escrow with the Sponsor's attorney an amount sufficient to cover the proportionate share of the next installment(s) of the County and/or School Tax attributable to the Unit, which amount, together with the amounts similarly collected from other purchasers (and from the Sponsor, for unsold Units), will enable such tax installment(s) to be paid in a timely manner. If, for any reason, Sponsor's attorney does not collect the total amount necessary to pay such installment(s) of taxes, his only obligation will be to refund the amount of each purchaser's deposit.

If the Unit being purchased is occupied, by the purchaser or by another tenant, there shall also be an adjustment for rent for the month in which title closes.

Reserve Fund

Prior to or simultaneously with the closing of title to the first Unit, the Sponsor will contribute the sum of \$3,000.00 to the capital of the Condominium as a reserve fund. No governmental agency has passed on the adequacy of this fund. This reserve fund will be held for repairs and other appropriate purposes as determined by the Board of Managers.

No representation is made that the reserve fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the reserve fund, it may be necessary to increase the common charges.

Working Capital Fund

The Sponsor will, in addition to making a contribution to the Reserve Fund, advance to the Condominium \$3,300.00, \$150.00 of which sum will be reimbursed to the Sponsor by each initial Unit purchaser at the time of closing of title of such Unit. The Board of Managers may use such sum as it may determine, in its sole discretion, such as for expenses which must be prepaid by the Condominium including, but not necessarily limited to: fire, casualty and liability insurance, and officers' and directors' liability insurance. The working capital fund will be replenished as funds become available from common charges collected and the working capital fund will be turned over to the resident Board of Managers when the Sponsor's control terminates. In no event will the working capital contribution be used to defray any Unit Owner's (including the Sponsor's) obligation for the payment of common charges.


Improvements and Repairs to be Made by Sponsor

The Sponsor will, at its own cost, make all improvements and repairs to the Property as recommended in the engineering report (see page 136 of this Offering Plan), subject to the terms and conditions set forth on page 30 of this Plan. Improvements and repairs to common elements will be made prior to the transfer of title to the first Unit, unless otherwise stated in this Offering Plan. Improvements and repairs to individual Units will be made prior to the transfer of title to the Unit, unless otherwise agreed upon by the Unit Purchaser. Each Unit Owner grants a right of access to his Unit for repairs. (See Section 7.04 of By-Laws at page 117 of this Offering Plan.)

EXCEPT AS SPECIFICALLY OTHERWISE SET FORTH HEREIN, THE ENTIRE PROPERTY, INCLUDING THE UNITS AND THE FIXTURES AND APPLIANCES CONTAINED THEREIN, IS OFFERED IN ITS CURRENT CONDITION, AS SET FORTH IN THIS OFFERING PLAN. NO GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR THE PHYSICAL CONDITION OF THE BUILDINGS.

Any claim based upon the Sponsor's representations of the condition of the Buildings and the equipment and appliances thereof, as set forth in Part III of this Plan, may be made and enforced only by the Board of Managers on behalf of the Unit Owners and not by any individual Unit Owner or Unit Owners, except that, during the period the Sponsor controls the Board of Managers, claims may be made and enforced by individual Unit Owners.

Optional Extras

The Sponsor will offer new kitchen appliances at prices to be negotiated at the time of contract. 

Expenses of Forming Condominium and Sale of Units

The Sponsor will bear all costs and expenses incurred in connection with the creation of the Condominium and the initial sale of Units including, but not limited to, selling expenses, advertising, printing, architects' and/or engineers' fees, attorneys' fees, organization costs, initial contribution to the reserve fund, appraisal and surveying fees and costs and filing fees, but excluding the fees of counsel to the Board of Managers and expenses in connection with purchasers' mortgages.

THE UNITS AND THEIR DIMENSIONS

Each Unit will consist of the rooms and the dimensions indicated on the floor plans on file at the office of Sponsor's special legal counsel, Albrecht, Maguire, Heffern & Gregg, P.C., 2100 Main Place Tower, Buffalo, New York 14202. Certified floor plans will be filed in the Monroe County Clerk's Office, and a copy of such plans will be delivered to the Board of Managers of the Condominium promptly thereafter. A full description of the Units is set forth at Sections 4.02 and 4.03 of the Condominium Declaration (see Part II of this Plan).

The floor plans of the Units which are on file at the office of Sponsor's special legal counsel were originally prepared by Howard J. Patton, Jr., licensed professional engineer. The Sponsor believes the layouts and dimensions of the Units as shown thereon to be reasonably accurate. The Sponsor will have no liability or responsibility to purchasers, nor will any purchaser be relieved from his purchase agreements provided the layouts and dimensions conform substantially to the floor plans.

COMMON ELEMENTS

Each Unit Owner will have an undivided interest in the common elements of the Condominium in the respective percentages as set forth on the Schedules on pages 6 and 7 of this Offering Plan.

The common elements (see Article V of the Declaration in Part II of this Plan and the Site Plan at the end of this Plan) consist of all portions of the Property other than the Units herein before specified, including, without limitation, the following:

- (a) The land on which the buildings are erected and all other land within the boundaries of the Condominium including roadways.
- (b) All foundations, columns, girders, beams and supports.
- (c) All exterior walls (except air conditioning units or compressors) and roofs of buildings.
- (d) All parking and driveway areas, and all lawns and appurtenant areas including lighting structures, sidewalks and curbs, except that the Board of Managers shall have the right, from time to time as it deems desirable or necessary, to assign or reassign parking spaces to the Unit Owners on an equitable basis.
- (e) All central and appurtenant installations for services such as power, light, telephone, television, hot and cold water, heat (including all pipes, ducts, wires, cables, chutes and conduits used in connection therewith, whether located in common areas or in Units and servicing more than one Unit or the common elements) and all other mechanical equipment spaces, unless owned by public utility companies. (All individual heating units, as well as all pipes, wires and conduits from those Units and the gas and electric meters servicing a Unit to the Unit are part of the Unit and are not common elements. All individual air conditioning units and hot water tanks are also part of the Unit and are not common elements.)
- (f) All sewer pipes.
- (g) All other parts of the property and all apparatus and installations existing in any building or on any other part of the Property for common use or necessary of convenient to the existence, maintenance or safety of the Property.

The following are limited common elements:

- (a) Halls, stairs, stairways, basements (except storage areas, garages and areas to be used exclusively by the Board of Managers) and exterior doors of all buildings are limited in use to the owners and occupants of Units in the particular building, subject to certain rights of the Board of Managers and the rights of other Unit Owners and occupants to use recreation rooms and laundry facilities.
- (b) That portion of any patio or balcony adjacent to a Unit is restricted in use to the Owner(s) of the abutting Unit.

→ (c) Any storage area in the basement of a building shall be limited in use to the person assigned to such area by the Board of Managers, subject to certain access rights where a hot water tank is located within a storage area. (The Board of Managers will initially assign such areas in the manner in which they have previously been assigned by the Sponsor.)

↗ (d) If the Board of Managers deems the assignment of parking spaces appropriate or necessary and assigns all or a portion of the parking spaces of use by the Owner(s) of a particular Unit or Units, each such space shall, during the time of such assignment, be limited in use to the Owner(s) of the Unit to which such space is assigned.

(e) Each mail box is limited in use to the Owner(s) of the Unit to which such mail box may be assigned by the Board of Managers from time to time.

↑ (f) Any garage area in the basement of a building shall be limited in use to the person assigned to such area by the Board of Managers. (The Board of Managers will initially assign such areas in the manner in which they have previously been assigned by the Sponsor.)

(g) The land which is located directly beneath each Unit is restricted in use to the Owners of such Units located above it.

(h) Certain gardening areas may be restricted in use to certain Unit Owners or occupants, upon approval by the Board of Managers.

SPONSOR'S CONVEYANCE OF TITLE TO UNITS

The closing of title to each Unit will take place only after or concurrently with the following events:

1. The Declaration, By-Laws, floor plans and engineer's and tax authority certifications required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed.

→ 2. All mortgages on the Property prior to the recording of the Declaration are subordinated to the lien of the Condominium Declaration.

3. The purchaser shall execute an instrument in the form annexed to the purchase agreement designating the Board of Managers as his attorney in fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws.

4. The Unit and its undivided interest in the common elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage and indebtedness which purchaser has contracted to assume and any purchase money mortgage executed by purchaser in conjunction with the purchase.

5. If so requested by the purchaser, the issuance to the purchaser (at the purchaser's expense) of a binder for title insurance from The Title Guarantee Company or other member of the New York Board of Title Underwriters insuring that such purchaser has good and marketable fee title to his Unit, free and clear of all liens and encumbrances except those hereinafter stated, and subject to the provisions of the Declaration and By-Laws and any mortgage executed or assumed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

6. No closing of title to any Unit may take place unless and until this Plan is declared effective by duly filed amendment, the Declaration is duly filed, and all appropriate requirements with respect to the Condominium are satisfied, including, but not limited to, the necessary percentage of Unit sales (see page 22 of this Plan).

7. Each sale will include kitchen appliances and other fixtures and articles of personal property attached to or used in connection with the Unit and owned by the Sponsor, subject however, to the lien of the mortgage executed or assumed by the purchaser as part of the purchase price for the Unit.

8. The security deposit, if any, of a tenant who purchases, will be credited to him at the closing of title if he is not in default under his lease or tenancy. The security deposit of a non-purchasing tenant who is not in default under his lease or tenancy will be transferred after the closing of title to the purchaser of the Unit which he occupies. If the closing of title takes place before the end of a calendar quarter, payment of interest on the security deposit, if any, will be deferred until the end of the quarter to avoid loss of interest thereon.

9. The Sponsor, at its expense, will remove all violations and liens, if any, presently on record or which may be placed on record with respect to the Property up to the date of closing of title to the first Unit. However, if the aggregate cost of removing any such violation(s) or lien(s) shall be \$5,000.00 or more, or if the objection may only be removed by litigation, then the Sponsor at its option may elect to abandon this Plan. If the Sponsor so elects, all purchase agreements theretofore executed will be deemed cancelled and null and void, and all monies paid by the purchasers under such agreements will be promptly refunded with interest. Notwithstanding the foregoing, the Sponsor shall not so elect to abandon this Plan if Purchasers of at least 50% of the Units waive said violation(s) and/or lien(s) in exchange for an additional contribution of \$5,000.00 by the Sponsor to the reserve fund. In such event, any Purchasers not waiving the violation(s) and/or lien(s) shall have the option to rescind the contract.

10. The Sponsor will give each purchaser at least 15 days prior written notice of the date on which title to his Unit will close.

11. The purchaser's obligation for payment of the common charges and expenses applicable to his Unit, will begin to accrue on the date which the deed is delivered to him.

12. The Sponsor will complete any "optional extras" (see page 28 of this Plan), unless the time for completion thereof is extended by the Purchaser.

TITLE EXCEPTIONS

Title to each Unit will be conveyed by the Sponsor by bargain and sale deed with covenants in the form set forth in Part II, free and clear of all liens and encumbrances other than:

1. The terms, conditions, covenants, easements and provisions of the Declaration and By-Laws, including:
 - a. Easement in favor of the owners of the other Units to maintain, repair and replace, as necessary, such owner's Unit including, if any, the pipes, wires, and conduits running from the meters or equipment servicing the Unit to the Unit;
 - b. Easements in favor of the owners of the other Units to use the pipes, wires, conduits, public utility lines and other common elements, including those located in the Unit itself or elsewhere on the Property serving such other Units, in accordance with present use and present available facilities and easements of necessity in favor of the other Units and/or the common elements.
 - c. Easements for the continuance of encroachments on the Unit and on the common elements by other Units or portions of the common elements then existing by reason of the construction of the buildings or thereafter occurring by reason of the settling or shifting of the building or by reason of the repair and/or restoration by the Board of Managers of the buildings or such other units or such common elements after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the common elements made by the Board of Managers, so that any such encroachments may remain so long as the buildings stand.
 - d. Easement in favor of the Board of Managers, its agents, contractors and employees for (i) access to each Unit to inspect the same, to remove violations therefrom, to maintain, repair and improve pipes, wires, ducts, cables, conduits and public utility lines located in any Unit and servicing any other Unit, to make repairs to the unit to prevent damage to the common elements or to any other Unit, or to maintain, repair or replace the sump pumps; and (ii) for access to all common elements (irrespective of the restricted nature of such common elements) to remove violations and for inspection, maintenance, repair or improvement.

2. State of facts shown on a map showing the site plan and instrument location of the land and buildings made by Robert L. Owen dated June 1, 1981, provided said facts do not render title unmarketable.

3. Zoning regulations and ordinances and any amendments thereto, provided that neither the use or maintenance of the Units or common elements as contemplated by this Plan are prohibited thereby.

4. New York State franchise taxes of any corporation in the chain of title, provided that The Title Guarantee Company (or any other title company) is willing to insure that such taxes will not be collected out of the Unit.

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

6. Leases or tenancies affecting the Units, if any.

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

8. Future installments of special assessments for improvements payable with County Taxes.

9. Utility easements, rights of way and agreements granted to or made with Rochester Telephone Corporation, Niagara Mohawk Power Corporation, Rochester Gas and Electric Company, the Village of Brockport, the Town of Sweden, or any other utility companies or municipalities.

All of the above shall survive delivery of the deed.

Counsel to Sponsor has advised that in its opinion none of the exceptions to title hereinbefore set forth is of a nature which should materially affect the use, enjoyment, lease or sale of any Unit as a condominium Unit. The documents concerning these exceptions will be available to purchaser and purchaser's attorneys for examination at the office of Sponsor's attorney (see page 48 of this Plan).

The Sponsor will not affirmatively place an encumbrance on the Property in addition to those set forth herein, except such as will be removed prior to the closing of title to a Unit.

UNSOLD UNITS

Title to each unsold Unit will remain in the Sponsor until it is sold and a deed delivered to the purchaser. From and after the date of the first closing of title to a Unit, the Sponsor shall be responsible for and will pay the common charges and expenses assessed against each unsold Unit until sold to a bona fide purchaser for value.

NO BOND OR OTHER SECURITY WILL BE POSTED BY THE SPONSOR FOR THIS OBLIGATION AND ITS ABILITY TO PERFORM WILL DEPEND UPON ITS FINANCIAL CONDITION AT THE TIME IT MAY BE CALLED UPON. IF THE SPONSOR FAILS TO PAY COMMON CHARGES AND EXPENSES, THE BOARD OF MANAGERS WILL HAVE THE SAME RIGHTS AND REMEDIES AGAINST IT AS AGAINST ANY OTHER DEFAULTING UNIT OWNER AND THE NON-DEFAULTING UNIT OWNERS MAY BE REQUIRED TO PAY ADDITIONAL MONIES TO COVER A RESULTING DEFICIT.

SPONSOR'S OBLIGATIONS

The Sponsor will maintain and operate the buildings until the first closing of title to a Unit in substantially the same manner and condition as on the date of presentation of the Plan, reasonable wear and tear excepted, subject to strikes, acts of God, lockouts, labor difficulties, riots, insurrections, inability to obtain material, equipment or labor, governmental restrictions, damage by fire or the elements or any other contingency over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented prior to the first closing of title to a Unit, for any of the reasons set forth in the preceding sentence, from maintaining the buildings in substantially the same condition they are in on the date of presentation of the Plan, the Sponsor shall, when the contingency ceases to exist, make any repairs which it was obligated to make under this Plan and/or correct any violations which may be the Sponsor's responsibility, under this Plan.

The Sponsor, at its expense, will remove violations and liens against the Property, of record, if any, prior to the date of closing of title to the first Unit, subject to the terms and conditions set forth on page 30 of this Plan.

The Sponsor will make all repairs to the Units and common elements as recommended in the engineering report (see Part III of this Plan).

The Sponsor will be responsible for payment of all monies due in connection with the ownership and sale of all Units owned by the Sponsor or its designee, including, without limitation, common charges allocable to such Units. The Sponsor will also be responsible for all costs and expenses incurred in connection with the creation of the Condominium (see Page 28), for a reserve fund capital contribution to the Condominium (see Page 27), and for an advance of \$3,300.00 to the working capital of the Condominium (see Page 27).

SPONSOR'S RIGHT TO LEASE UNSOLD UNITS

The Sponsor may extend the term of any existing lease or execute new leases for all or any unsold Units before and after the filing of the Condominium Declaration.

SALE OR LEASE AND OCCUPANCY OF UNITS BY UNIT OWNERS

There is no restriction upon ownership of a Unit. Occupancy of a Unit, however: (1) shall be for residential purposes only, (2) shall be for the

residency of not more persons (including children) than two times the number of bedrooms in the Unit, except for those who have a child during occupancy, and (3) if such residency is by three or more persons (including children), such persons shall be members of the "same family" as defined in Section 4.05 of the Declaration which begins on page 67 of this Plan unless such "same family" restriction is waived by the Board of Managers prior to residency. Units can be sold or leased by a Unit Owner, provided that he is not in arrears on the payment of common charges (except where the payment of such unpaid common charges is paid by the grantee or provided for out of the proceeds of the sale). A purchaser is free to make a gift of his Unit(s) to anyone during his lifetime or to devise his Unit(s) by will, or to have it pass by intestacy without any restriction. No Unit can be sold or leased without a simultaneous sale or lease of the undivided interest in the common elements.

Any purchaser who buys a Unit which a tenant is then occupying takes title subject to the rights of such tenant and assumes the obligations of such tenant's landlord, and no representation is made as to whether a purchaser may gain possession of a Unit, or, if possession may be obtained, as to how long it will take to obtain possession of such Unit, or the expense to the purchaser or time required in connection therewith. Such a purchaser shall be obligated to pay common charges and expenses, whether or not the rent paid by the then occupying tenant is equal to or less than such payments.

MORTGAGING OF UNITS BY UNIT OWNERS

Subject to the provisions of this offering plan regarding financing, each Unit Owner has the right to mortgage his Unit without restriction. A Unit Owner who mortgages his Unit shall notify the Board of Managers in writing of the name and address of the mortgagee.

BOARD OF MANAGERS - SPONSOR'S CONTROL

Under the By-Laws of the Condominium its affairs will be managed by a Board of Managers. Until the first meeting of Unit Owners, the Board will consist of three (3) members designated by the Sponsor. Additional members shall be elected to the Board of Managers as follows:

- (a) After the transfer of title to 25% of the Units, a fourth member (who shall be independent of the Sponsor) shall be elected by Unit Owners other than the Sponsor.
- (b) After the transfer of title to 50% of the Units (other than to the Sponsor or its designees) or two (2) years from the date of the first Unit closing, whichever first occurs, the Sponsor shall notify all Unit Owners that the first annual meeting shall be held within thirty (30) days thereafter. At such meeting, all Unit Owners, including the Sponsor, shall elect a new five (5) member Board.

The first meeting of the Board will be held within 30 days after the closing of title to the first Unit conveyed by the Sponsor.

All members of the Board of Managers (other than the Sponsor's initial three designees) shall be Unit Owners or spouses of Unit Owners, mortgagees

of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors, employees or agents of corporate owners or corporate mortgagees of Units, or fiduciaries or officers, employees or agents of fiduciaries who are owners or mortgagees of Units.

Except for Sponsor-elected members as provided below, the term of office of the members of the Board of Managers shall normally be two years or until their successors are elected, except that the term of office of two (2) of the five (5) members elected at the first meeting of Unit Owners shall be fixed at one year or until their successors are elected. At the expiration of the initial term of office of each member of the Board of Managers, his successor shall be elected to serve for a term of two (2) years or until his successor is elected. As a result, the terms of either two or three members of the Board of Managers will expire each year or when their successors are elected.

Notwithstanding anything to the contrary contained in this Plan, so long as the Sponsor shall continue to own 25% or more of the Units, but in no event later than two (2) years from the date of recording the Declaration, the Board of Managers may not, without the Sponsor's prior written consent, (i) except for necessary repairs, make any addition, alteration or improvement to the common elements or to any Unit owned by the Condominium or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses bears to the total amount of such initial budget of estimated expenses appearing on page 9 of this Plan or (iii) hire an employee in addition to the employees, if any, provided for in the initial budget of the Condominium, except as may be necessary to maintain the quantity or quality of services or maintenance, or (iv) enter into any service or maintenance contract for work not provided for in the initial budget of the Condominium, or (v) borrow money on behalf of the Condominium or (vi) reduce the quantity or quality of services or maintenance of the Property.

So long as the Sponsor shall continue to own: (i) 30% or more of the Units, the Sponsor shall have the right to elect two (2) of the five (5) members of the Board of Managers; (ii) less than 30% of the Units, the Sponsor shall have the right to elect one (1) of the five (5) members of the Board of Managers. When the Sponsor no longer owns 10% or more of the Units, it shall have no further right to elect any members of the Board of Managers. Members of the Board of Managers elected by the Sponsor shall serve for a term of one (1) year. All other members of the Board of Managers shall be elected by the Unit Owners and shall serve for the terms prescribed by the By-Laws.

All members of the Board of Managers shall serve without compensation, and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor or its designee owns Units representing 50% or more in common interest.

OFFICERS

The officers shall consist of the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Managers. The Board may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in its judgment may be necessary. All officers shall serve without compensation.

MEETINGS AND VOTES OF UNIT OWNERS

The Unit Owners shall hold annual meetings on the fourth Tuesday of September in each year or on such other date as the Board of Managers shall designate. At each meeting, the Unit Owners shall elect members of the Board of Managers. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By-Laws whenever necessary for the affairs of the Condominium.

Each Unit Owner, including the Sponsor, shall be entitled to cast one vote either in person or by proxy for each Unit owned, on all matters put to a vote for all meetings of Unit Owners. If a Unit is owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Unit shall reach agreement as to the matter voted upon and cast their one vote for their Unit.

ESTIMATED COMMON CHARGES AND EXPENSES

The Board of Managers shall prepare a budget for the Condominium from time to time and at least once each year. At least 15 days prior to adoption, a copy of the proposed budget shall be distributed to all Unit Owners. Copies of such budget shall as adopted be furnished to the Unit Owners and to such of their mortgagees as shall have requested the same. The common charges and expenses payable by each Unit Owner in accordance with his proportionate interest in the common elements shall be based upon such budget.

In addition to the normal operating expenses of the Condominium, the budget shall provide for reserves, working capital, and other sums required for the affairs of the Condominium. Every Unit Owner and such mortgagees as shall have requested same shall be advised promptly after the adoption of each budget of the amount of common charges payable by him for the period covered by such budget.

The schedule at page 9 of this Plan contains an estimate of the receipts and expenses for the first year of Condominium operation.

LIENS FOR NONPAYMENT OF COMMON CHARGES

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid common charges assessed against such Unit by the Board of Managers. Such lien shall be subordinate only to liens for: (i) real estate taxes and assessments on the Unit, and (ii) unpaid sums on any first mortgage of record encumbering the Unit. Any lien for unpaid common charges against a Unit shall be effective from and after the filing of a notice thereof and until all sums secured thereby with the interest thereon

shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid common charges without foreclosing the lien.

LIABILITY OF UNIT OWNERS FOR COMMON CHARGES AND EXPENSES

A Unit Owner shall be liable for the payment of common charges and expenses (i) assessed or becoming due against his Unit during the period he owns the Unit, and (ii) assessed against the Unit prior to such ownership, if unpaid at the time he becomes the Owner of the Unit; except that a mortgagee acquiring title to the mortgaged Unit or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of common charges and expenses assessed prior to such acquisition; but, such mortgagee or purchaser at a foreclosure sale shall be liable for payment of all common charges and expenses after the acquisition of title. No Unit Owner shall be liable for common charges and expenses assessed or becoming due against his Unit after his sale, transfer or conveyance of the Unit in accordance with the applicable provisions of the By-Laws. Any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his Unit to the Board of Managers or its nominee on behalf of all other Unit Owners without any compensation in which event such Unit Owner shall be exempt from common charges and expenses thereafter assessed. In the event of a foreclosure by the Board of Managers of a statutory lien on any Unit for unpaid common charges and expenses, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid common charges and expenses, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the unpaid balance shall be charged to all Unit Owners as a common expense. If there is any surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all expenses of the sale, such surplus shall be paid to the Unit Owner.

REPAIRS

All maintenance, repairs and replacements to the common elements of the Property (except storage areas), whether located inside or outside the Units, shall be made by the Board of Managers and the cost thereof shall be a common expense, unless caused by the willful act or negligence of a Unit Owner or one for whom he is responsible. All maintenance, repairs and replacements to the Units whether structural or nonstructural, ordinary or extraordinary, excepting the common elements contained therein, shall be made by the respective Unit Owners at their expense. Unit Owners shall be responsible for the maintenance, repair and replacement of all Unit doors and window glass, except painting of the exterior surface of doors and windows which open from a Unit which shall be the responsibility of the Board of Managers.

**THERE WILL BE NO RESIDENT SUPERINTENDENT ON THE
CONDOMINIUM PREMISES.**

The Board of Managers and/or the manager or managing agent shall have the right of access to any Unit for the purpose of making any repairs or replacements to any of the common elements contained in such Unit or elsewhere in any building or to remedy any condition which would result in damage to any other Unit or to the common elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units for the purposes for which the same are used.

INSURANCE

Details of the insurance coverage for the Condominium are set forth in the By-Laws which begin on page 97 of this Offering Plan.

A. Insurance Obtained by Board of Managers. The Board of Managers shall obtain and maintain, to the extent reasonably obtainable and to the extent obtainable at reasonable cost, and in such amounts determined by the Board of Managers to be appropriate unless otherwise required by the Condominium By-Laws: (1) fire and casualty insurance, (2) liability insurance, (3) directors' and officers' liability insurance, (4) a fidelity bond, and (5) workmen's compensation insurance. The cost of all insurance obtained by the Board of Managers will be included in the common charges assessed to each Unit Owner.

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

The Board of Managers shall not be liable for the failure to obtain such coverages 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.

- 1- Fire and Casualty. Coverage shall be for the full replacement value under the "single entity" concept, i.e. covering all improvements on the Property (including the Units) and including the wall to wall carpeting, lighting fixtures, bathroom fixtures, kitchen appliances, wall coverings, and all machinery servicing the Units and common facilities, excluding the land, foundations, personal property of Unit 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 Unit Owners or occupants. For additional provisions, endorsements and coverages, see Section 8.01 of the Eagle By-Laws on page 120 of this Offering Plan.

The proceeds of all policies of physical damage insurance shall, as provided in the Condominium By-Laws, be payable to the Board of Managers or to an insurance trustee (bank, trust company or law firm) selected by the Board of Managers to be applied for the purpose of repairing, restoring or rebuilding unless otherwise

determined by the Unit 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 Managers following the first annual meeting of the Unit Owners shall be in at least the sum of \$795,000.00.

Each Unit Owner and such Unit 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. Duplicate originals of the policy and of all renewals of the policy shall be furnished to all known institutional mortgagees of Units.

- 2- Liability Insurance Covering the Board of Managers, the Officers of the Condominium, the Managing Agent, if any, and All Unit Owners (but not the liability of Unit Owners arising from occurrences within such Owner's Unit or within any common elements exclusive to such Owner's Unit). The policy shall include the following endorsements: (i) comprehensive general liability, (ii) personal injury, (iii) medical payments, (iv) cross liability, (v) severability of interest, (vi) contractual liability, (vii) water damage liability, (viii) hired and non-owned vehicle coverage, (ix) liability for the property of others, (x) host liquor liability, and (xi) deletion of products exclusion, and, if applicable, (xii) garage-keeper's liability and (xiii) watercraft liability. Until the first meeting of the Board of Managers elected by the Unit 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. A certificate evidencing such coverage shall be provided at the time of purchase.
- 3- Directors' and Officers' Liability Insurance Covering the "Wrongful" Acts of a Member of the Board of Managers or Officer of the Condominium. This coverage provides for funds to be available to defend suits against officers and members of the Board of Managers for their "wrongful" acts 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 Managers. The policy shall provide for "participation" by the Condominium or by the members of the Board of Managers or officers of the Condominium to the minimum extent required by law or applicable governmental regulation. Until the first meeting of the Board of Managers elected by the Unit Owners, the directors' and officers' liability coverage shall be in the amount of \$1,000,000.00, if reasonably obtainable by the Board.
- 4- Fidelity Bond Covering All Members of the Board of Managers, Officers and Employees of the Condominium and of the Condominium's Managing Agent Who Handle Condominium Funds. The bond shall be in an amount not less than the estimated maximum of funds, including reserves, in the custody of the

Condominium or Managing Agent at any given time, but in no event less than a sum equal to three months' aggregate common charges on all Units, plus the amount of reserves and other funds on hand. Until the first meeting of the Board of Managers elected by the Unit Owners, the coverage shall be \$10,000.00 for dishonest acts and \$5,000.00 for forgery.

- 5- Workmen's Compensation. Workmen's compensation insurance shall cover any employees of the Condominium, as well as any other person performing work on behalf of the Condominium.

The deductible, if any, on any insurance policy purchased by the Board of Managers shall be a common expense, provided, however, that the Board of Managers may assess any deductible amount necessitated by the negligence, misuse or neglect of a Unit Owner, against such Unit Owner.

- B. Insurance Obtained by Unit Owners. The Sponsor suggests that purchasers of Units obtain coverage for the following:

- 1- Fire and Casualty Coverage for (i) any upgrading, i.e., any replacement to the original construction of the Unit or equipment in the Unit which is of better quality, larger or more costly than a replacement to the item as installed in the Unit at the time it was initially offered for sale. Such upgraded items may include kitchen and bathroom flooring, carpeting, bathroom tile and fixtures, lighting fixtures, kitchen cabinets, carpeting and wall covering; (ii) any fixtures installed or improvements made to the Unit by the Unit Owner which are not replacements of items in the Unit at the time the Unit was initially offered for sale; (iii) the personal property of the Unit Owner.
- 2- Liability Coverage for occurrences within the Unit or within any common elements exclusive in use to such Owner's Unit.

Each policy obtained by the Owner of an individual Unit must contain a waiver of the right of subrogation and shall provide that the liability of carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such insurance carried by any Unit Owner.

The customary form of policy for the above coverages is HO-6 or equivalent. Unit purchasers may obtain such coverage by making arrangements with their own insurance agent or with the insurance agent for the Condominium (whose name is available from the Sponsor upon request). Unit purchasers are advised that the HO-6 policy has a \$1,000.00 limit of liability for "additions, alterations, fixtures, improvements, or installations." This limitation may be increased by payment of an additional premium.

Unit purchasers may also wish to obtain coverage for living expenses in the event their Unit cannot be occupied because of a fire or other casualty.

**DAMAGE BY FIRE OR OTHER CASUALTY:
DESTRUCTION AND REBUILDING**

In the event of damage to or destruction of any of the buildings or common elements as a result of fire or other casualty, the insurance proceeds, if any, shall be payable to the Board of Managers if they are \$50,000.00 or less, and if in excess of \$50,000.00, then to such Insurance Trustee as the Board of Managers shall select. The amount of this limit shall automatically increase each calendar year by 5% over the limit of the previous year. The Insurance Trustee shall initially be the law firm of Albrecht, Maguire, Heffern & Gregg, P.C., 2100 Main Place Tower, Buffalo, New York 14202. The Board of Managers shall arrange for prompt repair and restoration of the damage (including any damaged Units, and any kitchen or bathroom fixtures, initially installed therein by the Sponsor, but excluding any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, appliances or equipment installed by Unit Owners in the Units), and the Board of Managers 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. Any cost of such repair or restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit and for a completion bond for such as part of the common charge.

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

If seventy-five percent (75%) or more of the Units are destroyed or substantially damaged as determined by the Board of Managers and seventy-five percent (75%) or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition upon the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, shall be held in escrow by the Board of Managers or the Insurance Trustee, as the case may be, to be divided among all Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on this Unit, in the order of the priority of such liens (see New York State Real Property Law, Article 9-B, Section 339-cc).

**ADDITIONS, ALTERATIONS AND IMPROVEMENTS
BY BOARD OF MANAGERS**

Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing more than 5% of the Condominium's current estimated annual budget (including reserves) and the making of such alterations or improvements shall have been

approved by more than 50% in number and in common interest of those Unit Owners, including the Sponsor or its designee if then a Unit Owner, present in person and/or by proxy and voting at a meeting duly held in accordance with the By-Laws, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess each Unit Owner with his proportionate share of the cost of such additions, alterations or improvements, as part of the common expenses; provided, however, that such approval shall also be given by more than 50% of the then Unit Owners so present, excluding the Sponsor or its designee. Any additions, alterations or improvements costing less than 5% of the Condominium's current estimated annual budget (including reserves) may be made by the Board of Managers without approval of Unit Owners and the cost thereof (unless paid from the Reserve Fund supplied by the Sponsor) shall constitute part of the common expense. Any addition, alteration or improvement proposed to be made within two years from the date of recording of the Condominium Declaration may require the written consent of the Sponsor (see Section 10.05 of Declaration on Page 86 of this Plan).

ADDITIONS, ALTERATIONS AND IMPROVEMENTS BY UNIT OWNERS

No Unit Owner may install any appliance unit or make any structural addition, alteration or improvement in his Unit or make any changes in or to the common elements without the prior written approval of the Board of Managers. No application shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed by the Board of Managers, without, however, incurring any liability on the part of the Board of Managers, or any of them, to any contractor, subcontractor, supplier, architect or engineer, by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to a Unit owned by the Sponsor or its designee until a deed to such Unit has been delivered to a purchaser thereof.

The Board of Managers will sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers by the Sponsor.

In connection with any installation or work done by a Unit Owner, the Board of Managers may require that the Unit Owner obtain such insurance coverages, and in such amounts, as the Board of Managers deems proper.

Before commencing any work described above, Unit Owners are cautioned to carefully review the requirements of Article VI of the Condominium Declaration (see Part II of this Plan).

LIABILITY OF BOARD OF MANAGERS AND UNIT OWNERS

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the manager and the managing agent, any contract or other commitment made by the Board of Managers, the managing agent or the manager shall state that it is made by the Board of Managers or the

managing agent or the manager, as the case may be, only as agent for the Unit Owners, and that the members of the Board of Managers, the managing agent or the manager, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

EASEMENTS

Pursuant to Article VII of the Condominium Declaration (see page 81 of this Plan) each Unit Owner shall have an easement in common with the owners of other Units to use all pipes, ducts, cables, wires, conduits, public utility lines and other common elements located in other Units and servicing his Unit in accordance with present use and present available facilities. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any common element, existing as a result of construction of the Units or which may come into existence thereafter as a result of construction, settling or shifting of the buildings or as a result of restoration fo the buildings or Units after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or as a result of repairs or alterations made or approved by the Board of Managers, so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit Owner shall also have an easement of access to other Units and to the common elements to the extent such access shall be reasonably necessary to enable the Unit Owner to maintain, repair and replace such Owner's Unit including the pipes, wires and conduits running from the gas and electric meters servicing the Unit to the Unit. Each Unit will be subject to such encroachments and easements in favor of all other Units. In addition, each Unit shall have and shall be subject to all easements of necessity in favor of such Unit or in favor of other Units and the common elements.

The Board of Managers, its agents, contractors and employees, shall have a right of access to the Units and to the common elements (irrespective of the restrictive nature of such common element) to inspect, maintain or repair the common elements of any pipe, wire, conduit, therein or to make repairs to the Unit to prevent damage to the common elements or to any other Unit.

Each deed to a Unit shall provide that title to the Unit is being conveyed together with the benefits and subject to the burdens of the provisions (including the above described easements) of the Condominium Declaration.

UNITS ACQUIRED OR LEASED BY BOARD OF MANAGERS

All Units acquired or leased by the Board of Managers or its designee, corporate or otherwise, shall be held by them on behalf of all Unit Owners in proportion to their respective common interests, and the votes appurtenant to the Units so acquired may be voted by the Board of Managers, or its designee, at all meetings of the Unit Owners, except that such votes may not be cast for the election of members of the Board of Managers.

Each Unit Owner, on the closing of title to his Unit, shall be required to execute an instrument in the form set forth as Exhibit B to the purchase agreement (see page 62 of this Plan) irrevocably constituting the Board of Managers and its successors his attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, voting the votes appurtenant to (except that such votes shall not be cast by the Board of Managers for the election of any members of the Board of Managers) or otherwise dealing with Units acquired by or leased by the Board of Managers or its designee on behalf of all Unit Owners.

MECHANICS' LIENS

Under the provisions of Section 339-1 of the Real Property Law of the State of New York, no lien of any nature may arise or be created against the common elements except with the unanimous consent of all Unit Owners. Liens may arise or be created only against the several Units and their respective common interests. A lien for labor performed on or materials furnished to a Unit may be filed against the Unit of a Unit Owner who has expressly requested or consented to the same but may not be filed against the Unit of any Unit Owner who has not expressly consented to or requested the same, except in the case of emergency repairs. No labor performed on or materials furnished to the common elements shall be the basis for a lien thereon, but all common charges received by the Board of Managers shall constitute trust funds for the purpose of paying the cost of the labor performed or materials furnished at the request or with the consent of the Board of Managers, the managing agent or the manager.

TERMINATION OF CONDOMINIUM

The Condominium shall continue (unless terminated by casualty loss as provided by law or by condemnation as described in the Declaration) until such time as the Property shall be withdrawn from the provisions of Article 9B of the Real Property Law of the State of New York as a result of the vote of at least 80% in number and in common interest of the Unit Owners at which time the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common and the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the common elements, after first applying the share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his Unit in the order of the priority of such liens.

USE OF UNITS AND COMMON ELEMENTS

In order to provide for congenial occupancy of the Buildings and for the protection of the values of the Units, the By-Laws provide that the use of the Units shall be restricted to and be in accordance with the following provisions:

A. The Unit, whether occupied or leased out by the Unit Owner, shall be used for residential purposes only, and shall be resided in by not more persons (including children) than two (2) times the number of bedrooms in the Unit. This shall not apply to persons who have a child after taking occupancy. Furthermore, unless determined to be illegal, if such Unit is resided in by three or more persons (including children), such persons shall be members of the same family (or if the Unit Owner or lessee is a partnership, a corporation or a trust, members of the family of a partner, or director, or shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be). "Same family" shall be defined as persons related to one another as husband, wife, mother, father, brother, sister, stepbrother, stepsister, daughter, son, stepdaughter, stepson - together with their children. This restriction requiring three (3) or more residents to be members of the same family may be waived by written consent obtained from the Board of Managers prior to occupancy.

Notwithstanding the above, so long as the Sponsor owns one or more Units, it may use Units for sales offices, models and the storage of supplies and equipment, and it shall have an easement over the common elements for ingress, egress and parking for itself and for prospective purchasers.

B. The garages shall be used for the parking of automobiles and other motor vehicles, and for the storage of personal property and household items.

C. The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of the Units.

D. No nuisance shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to residents or occupants or which interferes with the peaceful possession or proper use of the Property by its residents or occupants.

E. No immoral, improper, offensive, or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the respective Unit Owners or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

F. No portion of a Unit (other than the entire Unit) may be rented, and no transient tenant may be accommodated therein.

G. Rules and regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are furnished to each Unit Owner prior to the time that they become effective.

Handwritten initials

note

H. Except for one dog not to exceed 30 pounds in weight or one cat, owned by those initial purchasers of Units who were permitted to have a pet at the time they became a tenant, and for birds in a cage and fish, no pets will be permitted in the Units unless approved in writing by the Board of Managers, acting in its sole discretion. In determining its policy with respect to pets, the Board of Managers may establish, in its sole discretion, standards with respect to the number, size, weight and kind of pets permitted. The Board of Managers shall have the right to require a Unit Owner to dispose of any animal, bird or insects, if, in the opinion of the Board, acting in its sole discretion, such animal, bird or insect 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.

Note

MANAGEMENT AGREEMENT AND MANAGING AGENT

A Management Agreement provides for the Sponsor to act as managing agent of the Property for a period of one year from the date of the first closing of title to a Unit. For its services, the managing agent will receive an annual management fee of \$1,650.00 plus reimbursement for all out-of-pocket expenditures. Services will be permitted to all residents on a nondiscriminatory basis. As Managing Agent, the Sponsor will be responsible for overseeing the day-to-day affairs of the Condominium. The duties of the Managing Agent include, but are limited to, attending Board meetings, selecting and supervising Condominium employees, collecting common charges, causing insurance to be kept in effect, supervising maintenance and repair of the common elements, purchasing equipment and supplies, maintaining records, assisting the Board in preparing the budget, employing experts and professionals whose services may be required by the Condominium and mailing notices to Unit Owners and mortgagees when necessary. So long as the Sponsor controls the Board of Managers, the Management Agreement will not be cancellable by the managing agent unless the Condominium fails or refuses to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority or to perform its obligations under the Management Agreement. Thereafter, either party shall have the right to cancel the Agreement, with or without cause, upon 60 days' written notice. The Condominium may cancel the Agreement at any time if the managing agent fails to substantially fulfill its duties under the Agreement and this default remains unremedied for 30 days after notice thereof by the Condominium. Should the Sponsor elect to cancel the Management Agreement, it may be necessary for the Board of Managers to obtain other management services and no representation is made regarding the availability, cost or terms of any new Management Agreement.

THE SPONSOR AND SELLING AGENT

The Eagle Apartments are currently owned by D. Liese Associates, Incorporated, a New York corporation wholly owned by David B. Liese, 2591 Spencerport Road, Spencerport, New York 14559. On or before the date this Offering Plan is declared effective, legal title will be conveyed by that corporation to the Sponsor, Mr. Liese. Thereafter, legal title to the condominium premises will be held by David B. Liese individually, and he will execute any and all condominium unit deeds.

David B. Liese has several other rental units in the Rochester area and has been in property investment for four years. He has also been in the retail ice cream business for the past 23 years.

The Sponsor will not retain an outside Selling Agent at the present time.

ATTORNEYS

The Sponsor has retained attorneys George R. Grasser, Esq. and V. Douglas Errico, Esq., both of the Buffalo law firm of Albrecht, Maguire, Heffern and Gregg, P.C., 2100 Main Place Tower, Buffalo, New York 14202 in connection with the preparation of this Offering Plan and the formation of the Condominium. All Unit closings will be handled by the law firm of Agnello & Agnello, 321 Executive Office Building, Rochester, New York 14614 (716-546-3200).

ENGINEER

The Sponsor has retained Howard J. Patton, P.E. in connection with the condominium conversion and the preparation of Part III of this Offering Plan. Mr. Patton has been a licensed professional engineer in the State of New York for over nine years and also holds licenses in five other states. He has been actively involved in both the design and construction of buildings for over thirteen years. This involvement includes architectural, civil, structural, mechanical, HVAC and electrical work. His office is at 440 Genesee Park Boulevard, Rochester, New York 14619.

SPONSOR'S RIGHT TO AMEND THIS PLAN

Notwithstanding any contrary provision of this Plan, the Sponsor reserves the right to amend this Plan in one or more particulars (including, without limitation, purchase prices of Units, terms of purchase, right to continued occupancy of Units, and the By-Laws contained herein) if at any time(s) after the date of presentation hereof the laws of the State of New York regarding condominium conversion, or any part of such laws, shall be declared unconstitutional or shall be amended or changed in any respect.

In the event any amendment to this Plan contains matter which materially adversely affects the interest of any contract purchaser under this Plan, such contract purchaser shall have thirty (30) days from the receipt of such amendment to rescind the purchase and to receive a return of all deposits and other payments made, with interest earned thereon, if any.

PROFIT ANTICIPATED BY SPONSOR

The Sponsor anticipates that it will make a profit from the sale of the Units. Because of a variety of factors, including rent loss from vacant apartments, the number of purchasers who purchase the Units at the lower price during the 90 day period for tenants, increased Unit carrying costs which may occur as a result of delays in Unit closings, unanticipated repairs, and the amount of media advertising necessary to market the Units, the amount of profit to be realized cannot be accurately forecast. The Sponsor, however, estimates that his profit (before taxes) will be approximately \$385,000.00.

GENERAL

A. Each Unit Owner shall be required to pay the common charges and expenses levied by the Board of Managers, to comply with and abide by the Declaration and By-Laws of the Condominium, and to comply with the Rules and Regulations adopted pursuant thereto. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid common charges or by suit to collect the same, by action for damages, by injunction or by other appropriate relief.

B. Real Property Law Section 339-y-1 provides that the aggregate of the assessments of the Units in a condominium complex plus the common facilities may not exceed the total valuation of the property were it assessed as an individual parcel. In a recent case involving condominium assessments on Long Island, Marks, Rothman and Neulander, et al v. Board of Assessors, 58 A.D. 2d 812, 396 N.Y.S. 2d 267, this law was contested by Nassau County, but, on appeal, the appellate court reversed and directed a lower court to reduce the assessments so that the property would be assessed in accordance with Section 339-y-1 of the Real Property Law. The lower court concluded that the value of the individual Units should be fixed by ascertaining the value of the entire property as a rental apartment building and then dividing the total by the percentage of ownership that each unit bore to the whole. The Court of Appeals, the highest court in New York State, has upheld the appellate court interpretation and the method of valuation used by the lower court after the appellate court directive. Since that time, Section 581 of the Real Property Tax Law has been amended in an effort to clarify the law in this regard. The Town of Sweden Tax Assessor has advised that, after conversion to the condominium form of ownership, the Eagle Condominium Units will be assessed in accordance with Section 339-y of the Real Property Law. There can be no assurance, however, that taxes will not increase upon transfer to Unit purchasers or that the tax assessor will follow the statutes and/or court decision cited above.

C. There are no lawsuits or other legal proceedings pending which could materially affect this offering, the purchasers of Units, the Property, the Condominium or the operation thereof.

D. There are no contractual undertakings or obligations of the Sponsor or other persons, or bonds or other securities posted to insure payment of any obligations or undertakings, which would affect the ownership of Units by purchasers.

E. The Sponsor will make no amendments to the Declaration or to the By-Laws which materially adversely affect the rights of Unit purchasers so long as the Sponsor shall own Units representing more than 50% in common interest, except with the consent of a majority of all other Unit Owners.

F. In accordance with the provisions of the laws of the State of New York, the Sponsor represents that the Sponsor will not discriminate against any person because of his race, creed, color, national origin or ancestry in the sale of Units offered by the Plan or in the leasing of any apartments on the Property.

SPONSOR'S CERTIFICATION

DAVID B. LIESE, being duly sworn, deposes and says that:

1. I am the Sponsor of the offering to convert the EAGLE APARTMENTS to a condominium.

2. I understand that I have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the New York Condominium Act, the regulations promulgated by the Attorney General in Part 19 and such other laws and regulations as may be applicable.

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

a. set forth the detailed terms of the transaction and be complete, current and accurate;

b. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

c. not omit any material fact;

d. not contain any untrue statement of a material fact;

e. not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

f. not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

g. not contain any representation or statement which is false, where I: (1) knew the truth; (2) with reasonable effort could have known the truth; (3) made no reasonable effort to ascertain the truth, or (4) did not have knowledge concerning the representations or statement made.

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

Subscribed and sworn to before me this 30th day of June, 1982.

James E. Ging

David B. Liese

JAMES E. GING

Notary Public in the State of New York
ORLEANS COUNTY, N. Y.
My Commission Expires March 30, 1983

David B. Liese

PART II
PURCHASE AGREEMENT
EAGLE CONDOMINIUM

This agreement made the ____ day of _____, 19__, by and between DAVID B. LIESE, having an office at 2591 Spencerport Road, Spencerport, New York 14559, hereinafter called "Seller" and _____ residing at _____ hereinafter called "Purchaser".

WHEREAS, the Seller is the owner of premises commonly known as the Eagle Apartments, being five (5) buildings of residential dwelling units and other improvements on approximately 1 acre of land located at the northwest corner of Brockport-Spencerport Road and Owens Road in the Town of Sweden, New York; and

WHEREAS, the Purchaser is desirous of purchasing the unit, together with an undivided _____% interest in the common elements appurtenant thereto, designated or to be designated as Unit No. _____ in the Declaration and on the floor plans hereinafter described (said Unit and the undivided interest being hereinafter called the "Unit"); and

WHEREAS, the Purchaser has received, at least three business days prior to the execution of this contract, and read, copies of the Plan of Condominium Ownership (the "Plan"), the Declaration, the By-Laws and the Rules and Regulations, all of which are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein. Purchaser acknowledges that, except as stated in the Agreement (and as set forth in the Declaration, Plan and By-Laws), Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or otherwise.

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

1. Unit, Price, Payment. The Seller hereby agrees to sell and the Purchaser hereby agrees to purchase the Unit which is designated as Unit No. _____ in the aforementioned Condominium Declaration for the price of \$ _____, which said price includes the cost of any "optional extras" set forth hereafter, payable as follows:

- a. \$1,000.00 on the signing of this Agreement, the receipt whereof, by check drawn to the order of "Eagle Escrow Account," subject to collection, is hereby acknowledged; and
- b. the balance of the purchase price by a certified or cashier's check, to the order of the Seller, to be paid at the closing of title as hereinafter provided.

2. Mortgage and Financial Approval. This Agreement is submitted on the condition that, within sixty (60) days from the date hereof, the Purchaser shall have obtained a commitment for a _____ year mortgage loan of not less than \$ _____ at _____ per annum, or _____ the prevailing interest rate in effect at the time of Purchaser's application for a mortgage loan, which rate shall not exceed _____ % per annum, or _____ an initial rate (prior to adjustment, variance or renegotiation as per mortgage or mortgage note) of _____ % per annum.

The Purchaser will make application for such loan within five (5) days of the date hereof and will notify the Seller in writing when the mortgage application, if any, is made and, in due course, when it is accepted or rejected. If Purchaser's mortgage application is rejected and written notice of such fact is received by the Seller within 5 days after the expiration of the 60 day period, or if such mortgage commitment, once obtained, is thereafter rescinded or expires without fault of Purchaser, and is not reinstated or extended at the same or a lower interest rate, this Agreement shall terminate automatically and the Seller shall cause the downpayment to be returned to the Purchaser, with interest, unless the Seller elects, by written notice to the Purchaser, given within 15 days after expiration of said 60 day period, to provide such loan by itself or through its designee at an interest rate of not greater than one per cent per annum higher than the rate indicated herein, i.e. _____ the prevailing interest rate in effect charged by savings banks in the Rochester area at the time of Seller's election to furnish such loan. If such rate is higher than the rate indicated above, Purchaser may, within five (5) days after receiving notice of Seller's election to make such loan, notify Seller that such interest rate is not acceptable, in which event this Agreement shall automatically terminate and the Seller shall cause the downpayment to be returned to the Purchaser, with interest.

3. Survey. Seller shall furnish Purchaser with a survey made by a land surveyor duly licensed by the State of New York, showing the condominium property and the location of all buildings, improvements and other structures affecting same.

4. Insurable Title. The Seller shall give and the Purchaser shall accept such title as The Title Guarantee Company or any other member of the New York Board of Title Underwriters will approve and insure subject only to those liens and encumbrances set forth in Exhibit A annexed hereto, the conditions of the standard title insurance policies written by such company, the above described purchase money and/or assumed mortgage, if any, the conditions set forth in this Purchase Agreement, and the provisions of the Declaration and the By-Laws. If requested by the Purchaser and at the Purchaser's expense, the Seller will obtain for the Purchaser at closing of title, a certificate of title issued by The Title Guarantee Company. Such insurance shall insure that the Condominium has been validly created pursuant to Article 9-B of the Real Property Law of the State of New York.

If on the "Closing Date", (see Paragraph 17 of this Agreement) there are violation(s), matters relating to title or lien(s) of record with respect to the premises, such that the Seller's title does not conform to this Agreement, the Seller shall remove same prior to closing, and the Seller shall be entitled to an adjournment of the Closing Date for up to 60 days. However, and

notwithstanding the foregoing, if the curing of such matter(s) will, according to reasonable expectation, require:

- (a) litigation, or
- (b) an aggregate expenditure of \$5,000.00 or more or
- (c) a period exceeding 60 days,

the Seller may elect to cancel this Agreement and return the Purchaser's down payment, with interest (if any), in which event the Seller shall incur no further liability whatsoever to the Purchaser. Nothing herein contained shall require the Seller to bring any action or proceeding or incur any expense in order to remove such title matters and any attempt by the Seller to cure the same shall not be construed as an admission by the Seller that any such objection is such that would give the Purchaser the right to refuse delivery of the deed.

5. Condition Precedent to Closing. The parties acknowledge that the closing is conditional upon Seller, prior to closing, and within 18 months from the date of the initial offering of Units for sale, declaring the premises a Condominium by filing the Condominium Declaration including certified floor plans of the Units in the Monroe County Clerk's Office.

6. Adjustments at Closing. There shall be prorated and adjusted as of date of delivery of the deed: rentals, taxes computed on a fiscal year basis (including, as applicable, all items in the current county, village and school district tax bills), and Condominium assessments. If, for any reason, the Unit has not been separately assessed on the closing date for the then current tax fiscal year, the apportionment of real estate taxes shall be based upon the total assessment for the land and the buildings comprising the Condominium and the percentage of the common elements appurtenant to the Unit, and the Purchaser will be required at closing to place in escrow with the Sponsor's attorney, _____, an amount sufficient to cover the proportionate share of the next installment(s) of the County and/or School Tax attributable to the Unit, which amount, together with the amount similarly collected from other purchasers of Units and from the Sponsor for unsold Units, will enable such tax installment(s) to be paid in a timely manner. If, for any reason, _____ does not collect the total amount necessary to pay such installment(s) of taxes, the only obligation of said attorney will be to refund the amount of the deposit made by each purchaser to such purchaser. In addition, the Purchaser shall, at Seller's request, pay, at the time of closing, the Condominium assessment on the Unit for the month following the month in which the closing occurs. The Purchaser will accept title subject to, and will pay, all assessments and installments of assessments for local improvements which are not payable as of date of delivery of deed and which, if any, appear on the current tax rolls. Seller will, at no cost to Purchaser, furnish the Purchaser at closing with a certification from the Board of Managers or managing agent of the Condominium setting forth the payment status of the Condominium assessments for the Unit.

7. Costs. Seller shall pay for the continuance of the tax and title search to the time of closing. Purchaser shall be responsible for the payment of the premium of any title insurance desired or required by Purchaser or required by Purchaser's mortgagee. Purchaser shall pay for any fees incurred in recording of the deed and power of attorney to the Condominium Board of Managers and shall pay to Seller the cost of the required Real Estate Transfer Tax Stamps to be affixed to the deed. Purchaser shall also be

responsible for bank's attorney's fees in conjunction with any mortgage loan obtained, for the cost of recording the mortgage and any New York State Mortgage Tax incurred in conjunction with the obtaining of the mortgage. If Purchaser is accorded any mortgage tax credit pursuant to Section 339-ee(2) of the Real Property Law of the State of New York, Purchaser shall reimburse Seller for the amount of mortgage tax previously paid and for which Purchaser receives a credit at closing. If the Purchaser assumes a portion of the existing mortgage on the Condominium property, Purchaser shall reimburse Seller for the amount of the mortgage tax previously paid on the portion of the mortgage assumed. Purchaser shall, also, at the time of closing, reimburse the Seller \$150.00 for the advance made by Seller to the Condominium's working capital.

8. Form of Deed. The closing deed shall be in proper statutory form for recording; shall be Bargain and Sale with Covenant Against Grantor's Acts and Lien Covenant; shall be duly executed and acknowledged and shall be accepted and/or approved by any title insurer of the premises so as to validly convey under New York State Law the Unit and the undivided interest in the common elements referred to herein.

9. Power of Attorney to Board of Managers. At the closing of title and simultaneously with the delivery to the Purchaser of the deed conveying the Unit, the Purchaser shall execute and acknowledge a power of attorney in the form annexed hereto and made a part hereof as Exhibit B. The Purchaser agrees at closing of title to deliver such power of attorney to the representative of the title insurance company insuring title to the Unit.

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

11. Condition of Units and Buildings. The Purchaser warrants to the Seller that the Purchaser has examined the Unit and is purchasing the same and the fixtures and appliances of the Sponsor therein "as is"- i.e., in their condition existing on the date of this Agreement, subject to reasonable wear and tear and natural deterioration between the date hereof and the Closing Date. If the Purchaser desires any "extras," he shall so indicate at the end of this Agreement. The Purchaser acknowledges that except as herein or in the Declaration, the By-Laws or the Plan specifically represented, the Purchaser has not relied on any representations or other statements of any kind or nature made by the Seller or otherwise. No person has been authorized to make any representation on behalf of the Seller except as herein or in the Declaration, the By-Laws or the Plan are specifically set forth. Any claim based upon the Seller's representations of the condition of the Buildings and the equipment and appliances thereof, as set forth in Part III of the Plan, shall be made and enforced by the Purchaser or other Unit Owners or by the Board of Managers on behalf of the Purchaser and all other Unit Owners until such time as the Seller no longer controls the Board of Managers and, thereafter, only by the Board of Managers. The Purchaser agrees to purchase the Unit whether or not any layout or dimension of the Unit or any part thereof, or of the common elements, as shown on the floor plans on file in the office of the Seller's attorney, is accurate or correct provided the layouts and dimensions conform substantially to the floor plans.

12. Agreement Subject to Tenant's Right to Purchase. If the Unit(s) which is (are) the subject of this Agreement is not occupied by the Purchaser on the date hereof, and if this Agreement is entered into within the first 90 days the Unit is offered for sale, this Agreement is subject to the right of the tenant in occupancy to purchase the Unit(s) as more particularly provided in the Plan. If the tenant occupying the Unit(s) exercises such tenant's right to purchase within this period under the Plan or any amendment thereto, this Agreement shall be deemed cancelled and the Seller shall promptly refund to the Purchaser all monies paid by the Purchaser hereunder, with interest, and upon such repayment neither of the parties hereto shall have any obligation to the other hereunder.

13. Purchase Subject to the Rights of Tenants in Occupancy. The Purchaser understands and acknowledges that at the date of the execution of this Agreement, the Unit is occupied by _____ under a lease expiring _____, 19____ (monthly tenancy) at a rent of \$_____ per month. The Purchaser further acknowledges and understands that if the Unit is purchased by said party or by another after the date of presentation of the Plan: (a) the tenant may retain possession of the apartment (except for nonpayment of rent or similar justifiable reasons ordinary to landlord rights) until four months from the date of presentation of the Plan, subject to certain terms and conditions set forth in the Plan; (b) at the expiration of the tenant's right to possession, the Purchaser may be required, at the Purchaser's expense, to institute legal proceedings in order to obtain possession of the Unit, and (c) the Purchaser will, on the Closing Date, be deemed to have assumed the Seller's rights and obligations under the existing lease or tenancy agreement and will accordingly have all obligations of the landlord thereunder (including, without limitation, repair, replacement and maintenance) and the right to collect rent payable under the existing lease or tenancy, whether the same be more or less than the common charges for the Unit.

14. Monies to be Held in Trust. In accordance with Sections 352-e(2)b and 352-h of the General Business Law, the Seller will hold all monies received by it prior to the Closing Date through its agents or employees in trust until actually employed in connection with the consummation of the transaction. As specified in the Plan, all such monies will be deposited and will be held in trust in an interest-bearing "passbook" rate special account under the name of "Eagle Escrow Account," and interest allocable thereto shall be credited to Purchaser. The funds so deposited will be disbursed only upon instructions of _____, Esq., counsel to the Seller, in compliance with the provisions of this Agreement and the Plan.

15. Seller's Failure to Close. If title to the Unit does not close because of default (willful or otherwise) of the Seller or the Seller's inability to convey title to the Unit in accordance with the terms of this Agreement, or if the Plan is abandoned, or if the closing of title to the Unit does not take place within 90 days after the filing of the Condominium Declaration (except if such failure is due to the Purchaser's default), unless the closing date is otherwise provided for herein or mutually adjourned in writing, the Purchaser may cancel this Agreement upon written notice of cancellation to the Seller, and upon such cancellation, Seller shall refund to Purchaser, all monies paid by the Purchaser hereunder, with interest, and neither party shall have any claim against the other and both shall be released from all obligations hereunder.

16. Purchaser's Failure to Take Title. If Purchaser fails to close title to the Unit within 30 days after receiving notice to close from the Seller (except for Seller's default or failure to obtain a commitment for the mortgage loan as contemplated herein), unless the closing date is otherwise provided for herein or mutually adjourned in writing, or if Purchaser fails to make prompt and proper application for the aforesaid mortgage, the Seller may cancel this Agreement and the amount paid hereunder shall belong to the Seller as liquidated damages, in addition to which the Purchaser shall pay to Seller the amount of any "extras" included in this Agreement or otherwise authorized in writing by the Purchaser, provided, however, that the total of such liquidated damages shall not exceed ten percent (10%) of the purchase price stated in Paragraph 1 above plus the amount attributable to the aforementioned "extras." Prior to any cancellation for Purchaser's failure to close, Seller shall send written notice to Purchaser affording Purchaser at least 30 days to cure Purchaser's failure.

17. Closing of Title. The closing of title shall be held at such place in the County of Monroe, New York, as the Seller may designate at an hour and on a date (the "Closing Date") to be specified by the Seller by written notice to the Purchaser, which shall be not earlier than 15 days after the giving of such notice unless a closing within said 15 day period is mutually agreeable to Seller and Purchaser. The Closing Date may be adjourned to such later date as the parties may agree upon in writing and such adjourned date shall be deemed the Closing Date hereunder.

18. Agreement May Not be Assigned. The Purchaser covenants not to assign this Agreement without the prior consent in writing of the Seller, and any purported assignment of this Agreement in violation hereof shall be deemed null and void.

19. Notices. Any notice to be given hereunder shall be in writing and sent by certified mail, return receipt requested, to the Purchaser at its address given below, and to the Seller at 2591 Spencerport Road, Spencerport, New York 14559 with a copy to Agnello & Agnello, 321 Executive Office Building, Rochester, New York 14614, or at such other address as either party may hereafter designate in writing to the other. The date of mailing shall be deemed to be the date of the giving of any notice of change of address.

20. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person be named herein as the Purchaser, in which case their obligations shall be deemed joint and several. The term "interest" shall mean such interest as Seller is able to obtain on Purchaser's deposit from Monroe Savings Bank in its regular passbook accounts.

21. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine gender whenever the context so requires.

22. Other Agreements. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire understanding between them and no oral representations or statements shall be considered binding. However, in any conflict between this Agreement and the Plan, the provisions of the Plan shall control.

23. Amendment of Agreement. This Agreement may not be amended except by a written instrument signed by the party sought to be charged therewith or by the duly authorized agent of such party.

24. Broker's Commission. Purchaser and Seller agree that no broker brought about this sale.

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

26. Acceptance. Unless the Seller accepts this Purchase Agreement within 20 days after receipt, this Agreement shall not become effective, and the deposit shall be refunded within 10 days thereafter.

Purchaser(s): _____
Soc. Security No. _____ Soc. Security No. _____

Seller:
DAVID B. LIESE

David B. Liese

The Purchaser(s) have the following pets as of the date of this contract:
(if none, so state)

Type (dog, cat, etc.) Breed Sex Color (s)

Purchaser desires the following "extras," at the prices set forth:

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

1. The terms, conditions, covenants, easements and provisions of the Declaration and By-Laws, including:
 - a. Easement in favor of the owners of the other Units to maintain, repair and replace, as necessary, such owner's Unit including, if any, the pipes, wires, and conduits running from the meters or equipment servicing Unit to the Unit;
 - b. Easements in favor of the owners of the other Units to use the pipes, wires, conduits, public utility lines, sump pumps and other common elements, including those located in the Unit itself or elsewhere on the Property serving such other Units, in accordance with present use and present available facilities and easements of necessity in favor of the other Units and/or the common elements.
 - c. Easements for the continuance of encroachments on the Unit and on the common elements by other Units or portions of the common elements then existing by reason of the construction of the buildings or thereafter occurring by reason of the settling or shifting of the building or by reason of the repair and/or restoration by the Board of Managers of the buildings or such other units or such common elements after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the common elements made by the Board of Managers, so that any such encroachments may remain so long as the buildings stand.
 - d. Easement in favor of the Board of Managers, its agents, contractors and employees for (i) access to each Unit to inspect the same, to remove violations therefrom, to maintain, repair and improve pipes, wires, ducts, cables, conduits and public utility lines located in any Unit and servicing any other Unit, to make repairs to the unit to prevent damage to the common elements or to any other Unit, or to maintain, repair or replace the sump pumps; and (ii) for access to all common elements (irrespective of the restricted nature of such common elements) to remove violations and for inspection, maintenance, repair or improvement.
2. State of facts shown on a map showing the site plan and instrument location of the land and buildings made by Robert L. Owen, dated June 1, 1981.
3. Zoning, regulations and ordinances and any amendments thereto provided that neither the building in which the Unit is located nor its use as contemplated by the Plan are prohibited thereby.

4. New York State franchise taxes of any corporation in the chain of title, provided that The Title Guarantee Company (or any other title company) is willing to insure that such taxes will not be collected out of the Unit.

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

6. Leases or tenancies affecting the Units, if any.

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

8. Future installments of special assessments for improvements payable with County Taxes.

9. Utility easements, rights of way and agreements granted to or made with New York Telephone Company, Niagara Mohawk Power Corporation, Rochester Gas and Electric Company, the Village of Brockport, the Town of Sweden, or any other utility companies or municipalities.

All of the above shall survive delivery of the deed.

EAGLE CONDOMINIUM
POWER OF ATTORNEY

I(We) _____ the owner(s) of Unit No. _____ in the Condominium known as Eagle Condominium in the Town of Sweden, Monroe County, New York designated and described in the Declaration establishing the Eagle Condominium dated _____, 198____, and recorded in the Monroe County Clerk's Office in Liber _____ of Deeds at page _____, and on the Floor Plans on file in said office under Map Cover No. _____, do hereby nominate, constitute and appoint the members constituting the Board of Managers of the Eagle Condominium and their successors in office, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all owners of units in said property, in accordance with the respective common interests of said owners:

- (i) any unit whose owner desires to abandon the unit;
- (ii) any unit which shall be the subject of a foreclosure or other judicial sale or which may be deeded to the Board of Managers in lieu of such foreclosure or other sale.
- (iii) any other unit;

Any such unit acquired by the Board of Managers shall include the appurtenant interest of such unit in the common elements of the Condominium, (i.e. the interest attributable to the owner of such unit in the common elements of the Condominium in any other units (or proceeds from sale thereof) previously acquired by the Board of Managers, and the interests of such unit owner in all other assets of the Condominium).

I(We) further grant to the Board of Managers:

- the right to convey, sell, lease, mortgage, vote the votes appurtenant thereto (other than for the election of members of the Board of Managers) or otherwise deal with any such unit so owned or acquired by them, on terms as they may determine; and
- the power to do all things with respect to such unit acquired which I(we) could do had this power of attorney not been granted; and
- the power to lease portions of the common elements.

The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact.

This power of attorney shall not be affected by my (our) subsequent disability or incompetence.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, I(we) have executed this Power of Attorney this ____ day of _____, 19__.

STATE OF NEW YORK)
COUNTY OF MONROE) ss.

On the ____ day of _____, 19__, before me personally came _____ to me known to be the individual(s) described in and who executed the foregoing instrument, and acknowledged that (s)he (they) executed the same.

POWER OF ATTORNEY

Made by:

to
EAGLE CONDOMINIUM
BOARD OF MANAGERS

Dated:

ALBRECHT, MAGUIRE, HEFFERN
& GREGG, P.C.
2100 Main Place Tower
Buffalo, New York 14202

**UNIT DEED
EAGLE CONDOMINIUM**

THIS INDENTURE made the _____ day of _____, 19__, between DAVID B. LIESE, 2591 Spencerport Road, Spencerport, New York 14559, the "Grantor" and _____ residing at _____ the "Grantee".

That the Grantor, in consideration of One and More Dollars (\$1.00 and more), lawful money of the United States, paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee forever:

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a part of a condominium in the Town of Sweden, County of Monroe and State of New York known and designated as the following unit (the "Unit") and undivided interest in the common elements of the condominium hereafter described as the same is defined in the Declaration of Condominium (the "Declaration") hereinafter referred to as:

Unit No. _____ together with a _____ % undivided interest in the common elements.

The real property above described is shown on the plans of a condominium certified by _____ and filed in the Monroe County Clerk's Office on the _____ day of _____, 19__, as Map No. _____ as defined in the Declaration of Condominium entitled EAGLE CONDOMINIUM made by the Grantor under Article 9-B of the New York Real Property Law dated _____, and recorded in the Monroe County Clerk's Office on the _____ day of _____ in Liber _____ of Deeds at page _____ covering the property therein described. The land area of the property is described in Schedule "A" which is attached hereto and made a part hereof.

TOGETHER WITH the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER WITH AND SUBJECT TO the provisions, benefits, rights, privileges, easements, burdens, covenants and restrictions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as a part of the Declaration as the same may be amended from time to time by instruments recorded in the Office of the Clerk of Monroe County which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

TOGETHER with the benefits and subject to the burdens of other easements, agreements, rights of way and restrictive covenants of record, if any;

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee, forever.

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid.

AND the Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement before using any part of the same for any other purpose.

AND the Grantee accepts and ratifies the provisions of the Declaration and By-Laws of the Condominium recorded simultaneously with and as a part of the Declaration and the Rules and Regulations of the Condominium, and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the Office of the Monroe County Clerk.

The use for which the Unit is intended is that of a residence only, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

By: _____
David B. Liese, Grantor

(acknowledgments to be added)

SCHEDULE A

DESCRIPTION OF CONDOMINIUM PROPERTY

All that tract or parcel of land situate in the Town of Sweden, County of Monroe and State of New York, bounded and described as follows:

Beginning at a point in the north line of Route 31 (Brockport-Spencerport Road) which point is 194.01 feet westerly from the center line of Owens Road and 164 feet westerly of the west line of Owens Road as said line existed prior to a conveyance to the Town of Sweden by Margaret F. Baltz by deed recorded in the Monroe County Clerk's Office October 10, 1960 in Liber 3301 of Deeds, page 61, which point of beginning is also the southwest corner of premises shown as "Parcel B" on a map made by Schultz and Ackerman May 17, 1967 and June 23, 1967 and October 9, 1967; thence (1) in a westerly direction and along the north line of Route 31, a distance of 136 feet to a point in the southwest corner of premises conveyed to Albee Homes, Inc., by deed recorded in the Monroe County Clerk's Office in Liber 3468 of Deeds, page 82; thence (2) running northerly at right angles a distance of 300 feet to an iron pipe; thence (3) running easterly at right angles a distance of 292.27 feet to a point in the westerly right of way line of Owens Road; thence (4) in a southerly direction and along the west line of Owens Road, forming an interior angle of $91^{\circ} 28' 30''$ with course (3) a distance of 150.05 feet to a point in the north line of "Parcel B" hereinabove mentioned; thence (5) in a westerly direction along the north line of said "Parcel B" and forming an interior angle of $88^{\circ} 31' 21''$ with course (4) a distance of 160.13 feet to a point in the northwest corner of the aforesaid

SCHEDULE A**(continued)**

"Parcel B"; thence (6) in a southerly direction and along the west line of said "Parcel B" forming an exterior angle of 90° with course (5) a distance of 150 feet to a point in the north line of Route 31 and the place of beginning.

Subject to covenants, easements and restrictions of record affecting said premises.

Excepting therefrom the premises conveyed to the Town of Sweden by deeds recorded in Monroe County Clerk's Office in Liber 4044 of Deeds, page 63 and 65.

DECLARATION

Establishing the Eagle Condominium, Town of Sweden, New York,
Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: Eagle Condominium

SPONSOR: David B. Liese
2591 Spencerport Road
Spencerport, New York 14559

DATED: _____, 19__

ALBRECHT, MAGUIRE, HEFFERN & GREGG, P.C.

Attorneys for Sponsor
2100 Main Place Tower
Buffalo, New York 14202

**DECLARATION OF
EAGLE CONDOMINIUM**

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DECLARATION

Establishing EAGLE CONDOMINIUM

For the Premises Described on Schedule A attached hereto in the Town of Sweden, New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

David B. Liese, 2591 Spencerport Road, Spencerport, New York 14559, hereinafter referred to as the "Sponsor" does hereby declare:

ARTICLE I

SUBMISSION OF PROPERTY

Section 1.01. Submission. The Sponsor hereby submits the land described on Schedule A attached hereto and made a part hereof, together with all improvements thereon erected (hereinafter called the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

ARTICLE II

NAME OF CONDOMINIUM

Section 2.01 Name. This Condominium shall be known as the Eagle Condominium sometimes hereinafter referred to as the "Condominium". The Condominium shall be comprised of the Owners of the "Units" (see below) on the Property.

ARTICLE III

BUILDINGS

Section 3.01. Buildings. The "Buildings" as hereinafter referred to are the residential structures known as:

- Building One (Mailing Address: #6090 Brockport-Spencerport Road)
- Building Two (Mailing Address: #6088 Brockport-Spencerport Road)
- Building Three (Mailing Address: #6086 Brockport-Spencerport Road)
- Building Four (Mailing Address: #6084 Brockport-Spencerport Road)
- Building Five (Mailing Address: #6082 Brockport-Spencerport Road)

Schedule B attached hereto, and made a part hereof, contains a description of the Buildings including the number of stories, basements, and the materials of which each building is constructed.

ARTICLE IV UNITS

Section 4.01. Number of Units. There are 22 Garden Apartment Units (hereinafter sometimes together referred to as the "Units").

Section 4.02. Designations, Locations and Plans of Units. Annexed hereto, and made a part hereof as Schedule C, is a list of all Units in the Buildings, their Unit designations, tax lot numbers, locations, approximate areas, number of rooms, percentage of interest in the "common elements", as hereinafter defined, and common elements to which each Unit has immediate access (as shown on the floor plans of the Buildings, certified by Howard J. Patton, P.E., engineer, and filed in the Office of the Monroe County Clerk simultaneously with this Declaration). Annexed hereto and made a part hereof as Schedule D is a plot plan or survey showing the designation and location of the Units within the Buildings.

Section 4.03. Dimensions of Units. Each Unit is measured horizontally from the unexposed faces of the drywall at the exterior walls of the building to the unexposed faces of the drywall at the walls dividing the Units from interior stairhalls or other Units, and vertically from the upper face of the subfloor forming the floor of the Unit up to the upper face of the drywall forming the ceiling of the Unit. Doors, windows and interior walls which abut a Unit are part of the Unit. All pipes, wires and conduits from the gas and electric meters to the Unit are part of the Unit. Any and all heating units, air conditioners and hot water heaters serving only one Unit are part of the Unit.

Section 4.04. Ownership of Units. Each Unit will be sold to one or more parties (hereinafter referred to as the "Unit Owners") with each Unit Owner obtaining fee ownership to the Unit acquired and the appurtenant undivided interest in the "common elements" (see Article V of this Declaration) of the Condominium, as set forth in Schedule C of this Declaration. Upon acquiring title in such manner, such purchaser(s) shall become Unit Owner(s) in the Condominium and will remain such so long as such Unit is owned by such Owner(s).

Section 4.05. Use of Units and Garages. Each Unit shall:

- (1) be used for residential purposes only;
- (2) be resided in by not more persons (including children) than two times the number of bedrooms in the Unit, except that this shall not apply to persons who have a child after they have taken occupancy; and
- (3) if resided in by three or more persons (including children) such persons shall be members of the same family (or if the Unit Owner or lessee is a partnership, a corporation or a trust, members of the family of a partner, director, shareholder, or employee of the corporation or of the beneficiary of the trust, as the case may be). "Same family" shall be defined as persons

related to one another as husband, wife, mother, father, sister, brother, stepsister, stepbrother, daughter, son, stepdaughter, stepson; together with their children. This restriction requiring three or more residents to be members of the same family may be waived by written consent obtained from the Board of Managers prior to occupancy.

The garages may be used for the parking of automobiles and other motor vehicles and for the storage of personal property and household items.

Notwithstanding the above, so long as the Sponsor owns one or more Units, it may use Units for sales offices, models and the storage of supplies and equipment.

Section 4.06. No Partition of Units. No Unit (including the interest in the common elements appurtenant thereto) shall be subject to partition by the Unit Owner; provided, however, that the foregoing shall not be construed as prohibiting any division or combination of Units as provided in Section 6.01 of this Declaration or any structural alterations or changes in the number of rooms in a Unit upon approval of the Board of Managers as provided for in Article VI of this Declaration.

ARTICLE V

COMMON ELEMENTS

Section 5.01. Definition of Common Elements. The common elements consist of all the Property except the Units, including, but without limitation, the following: (i) the outside walls, roofs, basements (except for Unit No. 5 in Building No. 3), interior hallways and foundations of all Buildings; (ii) the land and improvements on the Property (including the land under the Units); (iii) all utility or other pipes, wires, conduits and other material which are not part of the Units and not owned by public utility companies; (iv) the parking areas for cars, driveways, roadways, grass areas, sidewalks and fences; (v) patios, decks, storage areas and mailboxes; and (vi) all other apparatus and installations on the Property for common use or which may be necessary or convenient to the existence, maintenance or safety of the Property.

Section 5.02. Interest in Common Elements. Each Unit Owner shall have such percentage interest in the common elements as is set forth on Schedule C attached hereto and shall bear such percentage of the common expenses of the Condominium. The percentage of interest of each Unit in the common elements has been determined by the Sponsor in accordance with Section 339-i of the Real Property Law with each Unit having a percentage interest in the common elements based on the approximate proportion which the floor area of the Unit bears to the aggregate floor area of all Units.

The interest in common elements as expressed herein shall have a permanent character and shall not be altered without the consent of all Unit Owners affected, as well as their mortgagees, expressed in a duly recorded amendment hereto.

The undivided interest in the common elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

Section 5.03. Eminent Domain. Notwithstanding Section 5.02 above, if a Unit or Units, or the common elements, or any portion thereof is taken by eminent domain, the following shall apply:

- (a) Action to Contest Condemnation. The Board of Managers shall have the exclusive right to contest any condemnation or eminent domain proceeding which is directed at taking any portion of the common elements or which touches upon, concerns or affects the use of the common elements. No Unit Owner or tenant of a Unit shall impair or prejudice the action of the Board of Managers in contesting such condemnation. Such restriction or prohibition shall not preclude a Unit Owner or tenant of a Unit from contesting the taking in such condemnation or eminent domain proceeding of the Unit owned or rented by such Unit owner or tenant. In any action contesting a taking by condemnation or eminent domain proceeding, the Board of Managers shall request the court to set forth the allocation of the condemnation award among the Unit Owners affected, taking into account the respective percentage interests in the common elements, the effect of the taking on each Unit affected thereby and any other relevant factors.
- (b) Partition Action in Lieu of Continuation of Condominium After Partial Taking by Condemnation. If any condemnation or eminent domain proceeding results in a partial taking of the Property, the Property or so much thereof as shall remain shall be subject to an action for partition as provided for by Section 339-t of the Real Property Law, in which event the net proceeds of sale, together with the net proceeds of the award from the condemnation or eminent domain shall be considered one fund and shall be divided among all the Unit Owners in proportion to their respective common interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of such Owner's share all liens on such Owner's Unit.

- (c) Distribution of Condemnation Awards for Taking of Common Elements. Except as provided in (b) above and any award obtained by a Unit Owner for the Unit as further provided in (a) above, in the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to an insurance trustee (bank, trust company, law firm or attorney) selected by the Board of Managers if the award is more than \$50,000.00 and to the Board of Managers if the award is \$50,000.00 or less. (This \$50,000.00 limit shall automatically increase each calendar year by 5% over the limit of the previous year.) The Board of Managers or the insurance trustee, as the case may be, shall arrange for the repair, restoration or replacement of such common elements to the extent reasonably possible, 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 Managers or insurance trustee cannot reasonably repair, restore or replace the common elements taken, the proceeds shall be distributed among the Unit Owners and the percentage interests in the common elements of the Condominium reallocated among the remaining Units as the court shall have directed, or as provided in (d) below, if there was no direction by the court, taking into account the respective percentage interests in the common elements of the Units affected thereby, the effect of the taking on each Unit affected thereby after the completion of any repair, restoration or replacement by the Board of Managers or insurance trustee and any other relevant factors. Any court direction as to such distribution shall be final. Any Unit Owner or tenant who wishes to contest a determination by the Board of Managers may do so by submitting the matter to the American Arbitration Association for a determination of a fair and proper distribution, or reallocation of percentage interests in the common elements, as the case may be, which shall be binding on the Board of Managers, and on all Unit Owners and tenants. The cost of such arbitration shall be borne solely by the Unit Owner or tenant submitting the matter for arbitration.

After any determination for reallocation of percentage interests in the common elements, the Unit Owners shall promptly prepare, execute and record an amendment to the Condominium Declaration reflecting such reallocation, which said Amendment need only be executed by Unit Owners affected and by a majority of the Board of Managers.

- (d) Partial or Total Taking of Units. Subject to the direction of any court as described in (c) above, if an entire Unit is so taken, or if part of a Unit is taken such that the remaining portion may not be practically or lawfully used for any purpose permitted by this Declaration, that Unit's entire interest in the common elements shall be automatically reallocated to the remaining Units in proportion to the respective common element interests of those Units before the taking. If part of a Unit is so taken, such that the remaining portion may be practically and lawfully used for a purpose permitted by this Declaration, that Unit's interest in the common elements shall be reduced in proportion to the reduction and size of the Unit in a manner consistent with the manner in which common element interests were originally determined under Section 5.02 above; the portion of the interest in the common elements so divested shall be automatically reallocated to that Unit and to the remaining Units in proportion to the respective common element interests of those Units before the taking, with the partially-taken Unit participating in the reallocation on the basis of its reduced interest in the common elements.
- (e) Condemnation Provisions Subject to Existing Law. All provisions of this Section 5.03 are subject to interpretation in accordance with the law in effect at the time of any condemnation or eminent domain proceeding. Should all or any portion of the provisions of this Section 5.03 be deemed illegal at such time, the distribution of proceeds, rights with respect to partition and allocation of percentage interests in the common elements after a partial taking, shall be as a court of law shall determine.

Section 5.04. Common Elements to Remain Undivided. The common elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law and unless consented to by all holders of first mortgages on the Units.

Section 5.05 Abandonment or Encumbrance of Common Elements. The common elements shall not be abandoned or encumbered without the consent of all the Unit Owners, who shall vote upon written ballot which shall be sent to every Unit Owner not less than thirty (30) days nor more than fifty (50) days in advance of the canvass thereof. No such abandonment or encumbrance shall be made if any first mortgagee of a Unit advises the Board of Managers in writing, prior to the date set for voting on the proposed abandonment or encumbrance that it is opposed to such abandonment or encumbrance, which opposition shall not be unreasonable. Written notice of any such proposed abandonment or encumbrance shall be sent to all lending institution first mortgagees whose names appear on the records of the Condominium not less than thirty (30) days nor more than fifty (50) days prior to the date set for voting on the proposed abandonment or encumbrance.

Notwithstanding the foregoing, the Condominium Board of Managers shall have the power to grant easements, rights of way or licenses for

utilities or other similar services (e.g. cable television) across the common elements, with or without consideration.

Section 5.06. Restricted Common Elements. Subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Unit or common element and subject to the rules of the Board of Managers (see Article VII of By-Laws attached hereto as Schedule E), the following portions of the common elements are restricted in use as specified below:

1. The land which is located directly beneath each Unit is restricted in use to the Owners of such Units located above it.
2. The patio abutting the first floor Units in each Building and any balcony abutting certain second floor Units are restricted in use to the Owners of the Unit so abutting the patio or balcony.
3. The halls, common element areas of basements, stairs and stairwells in the Buildings (except storage areas, garage areas and areas to be used by the Board of Managers--see below) are restricted in use to the Owners of the Units within each such Building, subject only to the right of other Unit Owners to use such areas for access to and use of recreation rooms and the washing machines and dryers contained in the basements.
4. Each storage area in the basements of the Buildings (and not limited in use to the Board of Managers as described below) is limited in use to the Owners of the Unit to which such space is assigned from time to time by the Board of Managers of the Condominium on the basis of one such area per Unit. Any storage areas containing hot water tanks shall be subject to the reasonable easement of access in favor of any Unit Owner who owns such hot water tank or in favor of the Board of Managers in the case of hot water tanks for common use.
5. The garage areas in the basements of the Buildings are limited in use to the Owners of all Units, on the basis of one garage per Unit, in accordance with the assignment of specific garage areas as the Board of Managers may make from time to time. No Unit Owner shall have appurtenant to such Owner's Unit, the right to use more than one garage area. Such garage areas, however, may be leased by Unit Owners having the right to use such areas to the Owner or occupant of any other Unit.
6. If the Board of Managers deems the assignment of outdoor parking spaces appropriate or necessary and assigns all or a portion of the parking spaces for use by the Owners of a particular Unit or Units, each such space shall, during the time of such assignment be limited in use to the Owner of the Unit to which such space is assigned.
7. Each mail box in the Buildings containing the Units is limited in use to the Owners of the Unit to which such mailbox is assigned from time to time by the Board of Managers of the Condominium.

8. After assignment of one storage area to each Unit Owner, any remaining storage areas shall be restricted in use to the Board of Managers, to be leased out, used for storage of Condominium property or used for any other reasonable purpose, as the Board of Managers may deem appropriate.
9. Upon approval by the Board of Managers (See Section 3.02 of By-Laws attached hereto as Schedule E), Unit Owners may utilize designated areas of the common elements for gardening or other landscaping purposes, and such designated areas shall become and remain restricted in use to the Owners of said Unit(s) for so long as the Board's license or approval shall remain in effect.

ARTICLE VI

ALTERATION OF UNITS OR COMMON ELEMENTS

Section 6.01. Increases and Decreases in Size and Number of Units. Any Unit Owner or Owners shall have the right to divide or combine Units owned by such Unit Owner or Owners, so long as (i) the common interest appurtenant to such Units after such division or combination shall equal in total the common interest applicable to the Unit or Units divided or combined prior to such division or combination; (ii) the written consent of the Board of Managers is obtained pursuant to Sections 6.04 through 6.08 of this Declaration; (iii) such proposed division or combination is in all respects lawful under the terms and provisions of the Real Property Law of the State of New York in effect at the time of the division or combination; and (iv) such division or combination is in compliance with all governmental laws, codes, ordinances and regulations. Among the factors to be considered by the Board of Managers in determining whether or not to consent to such division or combination are adequacy of the size, shape and location of all Units after such division or combination, the structural soundness of the building during and after the performance of the necessary improvements, and any other factors which may affect the appearance or value of the Building, or which are set forth in Section 6.04 hereof. The cost of any such division or combination shall be the sole responsibility of the Owner or Owners of the Units being divided or combined. Any such division or combination shall become effective upon the recording in the Monroe County Clerk's Office of an amendment to this Declaration (which amendment shall include, as appropriate, any necessary changes to the text of this Declaration and any plot plan attached hereto), executed by the Board of Managers and by the Owners and mortgagees of the Unit or Units so divided or combined, together with the filing of floor plans of the Unit or Units as divided or combined with the certification by tax authorities of tax lot numbers conforming to the new Unit or Units. The provisions of this Section shall not apply to a Unit(s) owned by the Sponsor until such Unit is conveyed to a purchaser thereof (as long as any proposed improvements by the Sponsor comply fully with all governmental laws, codes, ordinances, and regulations and the proposed improvements are lawful under the terms and provisions of the Real Property Law of the State of New York in effect at the time of the improvement), nor shall this Section

be amended without the written consent of the Sponsor as long as the Sponsor owns any Units.

Section 6.02. No Other Additions or Structural Alterations to Units. No Unit Owner shall install any appliance without the prior written consent of the Board of Managers, which consent shall not be unreasonably withheld. No structural alterations shall be made to a Unit which would impair the structural soundness of any Unit or Building or which would cause an adverse material effect on the exterior appearance or value of the Building in which the Unit is located without the written approval of the Board of Managers, obtained as provided in Sections 6.04 through 6.08 of this Declaration. This Section 6.02 shall not apply to additions or alterations made by the Sponsor (as long as any proposed improvements by the Sponsor comply fully with all governmental laws, codes, ordinances, and regulations and the proposed improvements are lawful under the terms and provisions of the Real Property Law of the State of New York in effect at the time of the improvement), nor shall this Section be amended without the written consent of the Sponsor as long as the Sponsor owns any Units.

Section 6.03 Alteration and Improvement of Common Elements.

- (a) **By Board of Managers:** The Board of Managers shall have the right, at its option, to make or cause to be made such alterations and improvements to the common elements as, in its opinion, may be beneficial or necessary or which is requested in writing by a Unit Owner(s) and the holders of first mortgages thereon, subject however to the requirement that, if the alteration or improvement shall cost more than 5% of the then current estimated annual budget (including reserves), such alteration or improvement shall be approved by more than two-thirds in number and in common interest of the Unit Owners, voting at a meeting duly called pursuant to the By-Laws. Such expenses shall constitute common expenses. Alterations or improvements costing less than 5% of the Condominium's then current estimated annual budget may be made by the Board of Managers and the cost thereof shall constitute a part of the common expenses. Before undertaking such work, the Board may require the consent in writing of such Unit Owners and the holders of first mortgages thereon, whose rights, in the sole opinion of the Board, may be prejudiced by such alteration or improvement. In all cases of alteration or improvement, the Board of Managers shall comply fully with all governmental codes, laws, ordinances and regulations, including the terms and provisions of the Real Property Law of the State of New York in effect at the time of the proposed alteration or improvement.
- (b) **By Unit Owners:** No Unit Owner shall install any appliance in the common elements or make any addition, alteration or improvement to the common elements (i) which would in any way violate any governmental law, code, ordinance or regulation (including the terms and provisions of the Real Property Law of the State of New York in effect at the time of the alteration or improvement), or (ii) without the prior written consent of any Unit Owners directly affected and of

the Board of Managers, obtained pursuant to Sections 6.04 through 6.08 of this Declaration. When the alteration or improvement to the common elements is pursuant to a division or combination of Units requested by a Unit Owner(s) it shall be governed by Section 6.01 of this Declaration.

Notwithstanding the foregoing, the provisions of this Section 6.03(b) shall not apply to the Sponsor (as long as any proposed improvements by the Sponsor comply fully with all governmental laws, codes, ordinances, and regulations and the proposed improvements are lawful under the terms and provisions of the Real Property Law of the State of New York in effect at the time of the improvement), nor shall this Section 6.03(b) be amended without the written consent of the Sponsor as long as the Sponsor owns any Units.

Section 6.04. Submission of Plans to Board of Managers; Approval. Any addition, alteration or improvement to the Units or common elements proposed by a Unit Owner(s) (other than the Sponsor) pursuant to Sections 6.01 through 6.03 above shall require that a plan or plans therefor, in such form as the Board of Managers may require, be submitted to, reviewed and approved by the Board of Managers. The Board of Managers may charge and collect a reasonable fee for the examination of plans submitted for approval, including any fees which may be charged by architects, engineers or attorneys retained by the Board of Managers in connection with the review of such plans.

The Board of Managers may adopt simplified review procedures for any such additions, alterations or improvements which it shall deem minor or for which the submission of plans is not necessary.

The Board of Managers may disapprove such plans for any of the following reasons:

- a. failure of such plans to comply with any protective covenants, conditions and restrictions contained in the Declaration, By-Laws, Rules or Regulations;
- 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, proposed parking;
- d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses in the vicinity;
- e. failure or proposed improvements to comply with any zoning, building, health, or other governmental laws, codes, ordinances, rules and regulations, including the Real Property Law of the State of New York;
- f. any other matter which in the judgment and sole discretion of the Board of Managers would render the proposed improve-

ments, use or uses inharmonious or incompatible with the general plan of improvement of the Condominium, including any possible adverse impact on the use and enjoyment of the Property by any other Unit Owner(s).

Upon approval or qualified approval by the Board of Managers of any plans submitted pursuant to this Section, the Board of Managers shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record (together with such qualifications or conditions, if any), and, if requested by the applicant, shall provide the applicant with a copy of such plans bearing a notation of such approval or disqualified approval. Approval of any such plans relating to the common elements or to any Unit shall be final as to such alterations, modifications or improvements 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, By-Laws or Rules and Regulations, and (ii) that such plans any any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, health or other code or ordinance. Approval of any such plans shall not be deemed a waiver of the right of the Board of Managers to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use by other Unit Owner(s).

Section 6.05. Written Notification of Disapproval. In any case where the Board of Managers disapproves any plans submitted hereunder, the Board of Managers shall no notify the applicant in writing, together with a statement of the grounds upon which such action was based. In any such case, Board of Managers 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 6.06. Failure of Board to Act. If any applicant has not received notice of the Board of Managers approving or disapproving any plans within 60 days after submission thereof, said applicant may notify the Board 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 15 days after the date of receipt of such second notice, if no decision is rendered by the Board within said 15 day period.

Section 6.07. Board of Managers' Right to Promulgate Rules and Regulations. The Board of Managers 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 the approval or disapproval of certain types of alterations, modifications or improvements to the common elements or Units; provided, however, that no such or regulation shall be deemed to bind the Board to approve or disapprove any plans submitted for approval, or to waive the exercise of the Board's discretion as to such plans; and provided further that no such rule or regulations shall be inconsistent with the provisions of the Declaration, By-Laws or any applicable governmental law, code, ordinance, rule or regulation.

Section 6.08. Applications for Permits; Insurance. Any application to any governmental authority to make installation, addition, alteration or improvement to the common elements or any Unit shall be

executed by the Board of Managers only; provided, however, that applications for any such installation, addition, alteration or improvement proposed by a Unit Owner pursuant to Sections 6.01 through 6.03 above shall be at the sole cost and expense of such Unit Owner; and provided further that this Article VI shall in no case be construed to result in the Board of Managers incurring any liability whatsoever to any Unit Owner, contractor, subcontractor, materialmen, architect or engineer on account of such installation, addition, alteration or improvement proposed by a Unit Owner, or to any person having any claim for injury to person or property arising therefrom, and such Unit Owner agrees to indemnify and forever hold the Board harmless for any liability or expenses incurred by the Board in connection therewith, including reasonable attorneys' fees.

In connection with any installation or work done by a Unit Owner, the Board of Managers may require that the Unit Owner obtain such insurance coverages and/or completion bonds, and in such amounts, as the Board of Managers deems proper. In the event that the Board of Managers deems it necessary to expend funds either to complete work previously commenced by a Unit Owner or to otherwise protect the appearance, value or structural integrity of the condominium, such amounts shall become a binding personal obligation of the Unit Owner involved and a lien against the Unit.

Section 6.09. Liability of Board of Managers. No action taken by the Board of Managers or any member, subcommittee, employee or agent thereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulations, codes or ordinances, or with respect to the physical or other condition of any building or other portion of the Property. Neither the Condominium, nor the Board of Managers, nor any member, subcommittee, employee or agent thereof shall be liable to anyone submitting plans to them for approval or to any Unit Owner, 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 Board of Managers agrees, by submission of such plans, that no action or suit will be brought against the Condominium or the Board of Managers (or any member, subcommittee, employee or agent thereof) in connection with such submission.

ARTICLE VII

EASEMENTS

Section 7.01. Utilities, Pipes and Conduits. Each Unit Owner shall have such easement of access to other Units and to the common elements, and each Unit shall be subject to such easement, as is reasonably necessary for such Unit Owner to maintain, repair and replace, as necessary, such Owner's Unit including, if any, the pipes, wires and conduits running from the meters or equipment servicing such Unit to the Unit. Each Unit Owner shall also have an easement in common with the owners of all other Units to use, in accordance with present use and present available facilities, all pipes, wires, ducts, cables, conduits, public utility lines, and other common elements located in any of the other Units and serving the Unit or Units of such Unit Owner. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use in

accordance with present use and present available facilities the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other Units and located in such Unit.

Section 7.02 Access of Board of Managers. The Board of Managers, its agents, contractors and employees, shall have an easement and right of access to each Unit to inspect the same, to remove violations therefrom and for installation, maintenance, repair or improvements to any pipes, wires, ducts, cables, conduits and public utility lines located or to be located in any Unit and servicing any other Unit, or to make repairs to the Unit to prevent damage to the common elements or to any other Unit or to maintain, repair or replace the sump pumps. Said easement and right of access shall be exercised (unless in an emergency) at reasonable hours and upon reasonable notice to the Unit Owner involved. The cost of such maintenance, repairs, improvements or replacements shall be a common expense. The Board of Managers shall have a right of access to all common elements (irrespective of the restricted nature of such common elements) to remove violations and for inspection, maintenance, repair or improvement. The Board of Managers shall have an easement through Unit No. 5 in Building One and through Units No. 4 in all other Buildings to gain access to the Buildings' attics, said easements to be exercised (unless in an emergency) at reasonable hours and upon reasonable notice to the Owners of said Units.

Section 7.03. Sponsor's Easement for Marketing and Improvement Purposes. The Sponsor reserves the right with respect to its marketing of Units, to use the common elements for the ingress and egress of itself and for prospective purchasers of Units, including the right of such prospective purchasers and contract purchasers to park in parking spaces. Any damages to the common elements resulting from this easement shall be repaired by the Sponsor within a reasonable time after the completion of its sale of the Units or termination of such use of the common elements, whichever shall first occur. The Sponsor agrees to hold the Condominium harmless from all liabilities resulting from the use of the common elements in conjunction with the marketing and improvement of Units. This Section shall not be amended prior to the sale of all Units by the Sponsor without the written consent of the Sponsor.

Section 7.04. Easement for Encroachments. The Unit Owners agree that if any portion of a Unit or the common elements (whether restricted in use to an individual Unit Owner or not) encroaches or shall hereinafter encroach upon another Unit or the common elements as a result of: (i) the original construction or settling or shifting of the Buildings or (ii) any repair or restoration by the Board of Managers of a Building, any Unit or the common elements, or (iii) any construction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings, a valid easement for the encroachment and the maintenance of the same shall and does exist. Such easements as provided in this Section shall exist so long as the Building in which any such encroachment exists shall stand.

Section 7.05. Easement of Necessity. Each Unit shall have and each Unit shall be subject to all easements of necessity in favor of such Unit or in favor of other Units and the common elements.

ARTICLE VIII**VOTING RIGHTS**

Section 8.01. Voting Rights. For all voting purposes except for amendment to this Declaration as provided below, at any meeting of the Unit Owners, the Owners of Units shall have one (1) vote for each Unit owned.

ARTICLE IX**COMMON CHARGES - ALLOCATION, LIEN AND LIABILITY**

Section 9.01. Allocation of Common Charges. Except as otherwise permitted in this Section, the common expenses shall be charged by the Board of Managers to the Unit Owners according to their respective percentage interests in the common elements. The common profits of the Property, after offsetting the common expenses relating to the common elements and making due allowance for the retention of a reserve to cover future common expenses, shall be distributed among the Unit Owners in the same manner. Assessments against the Unit Owners shall be made and approved by the Board of Managers and shall be paid by the Unit Owners pursuant to the By-Laws of the Condominium. Notwithstanding the foregoing, the Board of Managers may elect to specially allocate and apportion expenses between Unit Owners based upon the special or exclusive availability, use or control of portions of the common elements by certain Unit Owners or categories of Unit Owners.

Section 9.02. Unpaid Common Charges - Personal Obligation of Unit Owner and Lien on Unit. The common charges shall be paid when due. All sums assessed as common charges by the Board of Managers of the Condominium, but unpaid, together with accelerated installments, late charges as may be established by the Condominium By-Laws, interest thereon at such rate as may be fixed by the Board of Managers from time to time, such rate not to exceed the maximum rate of interest then permitted by law, and reasonable attorneys' fees and other costs and expenses incurred in efforts to collect such past due assessments, shall be the personal obligation of the Unit Owner and to the extent permitted by law shall constitute a lien upon the Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, Town and School District taxing agencies and (b) all sums unpaid on any first mortgage of record encumbering any Unit.

Section 9.03. Foreclosure of Lien for Common Charges. The lien for past due common charges may be foreclosed by the Condominium in accordance with the laws of the State of New York, in like manner as a mortgage on real property and the Condominium shall also have the right to recover all costs incurred including reasonable attorney's fees. In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit

Owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of common charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of common charges shall be charged to all other Unit Owners as a common expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, federal savings and loan association, life insurance company, pension fund, trust company or other institutional lender.

Section 9.04. No Exemption or Waiver of Common Charges. Every Unit Owner shall pay the common charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer, or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

Section 9.05. Grantee to be Liable with Grantor for Unpaid Common Charges. In any conveyance of a Unit either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the former Unit Owner for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the former Unit Owner the amounts paid by the grantee therefor. "Grantee" as used herein shall not include either the holder of an institutional mortgage of record or a purchaser of a Unit at a foreclosure sale of an institutional mortgage.

Section 9.06. Common Elements Heated or Cooled by Unit Owners. If it is determined that portions of the common elements are being heated or cooled in such a manner that costs thereof are charged to the meter of an individual Unit Owner, the Board of Managers shall pay to such Unit Owner, not less frequently than once every three months, the reasonable cost of the energy so consumed for the heating or cooling of said common elements.

ARTICLE X**BOARD OF MANAGERS**

Section 10.01. Board of Managers. The affairs of the Condominium shall be governed and controlled pursuant to the Condominium By-Laws (attached hereto as Schedule E and made a part hereof) by a Board of Managers who shall be elected and serve and shall have the duties and powers as provided in the By-Laws.

Section 10.02. Administration. The administration of the Condominium, the Buildings and parcel of land (the Property) described herein shall be in accordance with the provisions of this Declaration and with the provisions of the Condominium By-Laws.

Section 10.03. Power of Attorney to Board of Managers. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, or any other Unit, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage, vote the votes appurtenant thereto or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

Section 10.04. Acquisition of Units by Board of Managers. In the event any Unit Owner shall surrender such Unit Owner's Unit, together with (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale, or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereafter collectively called the "Appurtenant Interests") pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, or in any other manner acquire, a Unit together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective common interests. The lease covering any Unit leased by the Board of Managers, or its designees, on behalf of all Unit Owners, shall be held by the Board, or its designee, on behalf of all Unit Owners in proportion to their respective common interests.

Section 11.04. No Nuisances. No nuisances shall be allowed upon the Property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

Section 11.05. No Immoral or Unlawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 11.06. Obligation to Maintain Utility Service. Regardless of whether the Unit is occupied, the owner thereof shall be obligated to maintain sufficient utility service to prevent damage to other Units or to the common elements. If such service must be arranged by the Condominium, any costs incurred shall be collectible in the same manner as common charges and shall constitute a lien on the Unit involved.

Section 11.07. Rules and Regulations. Rules and regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owners, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the said rules and regulations become effective.

ARTICLE XII AMENDMENT AND TERMINATION

Section 12.01. Amendment. Except as otherwise provided in this Declaration, this Declaration may be modified, altered, amended or added to at any duly called meeting of Unit Owners provided that:

a. A notice of the meeting containing a full statement of the proposed modification, alteration, amendment or addition has been sent to all Unit Owners and first mortgagees of Units as listed on the books and records of the Condominium at least thirty (30) and not more than fifty (50) days prior to the date set for said meeting; and

b. 66-2/3% or more in number and in common interest of all Unit Owners approve the change; and

c. The Board of Managers does not, prior to the date established for voting on the proposed change, receive written notification of opposition to the change from mortgagees of more than 50% of the number of Units; and

d. An instrument evidencing the change is duly recorded in the Office of the Monroe County Clerk. Such instrument need not contain the written consent of the required number of Unit Owners, but shall contain a certification by the Board of Managers of the Condominium that the consents required by this Section for such change have been received and filed with the Board of Managers, and

e. So long as the Sponsor shall continue to own 10% or more of the Units, but in no event later than three (3) years from the date of recording this Declaration, the Board of Managers obtains the Sponsor's written consent to the change.

Section 12.02 Termination. The Condominium shall not be terminated or abandoned except as provided for by law.

**ARTICLE XIII
GENERAL**

Section 13.01. Service of Process. Service of process on the Unit Owners in any action with relation to the common elements shall be made upon: Board of Managers of the Eagle Condominium, 6090 Brockport-Spencerport Road, Brockport, New York 14420.

Section 13.02. Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

Section 13.03. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 13.04. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

Section 13.05. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender whenever the context so requires.

IN WITNESS WHEREOF, the Sponsor has caused this Declaration to be executed this __ day of _____, 1983.

DAVID B. LIESE

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

On this _____ day of _____, 1983, before me personally came DAVID B. LIESE, to me personally known, who, being by me duly sworn, did depose and say that he resides at 2591 Spencerport Road, Spencerport, New York, and that he executed the within Instrument of his own free will.

SCHEDULE A
DESCRIPTION OF CONDOMINIUM PROPERTY

All that tract or parcel of land situate in the Town of Sweden, County of Monroe and State of New York, bounded and described as follows:

Beginning at a point in the north line of Route 31 (Brockport-Spencerport Road) which point is 194.01 feet westerly from the center line of Owens Road and 164 feet westerly of the west line of Owens Road as said line existed prior to a conveyance to the Town of Sweden by Margaret F. Baltz by deed recorded in the Monroe County Clerk's Office October 10, 1960 in Liber 3301 of Deeds, page 61, which point of beginning is also the southwest corner of premises shown as "Parcel B" on a map made by Schultz and Ackerman May 17, 1967 and June 23, 1967 and October 9, 1967; thence (1) in a westerly direction and along the north line of Route 31, a distance of 136 feet to a point in the southwest corner of premises conveyed to Albee Homes, Inc., by deed recorded in the Monroe County Clerk's Office in Liber 3468 of Deeds, page 82; thence (2) running northerly at right angles a distance of 300 feet to an iron pipe; thence (3) running easterly at right angles a distance of 292.27 feet to a point in the westerly right of way line of Owens Road; thence (4) in a southerly direction and along the west line of Owens Road, forming an interior angle of $91^{\circ} 28' 30''$ with course (3) a distance of 150.05 feet to a point in the north line of "Parcel B" hereinabove mentioned; thence (5) in a westerly direction along the north line of said "Parcel B" and forming an interior angle of $88^{\circ} 31' 21''$ with course (4) a distance of 160.13 feet to a point in the northwest corner of the aforesaid "Parcel B"; thence (6) in a southerly direction and along the west line of said "Parcel B" forming an exterior angle of 90° with course (5) a distance of 150 feet to a point in the north line of Route 31 and the place of beginning.

Subject to covenants, easements and restrictions of record affecting said premises.

Excepting therefrom the premises conveyed to the Town of Sweden by deeds recorded in Monroe County Clerk's Office in Liber 4044 of Deeds, page 63 and 65.

SCHEDULE B
DESCRIPTION OF THE BUILDINGS

There are five residential buildings. Buildings One and Three each contain five garden apartment type units. Buildings Two, Four and Five each contain four garden apartment type units. The seventeen 2-bedroom garden apartment units, three 1-bedroom garden apartment units and one 3-bedroom garden apartment unit have one floor of living space and do not have garages. Garage spaces are located in the basements of the buildings.

All residential buildings have two structural stories. All Buildings have 7' high basements. All buildings have a common interior stair hall adjacent to the garden apartments on each floor, (the stair hall provides clear unobstructed access to the exterior from all units and the basement area), and a common basement. Full length handrails are located on one side of all basement stairwells and wrought iron railings are located on the second floor landing and down the open side of the stairs to the first floor.

Each building with a basement contains garage areas, a boiler or utility room, laundry room and storage space for occupants. The basement in Building Three contains the studio apartment unit (Unit No. 5).

The foundations of the residential buildings are 11 course 12" thick masonry unit (blocks) resting on a continuous 8" x 20" concrete footing except where block work is omitted at garage door openings. The foundation walls are 7' high in Building One, Five and Ten and 5' high in Building Two. The walls in the common basements in Building Five and Ten are laid up with 8" concrete blocks. All buildings have 4" concrete floors and the floor is a 4" thick concrete gravel base with a continuous 4" diameter terra cotta (farm tile) perimeter drain which empties into the storm water drainage system.

SCHEDULE B
DESCRIPTION OF THE BUILDINGS
(continued)

Exterior walls consist of 2 x 4 studs, 16" O.C. interrupted at first and second floor level by floor joists in accordance with proper construction practices. First floor joist sit on a continuous 2 x 6 sill plate anchored to the basement masonry walls. Bottom of all stud walls have a continuous sole plate and top of all stud walls have a continuous cap plate. Exterior walls are covered with aluminum siding, except building No. 1 which has vinyl siding, both of which contain 3/8" styrofoam with aluminum foil backing, over 15# construction paper and 3/8" sheathing. There is 3" of fiberglass rolled insulation in the walls. The interior wall surface is 1/2" drywall.

Interior partition framing consists of 2 x 4 studs, 16" O.C. with sole and cap plates similar to exterior walls. All interior partitions on second floor are located directly over partitions on the first floor, except in Building No. 1. Almost all the interior partitions are used as bearing walls. All partition walls are located near but not always directly over a bearing member in the basement. Extra floor joists and wooden headers were installed under the partitions and joists not located directly over a bearing member.

All first and second floor joists are 2 x 10 Douglas Fir spaced 16" on center. Floor joists are doubled under parallel partitions and wooden headers are used under heavy loading occurs. All joists have a 6" minimum overlap and 5/8" plywood is used for subflooring. There is a 3" thick layer of batts contained in the first floor joists as sound and heat barriers. There is also a layer of 5/8" fire-rated gypsum board attached to the bottom of the first

SCHEDULE B
DESCRIPTION OF THE BUILDINGS
(continued)

floor joists for fire protection.

Roof trusses over the main part of the building, including second floor ceiling joist, are 2 x 6 top chord and 2 x 4 diagonals and lower chord members, all made of Douglas Fir spaced 24" on centers. The part of the roof which projects out perpendicular to the main roof and covers the porch areas previously described, is made of 2 x 8 rafters on 16" centers with a 2 x 8 ridge board which intersects the rafters at the peak. A 2 x 6 collar tie is placed at every 4th rafter in the projected roof area. The end gable of the projected roof area is constructed with 2 x 6 members at 48" on centers. All members are made of Douglas Fir. Roof sheathing is 1/2" cdx plywood. Pitch of roof is 4 in 12. Eave vents are placed in soffit of over hang and ridge vents are placed in the roof itself. There are two (2) of each of these vents. The roof vents are 12" x 12".

The roof area is totally open from end to end of the building including the projected area of roof and the entire area is covered with a 6" layer of Owens Corning Fiberglass insulation batts with Kraft paper facing. In addition, the ceiling of the second floor is covered with 1/2" gypsum board.

All joists and rafters are "Construction Grade" Douglas Fir. All other framing members are "Standard Grade" Douglas Fir. Whenever wood is attached to masonry, anchor bolts were installed in the masonry securing a strong and rigid construction.

SCHEDULE B
DESCRIPTION OF THE BUILDINGS
(continued)

Roofs of buildings are covered with 3 tab, self seal 235 lbs. asphalt roof shingles with asphalt shingle ridge caps. The shingles were installed over one layer of 15# felt paper.

Drainage from roof areas is collected in 5" K type gutters which lead to 3" x 2" downspouts which discharge into the 4" diameter underground drain pipes.

All projections through the roof are properly flashed.

Contained within the attic area of each building are (2) 3" diameter vent lines from the grouped up stacked sanitary sewer discharge pipes, a multi-walled 15" diameter furnace stack from the hot water heater and boiler, and TV antenna wiring, as well as the usual electrical wiring. There is only one access per building to the attic area. In Building No. 1 it is located in Apartment No. 5 and in all other Buildings it is located in Apartment No. 4.

The porch area at the second floor level is framed with 2 x 6's. The flooring is 1 x 4 tongue and groove wood at Building No. 1 and plywood at all other buildings. The finish is paint at Building No. 1 and carpet at all other buildings. The framing is supported by L shaped corner posts made of (3) 1" sq. pieces of tubing laced together which is part of the wrought iron railing work which projects the three open sides of the porch. There is a duplex outlet and coach style light controlled by a switch located inside the second floor apartment. The ceiling and soffit of the roof over the porch is aluminum except on the porches on Building No. 1, which is plywood.

**SCHEDULE C
EAGLE CONDOMINIUM DECLARATION**

**UNIT DESIGNATIONS/TAX LOT NUMBERS/ADDRESSES/
APPROXIMATE SQUARE FOOT AREAS/PERCENTAGE INTERESTS
IN COMMON ELEMENTS/ACCESS TO COMMON ELEMENTS**

<u>UNIT DESIGNATION</u>	<u>TAX LOT NUMBER</u>	<u>BROCKPORT-SPENCERPORT ROAD ADDRESS</u>	<u>APPROXIMATE SQUARE FOOT AREA</u>	<u>ROOMS*</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>
Building No. 1					
1		6090	1,117	6	6.02
2		6090	859	5	4.64
3		6090	706	4	3.81
4		6090	611	4	3.30
5		6090	654	4	3.53
Building No. 2					
1		6088	891	5	4.80
2		6088	891	5	4.80
3		6088	891	5	4.80
4		6088	891	5	4.80
Building No. 3					
1		6086	891	5	4.80
2		6086	891	5	4.80
3		6086	891	5	4.80
4		6086	891	5	4.80
5		6086	352	2	1.90
Building No. 4					
1		6084	891	5	4.80
2		6084	891	5	4.80
3		6084	891	5	4.80
4		6084	891	5	4.80
Building No. 3					
1		6082	891	5	4.80
2		6082	891	5	4.80
3		6082	891	5	4.80
4		6082	891	5	4.80

Access from Units to Common Elements: All Units have access to common stairhalls except Unit No. 5 in Building No. 3, which has access to the common basement in that Building. All first floor Units have access to outdoor patios, and all second floor Units have access to outdoor balconies.

*Number of rooms includes the following: 6-room unit: kitchen, dining room, living room and three bedrooms; 5-room units: kitchen, dining room, living room and two bedrooms; 4-room units: kitchen, dining room, living room and one bedroom; 2-room unit: kitchen and a living/dining/bedroom combination. Room numbers do not include halls, closets or bathrooms.

SCHEDULE D**LOCATION OF UNITS**

Plot Plan or Survey to be attached showing description and location of all Buildings and Units in relation to one another. See end of this Offering Plan.

**BY-LAWS
OF
EAGLE CONDOMINIUM**

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BY-LAWS OF EAGLE CONDOMINIUM

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**BY-LAWS OF
EAGLE CONDOMINIUM**

**ARTICLE I
PLAN OF UNIT OWNERSHIP**

1.01. Unit Ownership. The land described in Schedule A of the Declaration recorded or to be recorded in the Office of the Clerk of Monroe County, New York, and the appurtenances thereof, including the buildings and other improvements constructed on said land, (hereinafter collectively called the "Property") have been or prior to conveyance of the first Unit shall be submitted by David B. Liese, (hereinafter referred to as the "Sponsor") to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration and shall be known as the "Eagle Condominium" (hereinafter called the "Condominium").

1.02 Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land and all improvements thereon (including the apartment dwelling units, hereinafter referred to as the "Units" and the common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The term "Building" as hereinafter used shall be defined as the exterior walls and roof of a number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Property but which does not contain any of the Units.

1.03 Personal Application. All present and future owners (hereinafter referred to as "Unit Owners") mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

**ARTICLE II
UNIT OWNERS-VOTING RIGHTS AND MEETINGS**

2.01. Voting. Each Owner of a Unit (including the Sponsor and the Board of Managers if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all meetings of Unit Owners for each Unit

owned by such Unit Owner, but the Board of Managers shall not cast any of its votes for the election of any member to the Board. If a Unit is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Unit shall reach agreement as to the matter voted upon and cast their one vote for their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

2.02 Right to Vote. At any meeting of the Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

2.03. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

2.04 Annual Meetings; First Election of Board of Managers. The Sponsor will have control of the Board of Managers for two (2) years from the date of the closing of title to the first Unit or until the transfer of title to 50% of the Units (other than to the Sponsor), whichever shall first occur. After the transfer of title to 50% of the Units or the termination of said two year period, the Sponsor shall notify all Unit Owners that the first annual meeting shall be held within thirty (30) days thereafter. At such meeting all Unit Owners, including the Sponsor, shall elect a new Board. Annual meetings of the Unit Owners shall be held thereafter on the fourth Tuesday of September of each succeeding year at 7:30 P.M. or on such other date and such other time and at such place convenient to the Unit Owners as shall be designated by the Board of Managers. At such meetings the Board of Managers shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.04 of these By-Laws. Notwithstanding any contrary provision of these By-Laws, the Declaration and/or the Plan of Condominium Ownership, at said first election and at each election thereafter, so long as the Sponsor of the Condominium shall continue to own: (1) 30% or more of the Units, the Sponsor shall have the right to elect two (2) of the five (5) members of the Board of Managers; (2) less than 30% of the Units, the Sponsor shall have the right to elect one (1) of the five (5) members of the Board of Managers. When the Sponsor no longer owns 10% or more of the Units it shall have have no further right to elect any members of the Board of Managers. Members of the Board of Managers elected by the Sponsor shall serve for a term of one year. All other members of the Board of Managers shall be elected by the Unit Owners and shall serve for the terms prescribed by these By-Laws. The Unit Owners may transact such other business at such meeting as may properly come before them.

2.05 Place of Meetings. Meetings of the Unit Owners shall be held at a suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

2.06 Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 40% in common interest, in the aggregate, of Unit Owners. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

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

2.08 Waiver and Consent. Whenever the vote of the Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

2.09 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners having two-fifths (2/5) of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, 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 forty-eight (48) hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present or represented. The quorum required for each reconvened meeting shall be one-half of the quorum required for the previous meeting.

2.10 Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. The term "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 2.01 of these By-Laws.

2.11 Inspectors of Election. The Board of Managers in advance of any meeting of Unit Owners, may appoint two (2) or more persons, who need not be Unit Owners, to act as inspectors of election at such meeting or any adjournment thereof. If inspectors of election are not so appointed prior to the meeting, the person presiding at such meeting may, and on the request of any Unit Owner, entitled to vote thereat shall, appoint two (2) or more inspectors of election. In case any person appointed fails to appear or act, the vacancy may be filled in advance of the meeting by the Board of Managers or at the meeting by the person presiding thereat.

The inspectors of election shall (1) determine the Unit Owners entitled to vote at the meeting; (2) determine the existence of a quorum and the validity and effect of proxies; (3) receive ballots or determine votes or consents; (4) hear and determine any challenges or questions arising in connection with any Unit Owner's right to vote; (5) count and tabulate all votes, ballots or consents and determine the result thereof, and (6) do such other acts as may be proper to conduct an election or vote with fairness to all Unit Owners.

2.12 Order of Business at Meetings. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meetings.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

ARTICLE III BOARD OF MANAGERS

3.01 Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall initially consist of three (3) persons designated by the Sponsor. Within 30 days after the initial transfer of title to 25% of the Units, or one year after the first Unit conveyance by the Sponsor, whichever first occurs, a fourth (4th) person shall be elected by the Unit Owners other than the Sponsor. Within 30 days after the initial transfer of title to 50% of the Units or two years after the first Unit conveyance by the Sponsor, whichever first occurs, a new Board of Managers shall be elected by all of the Unit Owners (including the Sponsor), pursuant to Section 2.04 of these By-Laws. Successors to these board members shall be elected by the Unit Owners pursuant to Section 2.04 of these By-Laws. Thereafter the Board of Managers shall be composed of five (5) persons, all of whom shall be Owners or spouses of Owners or mortgagees of Units or, in the case of partnership Owners or mortgagees, shall be members or employees of such partnership, or, in the case of corporate Owners or mortgagees, shall be officers, directors, shareholders, employees or agents of such corporations or, in the case of fiduciary Owners or mortgagees, shall be the fiduciaries or officers, agents or employees of such fiduciaries or, in the case of the Sponsor, shall be designees of the Sponsor.

3.02 Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Determination and levying of annual assessments ("common charges") payable in monthly installments to cover the cost of common expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Property. The Board of Managers may increase the annual assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective common interest.

b. Collection, use and expending the assessments collected to maintain, care for and preserve the Units, Buildings and common elements.

c. Operation, care, upkeep and maintenance of the common elements.

d. Making of repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

e. Entering into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the Property.

f. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

g. Obtaining and maintaining insurance for the Property, including the Units, pursuant to the provisions of Section 8.01 hereof.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Selling, leasing, mortgaging, repairing, maintaining, voting the votes appurtenant to (other than the election of members of the Board of Managers), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

j. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

k. Leasing of portions of the common elements and granting of licenses for vending machines.

l. Bringing and defending actions against Unit Owner(s) which are pertinent to the operation of the Condominium, and bringing actions on behalf of Unit Owners as provided for in Section 339-dd of the Real Property Law or in the Condominium Declaration.

m. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however that (i) the consent of at least 66 2/3% in number and in common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of 5% of the amount of the then current annual budget of the Condominium and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common elements without the consent of the Unit Owner.

If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (m) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the common elements bears to the interest of all the Unit Owners in the common elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

n. Adoption and amendment of reasonable rules and regulations covering the details of operation and use of the Property. Such rules and regulations and amendments shall be binding upon the Unit Owner when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit.

o. Collection of delinquent assessments by suit or otherwise, abatement of nuisances and the enjoinder and/or seeking of damages from the Unit Owners for violations of the rules and regulations referred to herein.

p. Employing and terminating the employment of employees and independent contractors, purchasing supplies and equipment, entering into contracts and generally having the powers of manager in connection with the matters hereinabove set forth.

q. Establishing of reserves for the repair and replacement of the common elements. The amount of such reserves shall be as the Board of Managers deems to be appropriate and shall be sufficient to meet the reasonable requirements of existing or proposed lenders, holders and insurers of first mortgages on the Units.

r. Complying with any change in New York law as it may affect the Condominium.

s. Assigning, in its discretion, the use of storage areas, garages, and mailboxes and, as it deems appropriate or necessary, the use of parking spaces or private yard areas, to the various Unit Owners.

t. Granting, in its discretion, licenses to Unit Owners for the use of designated areas of the common elements for gardening purposes.

u. Granting, with or without consideration, easements, rights of way or licenses for utilities or other similar services (e.g. cable television) across the common elements.

v. Reviewing and rendering decisions on the applications submitted pursuant to Article VI of the Declaration for proposed alterations of the Units or common elements.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor shall continue to own more than 25% of the Units, but in no event later than two (2) years from the date of the recording of the Declaration, the Board of Managers may not, without the Sponsor's prior written consent, (i) except for necessary repairs make any addition, alteration or improvement to the common elements or to any Unit owned by the Condominium, or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to the proportion to the then existing budget which the amount of reserves in the initial budget of estimated expenses 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 of the Condominium, except as may be necessary to maintain the quantity or quality of maintenance or services, or (iv) enter into any maintenance or service contract for work not provided for in the initial budget of estimated expenses, or (v) borrow money on behalf of the Condominium, or (vi) reduce the quantity or quality of services or maintenance of the Property.

3.03 Committees Acting on Behalf of Board of Managers. Except as limited by this Section 3.03, the Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committee to consist of at least three (3) Unit Owners, at least one of whom shall be a member of the Board of Managers, which to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions, shall specifically so provide. However, no such committee shall have or be given the power to (a) determine the common charges and expenses required for the affairs of the Condominium, (b) determine the common charges payable by the Unit Owners to meet the common charges and expenses of the Condominium, or (c) adopt or amend the rules and regulations covering the details of the operation and use of the Property. Such committee or committees shall have such name or names as may be determined from time to time by resolution of the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

3.04 Nomination, Election and Term of Office. Nominations for election to the Board of Managers shall be made by a Nominating Committee which shall be appointed by the Board of Managers. Nominations may also be made from the floor at the annual meeting of the condominium Unit Owners. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its sole discretion, determine, but not less than the number of vacancies as are to be filled as provided below.

Except as provided in Section 2.04 of these By-Laws which gives the Sponsor certain rights to elect members of the Board of Managers so long as it owns 10% or more of the Units:

a. At the first meeting of the Unit Owners the term of office of three (3) members of the Board of Managers shall be fixed at two (2) years, and the term of office of two (2) members of the Board of Managers shall be fixed at one (1) year;

b. At the expiration of the initial term of office of each respective member of the Board of Managers, a successor shall be elected to serve for a term of two (2) years; and

c. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the Unit Owners.

3.05 Removal of Members of the Board of Managers. Subject to the limitations set forth below, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers elected by the Unit Owners may be removed with or without cause by a majority of the Unit Owners other than the Sponsor and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Managers elected or appointed by the Sponsor may be removed without cause only by the Sponsor, and then thereafter replaced by the Sponsor. Members of the Board of Managers elected or appointed by the Sponsor may be removed for cause by the Unit Owners, but his successor shall be appointed by the Sponsor.

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

3.07 Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners or until a successor is elected. Notwithstanding the above, if the vacancy occurs with respect to any Member of the Board of Managers not designated by the Sponsor, the successor shall be a Unit Owner independent of the Sponsor. If the vacancy occurs with respect to any member of the initial Board of Managers as designated by the Sponsor, the Sponsor shall have the sole right to choose the successor to fill the unexpired portion of the term of such Manager.

3.08 Meetings. Organizational, regular and special meetings of the Board of Managers shall be held as follows:

- a. Organizational Meeting. The first organizational meeting of the Board shall be held within thirty days after the closing of title to the first Unit conveyed by the Sponsor. The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter at such date, time and place, as may be practicable.
- b. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers personally, by mail or by telegram, at least two (2) days prior to the day set for such meeting.
- c. Special Meetings. Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) managers.

Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.09 Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws, the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.10 No Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

3.11 Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common element bears to the interests of all the Unit Owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all Unit Owners in the common elements.

3.12 Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivision (b), (c), (d), (e) and (k) of Section 3.02 of these By-Laws. The Board of Managers may delegate to the manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (f), (g), (h), (i), (j), (l), (m), (n), (s), (t), (u) and (v) of Section 3.02 of these By-Laws.

Any decision to discontinue such independent and professional management and establish self-management for those duties and services previously delegated to said managing agent and/or manager shall require the prior written consent of 67% of all Unit Owners voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Unit Owners at least forty (40) days in advance and shall set forth the purpose of said meeting. No such decision shall be made if lending institutions which together are first mortgagees of 33-1/3% or more of the Units advise the Condominium in writing prior to the date set for voting on the proposed change that they are opposed to such change, which opposition shall not be unreasonable. Written notice of any such proposed change to self-management shall be sent to all lending institution first mortgagees of Units whose names appear on the records of the Condominium at least forty (40) days prior to said meeting.

ARTICLE IV OFFICERS

4.01 Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, and assistant secretary, and such other officers as in its judgment may be necessary. The President, but no other officer, must be a member of the Board of Managers.

4.02 Election and Appointment of Officers. The elective officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers. Appointive officers shall be appointed at such time and shall hold their office for such terms as the Board of Managers shall determine from time to time.

4.03 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and a successor to such office may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

4.04 President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

4.05 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon such officer by the Board of Managers or by the President.

4.06 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; shall record all votes and the minutes of all proceedings in a book to be kept for that purpose; shall have charge of such books and papers as the Board of Managers may direct; shall give or cause to be given, notice of all meetings of Unit Owners and all special meetings of the Board of Managers; and shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.07 Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.08 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

4.09 Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V COMMON CHARGES AND ASSESSMENTS - DETERMINATION, PAYMENT AND COLLECTION

5.01 Determination of Common Charges. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and funding of Unit services as described in Section 5.08 below, and shall send a copy of the proposed budget to all Unit Owners at least 15 days prior to the adoption thereof. The Board of Managers shall send a copy of the budget as adopted and any supplement thereto to every Unit Owner and such Unit mortgagees as shall have requested the same. The Board of Managers shall determine the total amount so required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interests appurtenant to such Units. This proration of common charges shall remain constant regardless of the percentage of the building square footage included in each Unit or the common elements restricted to the use of the Unit Owner of said Unit, unless the Board of Managers, in its discretion, elects to specially allocate or apportion certain expenses between Unit Owners as provided for in Section 9.01 of the Declaration. Said common charges or assessments shall be payable monthly in advance as ordered by the Board of Managers. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular common charges.

5.02 Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges and special assessments assessed by the Board of Managers at such time or times as the Board of Managers shall determine. Dissatisfaction with the quantity or quality of maintenance furnished to the Property shall not be grounds for the withholding or failure to pay any common charge or special assessment.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance of such Unit by such Unit Owner. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that the Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey such Unit to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from common charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of common charges assessed against such Unit prior to the acquisition of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to a lien for, the payment of common charges assessed prior to the foreclosure sale.

5.03 Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time and at least annually and may take action to collect any common charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof.

5.04 Default in Payment of Common Charges. In the event any common charge or special assessment as determined by the Board of Managers, or any installment thereof, is not paid on the due date, then such payment shall be deemed delinquent.

If a common charge or assessment or any installment thereof is not paid within ten (10) days after the due date, the Board of Managers may impose a late charge or charges on such amount or amounts as the Board of Managers deems reasonable not to exceed 5% of the amount of such overdue common charges or assessment or installment thereof, provided such late charges are equitably and uniformly applied.

If the common charge or assessment or installment thereof is not paid within thirty (30) days after the due date (i) the common charge or assessment shall bear interest from the due date at such rate as may be fixed by the Board of Managers from time to time, such rate not to exceed the maximum rate of interest then permitted by law; (ii) the Board of Managers may accelerate the remaining installments, if any, of such common charges or assessments upon notice thereof to the Unit Owners; and (iii) the Board of Managers may bring legal action against the Unit Owner personally obligated to pay the same or foreclose the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. The cost of any such proceedings and other costs and expenses incurred in efforts to collect such past due assessments, including reasonable attorney's fees, shall be added to the amount of such common charge or assessment, accelerated installments, if any, late charges and interest. Any amounts collected on past due common charges or assessments shall be applied in the following order: attorneys' fees, other costs of collection, interest, late charges, and then the common charges or assessments, beginning with the common charge or assessment past due for the longest period.

5.05 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such

foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

5.06 Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, may, at its option, or shall, at the request of the mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Managers. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of common charges.

5.07 Statement of Common Charges. Upon the written request of a Unit Owner, lessee or mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such mortgagee holds a mortgage, or any prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Managers, the Manager or the managing agent, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate, (i) whether or not the common charges due have been paid; (ii) the amount of such common charges, including interest and costs, if any, due and payable; and (iii) whether any other amounts or charges are owing to the Condominium, e.g. for the cost of extinguishing a violation of the Declaration or rules and regulations. A reasonable charge, as determined by the Board of Managers, may be made for the issuance of this certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

5.08 Unit Services and Utilities Funded Through Common Charges. All water consumed in the Units and on the common elements, as well as refuse removal charges shall be a common expense. Energy consumed in the heating, cooling and lighting of the common elements shall also be a common expense. If deemed appropriate by the Board of Managers, other Unit services, including but not limited to cable television charges, may be included in the condominium budget and shall become a common expense.

5.09 Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all common charges and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

5.10 Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VI RECORDS AND AUDITS

6.01 Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meeting of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the dates when installments are due, the amounts paid thereon, and the balance remaining unpaid.

6.02 Annual Statement. An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners, and to all mortgagees of Units who have requested the same and to the Department of Law of the State of New York, promptly after the end of each fiscal year. In addition, when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, the Board of Managers shall furnish, to the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners.

The cost of the annual report and other services required by this Section 6.02 shall be paid by the Board of Managers as a common expense.

6.03 Inspection of Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

6.04 Availability of Records and Legal Documents. The Board of Managers shall make available for inspection upon reasonable notice and during normal business hours, to existing and prospective purchasers, tenants, mortgagees, mortgage insurers and mortgage guarantors, current copies of the Condominium's Declaration, By-Laws, rules and regulations, budget, schedule of assessments and any other books, records and financial statements of the Condominium. The Board may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

ARTICLE VII THE CONDOMINIUM PROPERTY - USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR

7.01 Repairs and Maintenance Which Are the Responsibility of the Board of Managers. All maintenance, repairs and replacement to the common elements of the Property including but not limited to exterior walls, roof and roof members, common hallways,

stairways and basement areas (except storage areas, and Unit No. 5 in Building No. 3) of the Buildings, fences, and outdoor grills which are part of the common elements, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines as are located in the common elements but serve one or more Units, shall be made by the Board of Managers. The cost of all such maintenance, repairs and replacements shall be common expense unless occasioned by a negligent or willful act or omission as provided in Section 7.02 below.

All restricted common elements (except as provided for in Section 7.02 below) shall be maintained by the Board of Managers except where such repair or replacement is necessitated because of the negligence or misuse or neglect of (1) the Unit Owner, or (2) any family member, tenant, guest or invitee of such Unit Owner, or (3) a family member, guest or invitee of the tenant of such Unit Owner, or (4) a guest or invitee of (i) any member of such Unit Owner's family, or (ii) any family member of the tenant of such Unit Owner; to whom the common elements are restricted in use, in which event the Unit Owner shall make such repairs or replacements at his own expense.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the common elements.

The Board of Managers will provide snow removal for the roadways, driveways and walkways on the Property.

7.02 Repairs and Maintenance Which Are the Responsibility of the Unit Owners. All maintenance (including painting and decorating of the Units), repairs and replacements to the Units including windows (including all glass breakage), doors (except painting of the exterior surface of windows and doors which open from a Unit, which painting is the responsibility of the Board of Managers), and maintenance and repairs of storage areas restricted in use to designated Unit Owners, and repairs to pipes, wires and conduits which service only one Unit shall be made by the respective Unit Owners at their own expense.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 7.01 above but which is occasioned by a negligent or willful act or omission of a Unit Owner, (including any family member, or tenant, of such Unit Owner or any guest or invitee of such Unit Owner, member of such Unit Owner's family or tenant of such Unit Owner) shall be made at the cost and expense of such Unit Owner. If such maintenance, repair or replacement is the responsibility of the Board of Managers, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Unit and such cost shall be added to that Unit Owner's common charges and, as part of those common charges, shall constitute a lien on the Unit to secure the payment thereof.

In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the common elements or any other Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so, weather permitting, after 10 days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to such Unit Owner's Unit or for repairs to any common element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon, and, in such event, the Unit Owners shall be liable for the reasonable attorney's fees and costs of such suit or proceeding together with interest on all sums due.

7.03 Quality of Maintenance and Repairs. All repairs, painting and maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, balconies, or the exterior surface of any Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor.

7.04 Right of Access. The manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, shall have a right of access to all Units, for the purpose of making inspections or for the purpose of correcting any condition originating in a Unit and threatening another Unit or a common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in a Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

7.05 Restrictions on Use of Units and Common Elements. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. Except as allowed in Section 4.05 of the Declaration, the Unit whether occupied or leased out by the Unit Owner, shall be used for residence purposes only; and shall be resided in by not more persons (including children) than two (2) times the number of bedrooms in the Unit, except that this shall not apply to persons who have a child after they have commenced occupancy. Furthermore, unless determined to be illegal if such Unit is resided in by three (3) or more persons (including children), such persons shall be members of the same family (or if the Unit Owner or lessee is a partnership, a corporation or a trust, members of the family of a partner, or director, or shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be). "Same family" shall be defined as persons related to one another as husband, wife, mother, father, brother, sister, stepbrother, stepsister, daughter, son, stepdaughter, stepson; together with their children. This restriction requiring three (3) or more residents to be members of the same family may be waived by written consent obtained from the Board of Managers prior to occupancy.

The foregoing occupancy restrictions shall not be construed to prohibit any occupant of any Unit from entertaining guests, of any age, in his Unit, including temporary residency not to exceed two (2) months.

The garage portion of Units may be used for the parking of automobiles or other motor vehicles and for the storage of personal property and household items.

b. The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of the Units. Storage areas which are limited in use to the Owners of specific Units may be used as a hobby shop or for similar purposes, as well as for storage, subject to (i) such rules and regulations as the Board of Managers may promulgate from time to time, including controls as to use, appearance and materials used in construction, and (ii) compliance by the Unit Owner with all applicable governmental codes and ordinances.

c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or occupants or which interfere with the peaceful possession or proper use of the Property by its residents or occupants.

d. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e. No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants, i.e. tenants occupying the premises under an initial lease term of less than six months, may be accommodated therein.

7.06 No Obstruction of Common Elements and Facilities. A Unit Owner shall not obstruct the common elements. The common elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. The common halls and stairways of the Buildings containing the Units shall be used for no purpose other than normal transit through them or for uses reasonably related to occupancy of and access to the Units.

7.07 Rules of Conduct. Rules and regulations concerning the use of the Units and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A to these By-Laws.

7.08 Abatement and Enjoinment of Violations. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Condominium Declaration, these By-Laws or the Condominium's Rules and Regulations, as the case may be, and the Board of Managers shall not be deemed thereby guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (c) to establish a penalty in accordance with Section 7.10 below. One or more aggrieved Unit Owners shall have the right to enjoin, abate or remedy the continuance of a breach by appropriate legal proceedings at law or in equity. Prior to exercising such right, the Board of Managers or Unit Owner or Owners, as the case may be, shall, if reasonably possible, notify the owner and mortgagee (if known) of the Unit or Units involved and provide a reasonable amount of time for the cure of such violation or breach.

7.09 Obligation and Lien for Cost of Enforcement. If an action is successfully brought to extinguish a violation of any rule or regulation adopted by the Board of Managers or to successfully enforce the provisions of the Declaration or By-Laws, the cost of such action, including legal fees, shall become a binding personal obligation of the violator. If such violator is (1) the Unit Owner, or (2) any family member, tenant or guest or invitee of such Unit Owner, or (3) a family member or guest or invitee of such Unit Owner, or (3) a family member or guest or invitee of the tenant of such Unit Owner, or (4) a guest or invitee of (i) any member of such Unit Owner's family, or (ii) any family member of the tenant of such Unit Owner; such cost shall also be a lien upon the Unit or Units of such Unit Owner.

7.10 Penalties and Fines. In addition or as an alternative to an action at law or suit in equity, the Board of Managers may, with respect to any violation of the Declaration or of these By-Laws or of any rules and regulations of the Condominium or of any committee of the Condominium, and after affording the alleged violator a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other person. Monetary penalties imposed against a Unit Owner or occupant shall be deemed an assessment against the Unit of such Owner and, as such, shall be a charge and continuing lien upon such Unit, shall constitute a personal obligation of the Unit Owner, and shall be collectible in the same manner as common charges and special assessments under Article V of these By-Laws.

7.11 Owner Responsible for Tenants. Any lease of a Unit shall provide for full compliance by the tenant with the Declaration,

By-Laws and Rules and Regulations of the Condominium. Should a tenant be in violation thereof at any time, the Board of Managers of the Condominium may send the Owner of the Unit which said tenant occupies written notice of such violation by certified or registered mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, or if the eviction proceedings are not reasonably diligently pursued thereafter, the Board of Managers may pursue any remedies which it may have under this Article VII.

ARTICLE VIII INSURANCE AND INSURANCE TRUSTEE

8.01 Insurance. The Board of Managers 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 Managers shall determine to be appropriate unless otherwise required herein: (1) fire and casualty insurance, (2) liability insurance, (3) directors' and officers' liability insurance, (4) a fidelity bond and (5) workmens' compensation insurance.

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

Subject to the foregoing, coverages shall be as follows:

1. Fire and Casualty. The policies shall cover the interests of the Condominium, the Board of Managers and all Unit Owners and mortgagees as their interests may appear. Coverage shall be for the full replacement value of the Units and other improvements (without deduction for depreciation) under the "single entity" concept, i.e. covering the Units as initially sold and including the wall to wall carpeting, lighting fixtures, bathroom fixtures, kitchen appliances, wall coverings, and all machinery servicing the Units and common facilities, excluding the land, foundations, the personal property of Unit 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 Unit Owners or occupants.

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, including sprinkler leakage (if applicable), debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage, (ii) inflation guard, (iii) coverage for loss of common charges from Unit Owners forced to vacate because of fire or other insured against casualty, (iv) waiver of any right to claim by way of subrogation against individual Unit Owners and the members of

their households and families, the Condominium, the members of Board of Managers, the officers of the Condominium, and the managing agent, if any, for the Condominium, and waiver of any defenses based on co-insurance or any invalidity based on acts of the insured, (v) an exclusion from the "no other insurance" clause of individual Unit Owners' policies, so that the insurance purchased by the Board of Managers on behalf of the Condominium shall be deemed primary coverage and any policy obtained by the individual Unit Owners or mortgagees shall be deemed excess coverage and that the insurance obtained by the Board of Managers on behalf of the Condominium shall in no event be brought into "contribution" with insurance purchased by individual Unit Owners or mortgagees, (vi) a provision that the policy cannot be cancelled, invalidated or suspended because of the conduct or neglect of someone over whom the Condominium Board of Managers has no control, or because of any failure to comply with any warranty or condition in the policy regarding any portion of the premises over which the Board of Managers has no control, (vii) cross-liability giving the Unit Owners the right to sue the Board of Managers and vice versa with the insuring company agreeing to defend the defendant, (viii) a provision that the policy may not be cancelled (including cancellation for nonpayment of premium) or substantially modified without at least thirty days prior written notice to all of the insured, including all known mortgagees of Units, (ix) a provision requiring periodic review at least every two (2) years to assure the sufficiency of coverage and (x) a provision that adjustment of loss shall be made by the Board of Managers. Any deductible provision shall apply only to each occurrence rather than to each item of damage.

Prior to obtaining any new fire and casualty insurance policy, the Board of Managers shall obtain an appraisal from an insurance company or from such other source as the Board of Managers shall determine to be acceptable as to the full replacement value (without deduction for depreciation) of the improvements on the Property (exclusive of land, foundations and improvements made by present or prior Unit Owners or occupants) for the purpose of determining the amount of fire and casualty insurance to be effected pursuant to this Section.

The proceeds of all policies of physical damage insurance including flood insurance shall be payable to the Board of Managers if they are \$50,000 or less and, if in excess of \$50,000, to the Insurance Trustee selected by the Board of Managers, to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Unit Owners as hereinafter set forth. (This \$50,000 limit shall automatically be increased each calendar year by 5% over the limit of the previous year.) The policy must provide that any right of the insurer to elect to restore damage in lieu of cash settlement may not be exercised without the consent of the Insurance Trustee. The policy shall contain the standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that any loss shall be payable to the mortgagee as its interest shall appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as set forth below. 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 Managers following the first annual meeting of the Unit Owners shall be in at least the sum of \$795,000.00.

Each Unit Owner and such Unit 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.

Duplicate originals of the policy and of all renewals of the policy, together with proof of payment of premiums, shall be furnished to all known institutional mortgagees of Units requesting the same.

2. Liability. The liability insurance shall cover the Board of Managers, the officers of the Condominium, the managing agent, if any, and all Unit Owners, but not the liability of Unit Owners arising from occurrences within such Owner's Unit or within any common elements exclusive to such Owner's Unit. The policy shall include the following endorsements: (i) comprehensive general liability (including libel, slander, false arrest and invasion of privacy), (ii) personal injury, (iii) medical payments, (iv) cross liability under which the right of a named insured under the policy shall not be prejudiced with respect to such insured's action against another named insured, (v) "severability of interest" precluding the insurer from denying coverage to a Unit Owner because of negligent acts of the Condominium Board of Managers or any other Unit Owner, (vi) contractual liability, (vii) water damage liability, (viii) hired and non-owned vehicle coverage, (ix) liability for the property of others, (x) host liquor liability coverage with respect to events sponsored by the Condominium, and (xi) deletion of the normal products exclusion with respect to events sponsored by the Condominium.

Coverage may not be cancelled or suspended (including cancellation for non-payment of premium) or substantially modified without at least thirty (30) days prior written notice to the insured, including all known mortgagees of Units as shown on the records of the Condominium. Any deductible provision shall apply only to each occurrence rather than to each item of damage.

The Board of Managers shall review such coverage at least once each year. Until the first meeting of the Board of Managers elected by the Unit 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 arising out of a single occurrence.

3. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a member of the Board of Managers or officer of the Condominium. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Managers, and any deductible provision shall apply only to each occurrence rather than to each item of damage. The policy shall provide for "participation" by the Condominium or by the members of the Board of Managers or officers of the Condominium only to the minimum extent permitted by law or applicable governmental regulation.

Until the first meeting of the Board of Managers elected by the Unit Owners, the directors' and officers' liability coverage shall be in the amount of \$1,000,000.00, provided the Board of Managers can, in its discretion, reasonably obtain such coverage while one or more members of the Board of Managers has been elected or appointed by the Sponsor.

4. Fidelity Bond. The fidelity bond shall name the Condominium as obligee and shall cover all members of the Board of Managers, officers and employees of the Condominium and of the Condominium's managing agent, if any, who handle Condominium funds. The bond shall be in an amount not less than the estimated maximum amount of funds, including reserves, in the custody of the Condominium or managing agent at any given time, but in no event less than a sum equal to three months' aggregate common charges on all Units, plus reserves. It shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression and shall provide that the bond shall not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Board of Managers, Insurance Trustee, if any, and all institutional first mortgagees of Units as listed on the books and records of the Condominium.

Until the first meeting of the Board of Managers elected by the Unit Owners, the coverage shall be \$10,000.00 for dishonest acts and \$5,000.00 for forgery. Notwithstanding the limitation set forth herein, the Board of Managers shall, upon the request of any Unit Owner, Unit mortgagee, or prospective Unit Owner or mortgagee increase the amount of such bond to meet the reasonable requirements of any existing or proposed purchaser or insurer of any mortgage made or to be made on any Unit.

5. Workmen's Compensation Insurance. Such insurance shall cover any employees of the Condominium, as well as any other person performing work on behalf of the Condominium.

No Liability for Failure to Obtain Above Coverages. The Board of Managers 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.

Deductible Amounts. The deductible amount, if any, on any insurance policy purchased by the Board of Managers shall be a common expense, provided, however, that the Board of Managers may assess any deductible amount necessitated by the gross negligence or wantonly malicious act of a Unit Owner against such Unit Owner. The Condominium may pay the deductible portion for which a Unit Owner is responsible, and the amount so paid, together with interest and costs of collection (including attorneys' fees) shall be a charge and continuing lien upon the Unit involved, shall constitute a personal obligation of the Unit Owner, and shall be collectible in the same manner as common charges and assessments under Article IX of the Declaration.

Unit Owners' Insurance. Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

8.02 Insurance Trustee. The Insurance Trustee shall be any law firm, bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a law firm, bank or trust company located in the State of New York.

8.03 Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings or common elements as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration), the insurance proceeds, if any, shall be payable to the Board of Managers if they do not exceed the limit established pursuant to Section 8.01 hereof; and if in excess of such limit, then to the Insurance Trustee as the Board of Managers shall select, subject to the reasonable approval of the mortgagee's representative, if any. The Board of Managers shall notify all mortgagees of such Unit or Units as indicated on the records of the Condominium and shall arrange for the prompt repair and restoration of the Buildings (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but excluding any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, appliances or equipment installed by Unit Owners in the Units), and the Board of Managers 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. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit and for a completion bond for such deficit as part of the common charges.

In the event of any damage or destruction as hereinabove described, the Board of Managers shall promptly send written notification of the casualty to all institutional first mortgagees of Units as they appear on the books and records of the Condominium.

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

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged as determined by the Board of Managers and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration, the Property shall be subject to an action for partition upon the suit of any Unit Owner or lienor, as if owned in common, in which event, the net proceeds of sale, together with the net proceeds of insurance policies shall be held in escrow by the Board of Managers or the Insurance Trustee, as the case

may be, to be divided among all Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in the order of the priority of such liens.

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

Any repair or restoration as hereinabove described shall be in substantial accordance with the plans and specifications of the damaged improvements as originally built. Any proposed substantial deviation therefrom shall require the written consent of institutional first mortgagees holding mortgages on Units which have at least 51% of the votes of all Units affected which are subject to institutional first mortgages as indicated on the records of the Condominium.

The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and the same shall constitute a common expense of the Condominium.

8.04 Actions Which May Increase Insurance Rates Prohibited. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in such Unit Owner's Unit which will increase the insurance rates on such Unit or on any other Unit or on the common elements.

ARTICLE IX SELLING, MORTGAGING AND LEASING UNITS

9.01 Selling and Leasing Units. No Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid common charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds of the sale of a Unit or by the Grantee. Further, a Unit Owner may convey his Unit and common interest appurtenant

thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any common charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this Section shall be voidable at the election of the Board of Managers.

No lease of a Unit shall be for an initial term of less than six (6) months.

9.02 Mortgaging of Units and Notice to Board of Managers. Each Unit Owner shall have the right to mortgage his Unit without restriction. A Unit Owner who mortgages his Unit shall notify the Board of Managers in writing of the name and address of the mortgagee. The Board of Managers shall maintain such information in a book entitled "Mortgagees of Units."

9.03 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein the appurtenant common interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant common interest of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant common interests of all Units.

9.04 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

9.05 Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, or its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Owners shall be deemed to have waived all rights of partition with respect to such Unit and if the Board should so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord.

ARTICLE X AMENDMENT

10.01 Amendments to By-Laws. Except as hereinafter provided otherwise, these By-Laws may be modified, altered, amended or added to at any duly called meeting of Unit Owners provided that:

- a. a notice of the meeting containing a full statement of the proposed modification, alteration, amendment or addition has been sent to all Unit Owners and institutional first mortgagees as listed on the records of the Condominium at least thirty (30) and not more than fifty (50) days prior to the date set for said meeting; and
- b. 66 2/3% or more in number and in common interest in all Unit Owners approve the change; and
- c. the Board of Managers does not, prior to the date established for voting on the proposed change, receive written notification of opposition to the change from mortgagees of more than 50% of the number of Units; and
- d. the change is set forth as an amendment to the Declaration duly recorded in the Monroe County Clerk's Office.

Section 2.01, insofar as it provides that the Sponsor, so long as it is the owner of Units, may vote the votes appurtenant thereto; Section 2.04, insofar as it provides that the Sponsor, so long as it is the owner of Units, shall be entitled to elect specified numbers of members of the Board of Managers; Section 3.02, insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's prior written consent so long as the Sponsor shall continue to own more than 25% of the Units; and this Section 11.01, however, may not be amended without the consent in writing of the Sponsor so long as the Sponsor shall be the owner of one or more Units.

ARTICLE XI MISCELLANEOUS

11.01 Notices. All notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, if to go to the Board of Managers, at the office of the Board of Managers, and if to go to a Unit Owner or Unit Mortgagee, to the address of such Unit Owner or mortgagee at such address as appears on the books of the Condominium. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

11.02 Conflicts; Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

11.03 No Waiver for Failure to Enforce. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

11.04 Gender. The use of the masculine gender in these By-Laws shall be deemed to include the masculine, feminine or neuter and the use of the singular shall be deemed to include the plural, whenever the context so requires.

11.05 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

11.06 Severability. Should any part of these By-Laws be deemed void or become unenforceable at law or in equity, the validity, enforceability or effect of the balance of these By-Laws shall not be impaired or affected in any manner.

**SCHEDULE A TO BY-LAWS
RULES AND REGULATIONS****EAGLE CONDOMINIUM**

The following rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers, shall govern the use of the property comprising the Condominium and the conduct of all residents thereof.

1) **PETS.** Except for one dog not to exceed 30 pounds in weight or one cat, owned by those initial purchasers of Units who were permitted to have a pet at the time they became a tenant, and for birds in a cage and fish, no pets will be permitted in the Units unless approved in writing by the Board of Managers, acting in its sole discretion, at any time. In determining its policy with respect to pets, the Board of Managers may establish, in its sole discretion, standards with respect to the number, size, weight and kind of pets permitted. The Board of Managers shall have the right to require a Unit Owner to dispose of any animal, bird or insects, if, in the opinion of the Board, acting in its sole discretion, such animal, bird or insect 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. X

2) **NO HANGING OR SHAKING OF CLOTHING, ETC.** No lines, cloths, clothing, curtains, rugs or mops shall be hung or shaken from the doors, windows, balconies, patios, walls or fences or placed upon walls, windows, sills or fences.

3) **SHADES, VENETIAN BLINDS, ETC.** No shades, venetian blinds, awnings or window guards shall be used in or about any Unit except such as shall have been approved in writing by the Board of Managers which approval may be granted or refused in the sole discretion of the Board of Managers.

4) **SCREENS, STORM DOORS, AERIALS, SIGNS, ETC.** No screen, storm door, awning or radio or television aerial shall be attached to or hung from the exterior of any building and no sign, notice, advertisement or illumination shall be inscribed in or exposed on or at any window or other part of any building except such as shall have been approved in writing by the Board of Managers which approval may be granted or refused in the sole discretion of the Board of Managers; nor shall anything be projected from any window of any building without similar approval.

5) **NO OBSTRUCTION OR MISUSE OF COMMON ELEMENTS.** The common elements shall not be obstructed, littered, defaced or misused in any manner.

6) **USE OF UNITS.** All Units shall be used for single family residence purposes only as such term is defined in the Declaration and, if resided in by three or more persons, such persons shall be members of the "same family" as such term is defined in the Declaration and/or By-Laws. X

7) **NO ILLEGAL OR DISTURBING USE OF UNITS.** Unit Owners, members of their families, their employees, guests, lessees and their pets shall not use or permit the use of the premises or common areas

in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

8) **UNIT OWNER RESPONSIBLE FOR DAMAGE TO CONDOMINIUM PROPERTY.** Every Unit Owner shall be liable for any and all damage to the common elements and the Property of the Condominium, which shall be caused by (1) the Unit Owner, or (2) any family member, tenant, guest or invitee of such Unit Owner, or (3) a family member, guest or invitee of the tenant of such Unit Owner, or (4) a guest or invitee of (i) any member of such Unit Owner's family, or (ii) any family member of the tenant of such Unit Owner.

9) **UNITS TO BE PROMPTLY REPAIRED AND MAINTAINED.** Every Unit Owner must perform promptly all maintenance and repair work to his own Unit, which, if omitted, would affect one or more buildings of which such Unit Owner's Unit forms a part, such Unit Owner being expressly responsible for the damage and liabilities that the failure to promptly perform may engender.

10) **REPAIRS TO UNIT AT UNIT OWNER'S EXPENSE.** All the repairs to internal installations of a Unit located in and servicing only that Unit, such as gas and electric power, telephones and sanitary installations shall be at the Unit Owner's expense.

11) **LANDSCAPING OR GARDENING BY UNIT OWNERS.** Except for seasonal plantings approved by the Board of Managers, no Unit Owner shall move, remove, add or otherwise change the landscaping of the Property in any way.

12) **NO EXTERIOR PAINTING OR STAINING BY UNIT OWNERS.** No Unit Owner shall paint or stain the exterior surfaces of the windows, walls or doors opening out of such Unit Owner's Unit.

13) **PARKING OF VEHICLES.** No vehicle belonging to a Unit Owner or to a member of the family, guest, tenant or employee of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from a parking spot by another vehicle.

14) **NO COMMERCIAL VEHICLES.** Unless used in connection with the maintenance of the Property, or unless garaged, no commercial vehicles of a weight of two (2) tons or more or any unlicensed motor vehicle of any type shall be permitted to remain overnight on the Property.

15) **NO BOATS, CAMPERS, SNOWMOBILES OR MINIBIKES WITHOUT CONSENT OF BOARD OF MANAGERS.** No boats, campers, snowmobiles, minibikes or similar vehicles shall be operated on or stored on any portion of the Property except with the consent of the Board of Managers.

16) NO EXTENSIVE OUTDOOR WORK ON MOTOR VEHICLES, BOATS OR MACHINES WITHOUT CONSENT OF BOARD OF MANAGERS. No extensive work on any motor vehicles, boats or machines of any kind shall be permitted outdoors on the Property except with the consent of the Board of Managers.

17) NO INSTALLATION OF CERTAIN APPLIANCES WITHOUT CONSENT OF BOARD OF MANAGERS. No ventilator or air conditioning unit shall be installed in any Unit and no washing machine or dryer shall be installed in any Unit without the prior written approval of the Board of Managers as to the type, location and manner of installation of such appliance, which approval may be granted or refused in the sole discretion of the Board of Managers, in accordance with Article VI of the Declaration. X

18) RADIOS, TELEVISIONS AND OTHER ELECTRICAL EQUIPMENT. All radio, television or other electrical equipment or appurtenances thereto, of any kind or nature installed or used in any Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment located in such Unit Owner's Unit.

19) OUTDOOR STORAGE OF GARBAGE. Garbage shall not be kept, stored or allowed to accumulate outdoors on any portion of the Property, except when placed for pickup within twelve hours of scheduled pickup.

20) USE OF WATER CLOSETS AND OTHER WATER APPARATUS. Water closets and other water apparatus in the buildings shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other water apparatus in a Unit shall be repaired and paid for by the Owner of such Unit if it can be determined by the Board of Managers that such Unit Owner caused the resulting damage or that the misuse causing the damage initiated in such Owner's Unit.

21) APPLIANCES WHICH PROTRUDE FROM WINDOWS. Each Unit Owner shall keep any such approved appliance which protrudes from the window of the Unit in good appearance and mechanical repair. No Unit Owner shall permit any such approved appliance to leak condensation, or to make any noise which may unreasonably disturb or interfere with the rights, comforts or conveniences of any other occupant of the Property. If any approved appliance which protrudes from the window of the Units shall become rusty or discolored, the Unit Owner

shall have it painted in a good and workmanlike manner in the standard color selected by the Board of Managers for the building in which the Unit is located and if the Unit Owner shall fail to keep such approved appliance in good order and repair and properly painted, the Board of Managers or the managing agent or the manager, in their discretion, may remove such appliance from the window, charging the cost for removal to the Unit Owner, and the appliance shall not be replaced until it has been put in proper condition and only with the further written consent of the Board of Managers.

22) INSPECTION AND ENTRY RIGHTS OF BOARD OF MANAGERS AND ITS AGENT. Any member of the Board of Managers, the manager or any employee, contractor or agent of the Board of Managers or the managing agent shall, acting in conjunction with their duties as a member of the Board of Managers, manager or in the management of the Property, as the case may be, have the right to enter into a Unit for the purpose of:

- A. ascertaining compliance of the Unit or Unit Owner with the Declaration, By-Laws or Rules and Regulations of the Condominium, or
- B. ascertaining responsibility for damage caused to the Unit, other Units or the common elements, or
- C. making a determination with respect to matters involving casualty or liability insurance on the Conominium Property, or
- D. making repairs in accordance with the repair responsibilities imposed on the Board of Managers under the Declaration or to prevent damage to the Unit or to other Units or the common elements, or
- E. entering the attic areas of the Building.

Unless in the event of emergency to prevent immediate damage to the Unit, to other Units or to the common elements, repair or restore an essential utility service to the Unit, to other Units or to the common elements, any such entry shall be on reasonable notice and at reasonable hours.

23) BOARD OF MANAGERS TO RETAIN PASS KEYS TO UNITS. The Board of Managers or the managing agent or the manager may retain a pass key to each Unit. The Unit Owner shall not alter any lock or install a new lock on any door leading to his Unit without the written consent of the Board of Managers or the managing agent or the manager. If such consent is given, the Board of Managers or the managing agent or the manager shall be provided with a key.

24) KEYS ENTRUSTED TO EMPLOYEES OF BOARD OF MANAGERS OR MANAGING AGENT. Except as given in accordance with Section 24 above, if any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers or of the managing agent, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the managing agent nor the manager shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

25) GARAGE DOORS TO BE KEPT CLOSED. Garage doors shall be kept closed at all times, except to permit entry or exit therefrom.

The first of these is the fact that the
 government has a duty to protect the
 public interest. This duty is not
 limited to the protection of the
 physical health and safety of the
 public, but extends to the protection
 of the public's moral and spiritual
 well-being. The government has a
 duty to ensure that the public is
 not exposed to any form of
 discrimination or harassment on
 the basis of race, sex, or religion.
 This duty is not limited to the
 public sector, but extends to the
 private sector as well. The
 government has a duty to ensure
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 extends to the private sector as
 well.

PART III**THE SPONSOR'S STATEMENT OF THE
PRESENT CONDITION OF THE PROPERTY
IMPROVEMENTS, AND EQUIPMENT**

The Sponsor makes the following representations of the description and condition of the land and buildings. With reference to the Sponsor's preparation of such material, he consulted with Howard J. Patton, Jr., a licensed professional engineer, with an office at 440 Genesee Park Boulevard, Rochester, New York, 14619 and Robert Owen, a licensed land surveyor, with an office at 77 Thorncliff Road, Spencerport, New York, 14459. Mr. Patton, Mr. Owen and their respective representatives inspected and surveyed the property at various dates during the months of February and April of 1981, again in January, February and March of 1983. Contained herein and attached hereto is the engineer's report.

The Sponsor represents that it does not know of any defects or need for repairs except as hereinafter set forth and that to the best of the Sponsor's knowledge, the following descriptive outline states the condition of the site and the buildings including equipment and property features.

As of April 21, 1982, the Town of Sweden Director of Building Control reported that his records indicated that the buildings were in full zoning compliance, with no outstanding code violations. As of April 13, 1983, certain violations of the New York State Construction Code were found to exist, which violations will be corrected by the Sponsor prior to the first unit closing, pursuant to the terms set forth below and on page 30 of this Offering Plan.

The property is offered in its current condition. The Sponsor will have no obligation to make repairs or improvements except as may be set forth in this Plan.

The Sponsor will maintain and operate the Buildings until the closing of the title to the first unit in substantially the same manner and condition as on the date of the presentation of this plan and will cure or cause to be cured on or before the date of the closing of title to the first unit, any violations of any building code or other ordinance of any governmental entity, except violations which any tenant is obligated to cure or as otherwise provided on page 30 of this Offering Plan. All current alterations and improvements described in this Offering Plan are being performed by the appropriate tradesmen for the type of work being done. The building inspector has informed the Sponsor and the engineer that no additional permits are required for the types of alterations and improvements being performed.

ENGINEER'S REPORT

A. DESCRIPTION OF PROPERTY

1. General

The Property is basically "L"-shaped, being approximately a rectangle from which a small rectangle has been removed. The large rectangle has a frontage of 300 feet on its west side, a depth of 295 feet on the north side and a depth of 300 feet on the south side. The smaller rectangle (the southeast quadrant) has a frontage of 150 feet on its west side, a depth of 160 feet on the north end and a depth of 164 feet on the south end.

The Property fronts on the north side of Brockport-Spencerport Road for a distance of approximately 136 feet, and the west side of Owens Road for a distance of approximately 150 feet. (See site plan at the end of this Offering Plan.)

2. Driveway Access

There are four main driveways into the Property: two each from both Brockport-Spencerport Road and Owens Road. Access for vehicles to Buildings 1, 2 and 3 is from Brockport-Spencerport Road only, and access for vehicles to Buildings 4 and 5 is from Owens Road only. While the two driveway accesses are not directly connected, general access to all buildings is very good. There should be minimal complications for movement of maintenance and snow removal equipment.

3. Garages and Parking

There are a total of twenty-two garages (one space for each of the presently existing apartments). In addition, there is room for at least 22 outdoor paved parking spaces on the Property. These spaces will need to be remarked after the asphalt driveways and access areas have been resealed.

4. The Buildings and Open Areas

There are five buildings on the Property. Building No. 1 faces south onto Brockport-Spencerport Road across a large lawned area which is flanked by the entrance and exit driveways. The remaining four buildings (Nos. 2 through 5) face a central court area.

Building No. 1 is located south of the court area, with a parking area and vehicle access driveway between the building and the court area. The perimeter of this court area is approximately six feet higher than the driveway to the west of Building No. 2 and east of Building No. 5, and is approximately 2-1/2 feet higher than the parking area located to the south of the court area. The central part of this court is level with the parking area.

In the open areas which separate Building Nos. 2 and 3 and Building Nos. 4 and 5 there are 10' long by 8' high reinforced concrete retaining walls with weep holes at the base. These separate the court area from the

driveway areas west of Building No. 2 and east of Building No. 5. On the north side between Building No. 3 and No. 4, the ground slopes to the north at a slope of about 2" per 12". Drainage from the court area is very good.

There are sidewalks all around the court area, as well as in front of Building No. 1. These sidewalks connect the front entrance of all buildings to the parking areas and driveways.

There is landscaping (shrubbery and flower beds) around the perimeter of the court area in front of each building and in front of Building No. 1.

Along the north property line to the north side of Building Nos. 3 and 4 is a small stream which runs into a culvert under Owens Road at the northeast corner of the Property. The stream is about 15 feet away from the buildings at its closest point.

5. Roads

Brockport-Spencerport Road (New York State Route 31) is 66 feet wide, and Owens Road (a town road) is 60 feet wide. The roads were installed and are maintained in accordance with the applicable governing authority specifications and regulations. Both roads are curbless and generally in good condition.

6. Zoning (Town of Sweden)

The zoning for this property is M-R (multiple-residential).

7. Type of Soil

Although there are no known records of soil tests and/or test borings, growth on the Property indicates there are no sub-soil or water conditions that would adversely affect lawn or landscaping. Since the perimeter of the court area appears to have been constructed by placing a fill and topsoil over the top of the clay-type soil which is naturally present in this area, there is more than adequate depth of soil to support the usual type of landscaping.

8. Drainage

While no percolation tests were performed, drainage throughout the Property is very good, and it was observed during visits to the Property in February, 1981, and more recently in January of 1983, following intermittent periods of steady rain over a full week (as well as on other occasions), that there was no standing surface water except in the stream which runs along the north Property line.

Aside from ground water which evaporates and/or is absorbed into the ground, site drainage is generally accomplished by water running across paved driving areas either into the catch basin located in the parking area south of the court area or directly into the stream. Since the site has a natural slope of about 12 feet from the south side to the north side, surface drainage is readily accomplished.

Grades generally pitch away from the buildings in all directions, and paved areas are sloped to free them of standing water. Roof water is collected by gutters around the eaves of buildings and is conducted down vertical downspouts into drainage pipes located in the ground. All the pipes in the ground are 4" diameter drain pipe. The catch basin in the parking area also connects to the drain pipe system. All these drain pipes discharge into the stream along the north property lines.

Each of the garages of Building Nos. 2 through 5 have either one or two large (15" diameter) floor drains in the floor which are connected to the sanitary sewer system. Each of these drains has a trap.

The garages in Building No. 1 have several smaller drain holes which allow water to drain into the stone layer below the concrete floor. This water is then collected by the building perimeter drain system and discharged into the stream.

9. Exterior Lighting

Exterior lighting is provided by mercury vapor lights above the garage door areas of Building Nos. 1, 3 and 4 and incandescent lights above garage door areas of Building Nos. 2 and 5. There are also two coach-style incandescent lights flanking the main entrance door of each building. Interiors of garages and main stair halls are also lit by incandescent lights.

The exterior lights at the front of each building and the lights in the main stair hallways are controlled by electric eyes. The interior garage lights and exterior lights which illuminate the paved areas leading to the garages are controlled by timers.

10. Utilities

All utilities are underground, with the exception of electrical, cable television and telephone services which are overhead. Water is furnished by the Town of Sweden. Sanitary sewers are discharged into the Monroe County, Towns of Sweden/Ogden system, while storm water sewers are discharged into natural drainage systems as described above. Gas service is furnished by Rochester Gas and Electric, electricity is furnished by Niagara Mohawk Power Corporation, telephone service is furnished by Rochester Telephone Corporation and cable television service is furnished by Group W Cable (a subsidiary of Westinghouse Broadcasting And Cable, Inc.) located at 80 W. Avenue, Brockport, New York.

The nearest fire hydrant is located on the south side of Brockport-Spencerport Road, approximately 150 feet from the Property.

There are two (2) duplex receptacles (electrical outlets) on each building, located on the first floor porches. These are connected to the common use electrical meter. There are eight hose bibbs: two each on Building Nos. 1, 2 and 4 and one each on Building Nos. 3 and 4.

11. Public Services

The following public services and facilities are located in near proximity to the Property:

Primary law enforcement: Phone 637-5311
New York State Police
(Clarkson Barracks - 2.6 miles)

Primary fire department: Phone 637-5331
Brockport Fire Department
(2 miles)

Ambulance: Phone 637-5331
Brockport Voluntary Ambulance
(2 miles)

Public School: Phone 637-5303
Brockport Central School
(2 miles)

Public Transportation:

(a) Rochester-Genesee Regional
Transportation Service Phone 288-1700
(RTS) - (local and Rochester)
(1 mile)

(b) Greyhound Bus Lines - Phone 637-6873
(long distance)
(2 miles)

Nearest shopping plaza:
Corner of NY 31 and NY 19
(1 mile)

Churches:
(several denominations
within 2 miles)

College:
State University of New York
at Brockport
(2 miles)

Hospital: Phone 637-3131
Lakeside Memorial Hospital
Located on NY 31 west
(2.6 miles)

B. DESCRIPTION OF THE BUILDINGS

1. Addresses

There are 5 two-story buildings, with residence addresses as indicated below:

Building No. 1: 6090 Brockport-Spencerport Road
 Building No. 2: 6088 Brockport-Spencerport Road
 Building No. 3: 6086 Brockport-Spencerport Road
 Building No. 4: 6084 Brockport-Spencerport Road
 Building No. 5: 6082 Brockport-Spencerport Road

Building No. 1 is atypical and contains one three-bedroom residence (Apt. #1) and one two-bedroom residence (Apt. #2) on the first floor, as well as three one-bedroom residences (Apt. #3, Apt. #4 and Apt. #5) on the second floor.

Building Nos. 2, 4, and 5 each contain four two-bedroom residences, two on each floor. Apartments #1 and #2 are located on the first floor, and Apartments #3 and #4 are located on the second floor. Building No. 3 is similar to Buildings 2, 4 and 5, except that in addition to the four typical two-bedroom residences, there is an additional residence located on the basement level. This residence is designated as Apt. #5.

The site plan at the end of this Offering Plan shows the location of the various buildings as well as the location of the specific units within the buildings.

2. Years of Construction

The buildings were constructed in 1967 and 1968. Certificates of Occupancy were issued by the Town of Sweden on the following dates:

Building # 1. December 19, 1967
 Buildings #2 and #3 October 8, 1968
 Building #4. November 12, 1968
 Building #5. December 2, 1968

3. Contents, Size and Location of Buildings

(a) Building Nos. 2 through 5

The contents, layout and size of each of the Building Nos. 2 through 5 are exactly the same for the residences, unless specifically noted otherwise in the section entitled "Mechanical Equipment and Appliances" below. Each building is divided in half by a common wall and the main stair hall which separates the two living units at each level. This wall and stair hall extend from the first floor level to the underside of the roof. The basement level varies from building to building and will be discussed in the next section of this report.

These buildings are 59' 0" long, 36' 0" wide, and approximately 24' 10" from top of basement floor to underside of roof truss. Each building has an area of 2124 sq. feet (based upon gross exterior dimensions) and a volume of 52,733 cubic feet (from basement floor to underside of roof truss).

Each building contains a full basement, two apartments on the first floor, and two apartments on the second floor. Each building has its own entrance and totally enclosed fire rated stairhall that extends from the basement up to the second floor. The fire rating on the stairhall is 3/4 of an hour.

Each building also contains four exterior porches (one for each apartment on the first and second floor levels) and a common porch over the main entrance door. These porches are all located near the main entrance under a common roof which is attached to and a part of the main building roof.

The stairhall occupies 152 square feet. The area of each apartment is approximately 985 square feet, except Apartment #5 in Building No. 3 which is approximately 352 square feet.

The stairhalls provide clear unobstructed access to the exterior from all apartments and the basement area.

The buildings and parking areas are all connected by common sidewalks and steps. Sidewalks and steps are generally four feet wide and made of concrete. The floors of the porches at the first floor level are made of concrete, as is the floor of the porch at the main entrance door.

(b) Building No. 1

The main entrance, stairhall and porches in Building No. 1 are similar to those of the other buildings. This building, however, contains one three-bedroom apartment and one two-bedroom apartment on the first floor, three one-bedroom apartments on the second floor and a full basement. All apartments have exterior patios except Apartment #5, which will require a fire escape system to be installed for emergency egress.

Building No. 1 is 65' 1" long, 36' 0" wide and approximately 24' 10" from top of basement floor to underside of roof truss. It has an area of 2343 square feet (based upon gross exterior dimensions) and a volume of 58,174 cubic feet from basement floor to the underside of roof trusses.

The stairhall occupies 152 square feet, the three-bedroom apartment occupies approximately 1117 square feet, the two-bedroom apartment occupies approximately 859 square feet, and each of the one-bedroom apartments occupy the following approximate sq. footage:

Apartment #3	706 sq. feet
Apartment #4	611 sq. feet
Apartment #5	654 sq. feet

The stair hall provides clear unobstructed access to the exterior from all five apartments and the basement area.

There is a concrete sidewalk, approximately four feet wide, which extends across the front of the building, connecting the main entrance to the driveways on each side. Again, the floors of the porches which are located at the first floor level and the floor of the porch at the main entrance door are all made of concrete.

4. Basements

(a) Building No. 1

The basement of Building No. 1 is divided into two general areas by an 8" concrete block wall running east and west the full length of the building. The area on the north side of the wall is comprised of garage spaces for six vehicles. This area is subdivided by a 6" concrete block wall which extends from the north exterior wall of the building to the 8" wall. At the east end of the building there is an approximate 42" wide access way extending from the 36" wide exterior door on the north wall to the door through the 8" interior wall. Off the southwest corner of the garage spaces at the west end of the building is an 8'-7" x 10'-0" room. This room has a steel door with a 1-1/2 hour fire rating.

The central vacuum unit and two of the six-52 gallon electric hot water heaters are located in this room. Also located at the southwest corner of the west garage spaces are the six electrical meters for the building. There is one meter for each of the 5 apartments and one additional meter for the common services for the building (stair, lights, garage lights, etc.).

The south side of the basement contains the stairway to the first floor, 5 storage areas for the apartments, a laundry room, a boiler room and a utility room. The stairway and halls occupy approximately 199 square feet, the storage areas occupy approximately 43 to 57 square feet per compartment, and the laundry room occupies approximately 54 square feet. The boiler room occupies approximately 164 square feet and the utility room occupies approximately 37 square feet.

The laundry room contains a coin-operated washer and dryer and the common usage 52-gallon electric hot water heater to supply the washer. The boiler room contains three of the six 52-gallon electric hot water heaters and the five gas-fired boiler units for baseboard hot water heating of the apartments. Each apartment has its own separate gas meter, hot water heater, and boiler unit, all of which are identified as to the respective apartment which they serve. The gas meters are located outside just to the west side of the west basement wall. Each of the two common area hallways will be heated by an electric baseboard heating unit.

The shut off valve for the main gas feed line to the property is located outside, just south of the gas meters to Building No. 1.

The two 4" diameter main sanitary sewer discharge lines are located in the garage areas within and just north of the 8" interior block wall. There is one line in each of the two garage space areas.

(b) Building Nos. 2 and 5

The basement layouts of Building Nos. 2 and 5 are similar, except as specifically stated herein, with Building No. 5 being opposite-hand in an east-west direction with respect to Building No. 2. The following description pertains to Building No. 2:

The basement is divided into two general areas by an 8" concrete block wall running north and south for the full length of the building. The area on the west side of the wall is comprised of garage spaces for five vehicles. This area is subdivided into two areas by a 6" concrete block wall which extends from the west exterior wall of the building to the 8" wall. There are 2 garage spaces to the north of the 6" wall and 3 garage spaces to the south of the 6" wall.

In addition, there is an approximately 7' 0" wide access way to the south side of the 6" wall, extending from the 36" wide exterior door in the west wall to the door through the 8" interior wall. Contained within the access way are five electrical meters: one meter for each of the 4 apartments and one additional meter for the common areas.

Each of the two garage compartments contain a 15" diameter floor drain which is connected to the sanitary sewer system as described in the section above entitled "Drainage".

In Building No. 2, the area on the east side of the wall contains the stairway to the first floor, 5 storage areas for the apartments, and a laundry/boiler/utility room. The stairway and halls occupy approximately 187 square feet, and the storage areas occupy an approximate total of 364 square feet. Four of these storage compartments occupy approximately 54 square feet each, and one compartment occupies approximately 148 square feet. The laundry/boiler/utility room occupies approximately 152 square feet.

In Building No. 5, the area on the west side of the wall contains the stairway to the first floor, 5 storage areas for the apartments and a laundry/boiler/utility room. The stairway and halls occupy approximately 202 square feet, and the storage areas occupy an approximate total of 261 square feet. The storage compartments occupy approximately 51 square feet to 54 square feet each. The laundry/boiler/utility room occupies approximately 219 square feet.

The laundry/boiler/utility room contains a one-compartment laundry tray, a coin-operated washer and dryer, the central vacuum unit, three of the five-52 gallon electric hot water heaters, the four gas fired boiler units for baseboard hot water heating of the units, a floor drain which is connected to the sanitary sewer system, and one of the main 4" diameter cast iron sanitary sewer discharge lines. The other 4" diameter cast iron discharge line is located in the south garage compartment on the west side of the 8" wall. The remaining two-52 gallon electric hot water heaters are located inside at the south end of the building next to the storage room wall and just east of the 8" interior wall.

Each apartment has its own separate gas meter, hot water heater and boiler unit, all of which are identified as to the respective apartment which they serve.

The gas meters at Building No. 2 are located outside just to the north side of the north basement wall. The gas meters at Building No. 5 are located outside just to the south side of the south basement wall.

Each of the two common area hallways will be heated by an electric baseboard heating unit.

The main water feed for the entire Property is located in the laundry/boiler/utility room in the basement of Building No. 5. The water meter is a 2" diameter series 670 meter manufactured by Buffalo Meter Co. and is marked as American Meter No. 6735306.

(c) Building No. 3

The basement of Building No. 3 is divided into two general areas by an 8" concrete block wall running north and south for the full width of the building. The area to the west side of the wall is comprised of garage spaces for three vehicles. There is an approximately 4' 3" wide access way extending from the 36" wide exterior door in the west wall to the door through the 8" interior wall. Contained within the access way are the five electrical meters for the building (one meter for each of the 4 apartments and one additional meter for the common services for the building).

At this time, the electrical services for Apartment #5 are connected to the house meter. It will therefore be necessary for an additional electrical meter to be installed to meter Apartment #5 services separately from the common services for the building.

The garage area contains one 15" diameter floor drain which is connected to the sanitary sewer system as described above in the section on "Drainage".

The area to the east side of the 8" wall contains the stairway to the first floor, Apartment #5, a service room, 4 storage areas for the apartments, and a utility room.

The stairway and hall occupy approximately 121 square feet, and Apartment #5 occupies approximately 352 square feet. The service area occupies approximately 15 square feet. The storage areas occupy an approximate total of 242 square feet and the utility room occupies approximately 299 square feet.

The utility room contains a one-compartment laundry tray, a coin-operated washer and dryer, two of the five-52 gallon electric hot water heaters, the five gas-fired boiler units for baseboard hot water heating of the units, a floor drain which is connected to the sanitary sewer system, and one of the main 4" diameter cast iron sanitary sewer discharge lines.

The second main 4" diameter cast iron sanitary discharge line is located in the garage space on the west side of the 8" wall.

The 52-gallon electric hot water heater which serves Apartment #5 is also connected to the common house service coin-operated washer. This

unit is located just inside the storage room for Apartment #4 which is located off the utility room next to Apartment #5. A separate unit will be required for the common service usage.

The central vacuum unit and the remaining two electric hot water heaters are located in the service room near the stairway.

Each apartment has its own separate gas meter, hot water heater (except as noted above) and boiler unit, all of which are identified as to the respective apartment which they serve.

The gas meters are located outside just to the east side of the east basement wall between Buildings #3 and #4.

Each of the two common area hallways will be heated by an electric baseboard heating unit.

(d) Building No. 4

The basement of Building No. 4 is divided into two general areas by an 8" concrete block wall running north and south for the full width of the building. The area to the east side of the wall is comprised of garage spaces for three vehicles.

There is an approximately 4' 3" wide access way extending from the 36" wide exterior door in the east wall to the door through the 8" interior wall. Contained within the access way are the five electrical meters for the building (one meter for each of the 4 apartments and one additional meter for the common services for the building).

The garage area contains two 15" diameter drains which are connected to the sanitary sewer system as described above in the section entitled "Drainage".

The area to the west side of the 8" wall contains the stairway to the first floor, a service room, a recreation room (no facilities), 4 storage areas for the apartments, and a utility area.

The stairway and hall occupy approximately 122 square feet, the service room occupies approximately 25 square feet, the recreation room occupies approximately 282 square feet, the storage areas occupy an approximate total of 312 square feet, and the utility area occupies an approximate total of 295 square feet. The utility area contains a one-compartment laundry tray, a coin-operated washer and dryer, a floor drain which connects to the sanitary sewer system, two of the five 52-gallon electric hot water heaters, the four gas-fired boiler units for baseboard hot water heating of the apartments, and one of the main 4" diameter cast iron sanitary sewer discharge lines. The other main 4" diameter discharge line is located in the garage space east of the 8" wall.

The 52-gallon electric hot water heater which serves the common house service coin-operated washer is located just inside the storage room for Apartment #1 which is located off the utility area.

The central vacuum unit and the remaining two electric hot water heaters are located in the service room near the stairway.

Each apartment has its own separate gas meter, hot water heater and boiler unit, all of which are identified as to the respective apartment which they serve.

The gas meters are located outside just to the west side of the west basement wall between Buildings No. 3 and No. 4.

Each of the two common area hallways will be heated by an electric baseboard heating unit.

C. THE UNITS

In Building Nos. 2 through 5, each apartment (except Apartment #5 in Building No. 3) contains a kitchen (approximately 91 square feet), a dining room (approximately 91 square feet), a living room (approximately 276 square feet), two halls (each approximately 12 square feet), two bedrooms (one approximately 153 square feet and one approximately 162 square feet), a bathroom (approximately 48 square feet), and four closets (various sizes totaling approximately 46 square feet).

In Building No. 3, Apartment #5 contains a kitchen (approximately 31 square feet), a bathroom (approximately 37 square feet), a living/dining/bedroom (approximately 277 square feet), and a closet (approximately 7 square feet). The bathroom contains a powered vent as required by code, since there is no window.

In Building No. 1, which is atypical, the apartment layouts are as follows:

Apartment #1 contains a kitchen (approximately 92 square feet), a dining room (approximately 91 square feet), a living room (approximately 279 square feet), two halls (one approximately 40 square feet and one approximately 13 square feet), a bathroom (approximately 47 square feet), a powder room (approximately 30 square feet), three bedrooms (one approximately 180 square feet, one approximately 142 square feet and one approximately 131 square feet), and six closets (various sizes totaling approximately 72 square feet).

Apartment #2 contains a kitchen (approximately 77 square feet), a dining room (approximately 100 square feet), a living room (approximately 250 square feet), a hall (approximately 22 square feet), a bathroom (approximately 40 square feet), a powder room (approximately 25 square feet), two bedrooms (one approximately 120 square feet and one approximately 173 square feet), and four closets (various sizes totaling approximately 52 square feet). Both the bathroom and the powder room contain powered vents as required by code, since there are no windows.

Apartment #3 contains a kitchen (approximately 92 square feet), a dining room (approximately 93 square feet), a living room (approximately 242 square feet), two halls (approximately 19 square feet and approximately 13 square feet), a bathroom (approximately 48 square feet), a bedroom (approximately 155 square feet), and three closets (various sizes totaling approximately 43 square feet).

Apartment #4 contains a kitchen (approximately 77 square feet), a dining room (approximately 86 square feet), a living room (approximately 211 square feet), a hall (approximately 12 square feet), a bathroom (approximately 36 square feet), a bedroom (approximately 159 square feet), and three closets (various sizes) totalling approximately 30 square feet. The bathroom contains a powered vent.

Apartment #5 contains a kitchen (approximately 64 square feet), a living/dining room (approximately 323 square feet), a hall (approximately 39 square feet), a bathroom (approximately 37 square feet), a bedroom (approximately 161 square feet), and three closets (various sizes totaling approximately 30 square feet). The bathroom contains a powered vent.

In all of the buildings, each apartment leads directly into a stairhall. Also, each habitable space (room) has a glass area equal to at least 10% of the floor area as required by code, except the bathroom and/or powder room in Apartment Nos. 2, 4 and 5 in Building No. 1, as described above.

D. DETAILS OF CONSTRUCTION

1. Basements

Exterior basement walls are 11 courses of 12" thick concrete masonry units (blocks) resting on a continuous 8" x 20" concrete footing, except where block work is omitted at garage door openings. The 8" thick concrete masonry unit (blocks) firewall which separates the garage areas from the remainder of the basement area, as described above, rests on a continuous 8" x 16" concrete footing. The porch areas located at ground level at the front of the buildings sit on a foundation which is 6 courses of 8" thick concrete masonry units (blocks) resting on continuous 8" x 16" concrete footings. The floor is a 4" thick concrete gravel base with a continuous 4" diameter terra cotta (farm tile) perimeter drain which empties into the storm water drainage system. All concrete block work below ground level is coated with a layer of cement, overlain by a layer of asphalt, creating a waterproof barrier on the exterior side. Basement windows are wood (Building No. 1) or steel (all other buildings) sash mortared into the block walls.

Partitions for the various rooms located in the basement area are constructed of wood studs and 1/2" drywall. The entire ceiling of the basement area is insulated with a 6" thick layer of insulation, 5/8" layer of drywall (type X firecode C) giving a 3/4 hour fire rating. All doors and frames which are contained within the 8" block firewall are of fire-rated metal construction and are equipped with automatic door closers.

There are house lights in all areas of the basement, including each individual storage compartment.

Within each garage space area there is an 8" or 7" continuous structural steel beam which runs longitudinally for the full length of the garage area, parallel to the 8" fire wall. The steel beam is supported by 3" diameter pipe columns at variable intervals. The pipe columns are supported on individual footings 24" x 24" x 12" thick. Over the garage door openings in Building Nos. 2 through 5 is a 7" or 8" structural steel beam which is supported on 3" diameter pipe columns. These columns sit on a support wall which is approximately 3 feet high resting on a continuous footer. Over the garage door openings in Building No. 1 is a 6" x 6" x 1/2" thick angle which is supported by wooden columns consisting of eight 2 x 4's nailed together, resting on a foundation similar to that described for the other buildings above.

On top of each of the steel beams is a 2 x 4 nailer bolted to the beams.

There is a minimum 7' 0" clearance from the basement floor level to the underside of the first floor joist.

The sill plates which attach the upper part of the building to the basement walls are 2 x 6's anchored with 1/2" diameter bolts approximately 8' O.C. with a 15" penetration into the top of the block wall.

2. Stairhalls

Stairhall interior walls at both levels are frame construction with 5/8" firecode sheetrock on both sides of studs. Doors separating stairhalls from basement areas and stairhalls from apartments are minimum 3/4 hour fire rated 1-3/4" solid wood doors and frames. The door separating stairhalls from the garage area is a 1-1/2 hour fire-rated metal door and frame with closer and 10" x 10" wire glass lite. Ceilings of stairhalls are 5/8" firecode sheetrock. The exterior stairhall wall above ground level is a full height glass partitioned wall. The total R value is .88 for the glass partition wall. Stairhalls were constructed to provide a fire rated enclosure to insure safe passage from the building in case of a fire emergency.

The entrance door into the buildings at ground level opens directly into the stairhall. There is no door at the top of the stairs descending to the basement, but there are doors to all access points into the stairhall on the basement level.

Stairs are constructed out of wood. On the stairs from the basement to the first floor, the risers are generally 7-1/2" high and treads are 10" wide. On the stairs from the first floor level to the second floor landing, the risers are generally 8-1/4" high and treads are 9-1/2" wide. There is sufficient distance between the two stairs, so that the different riser/tread combinations do not present a safety problem. The second floor landing is 5' long and full width of the stairhall (approximately 7' 9") which is wider than the distance between stringers on the stairs (3' 5"). There is a wrought iron railing on the open side of the landing and down the open side of the stairs to

the first floor. There is a wooden railing on one side of the stairs to the basement. There are 12 risers in the run from the basement to the first floor and 13 risers in the run from the first floor to the second floor landing.

Stairhall materials and finishes are as follows: Stairs are of wood. The landing is plywood over wood framing, as is the first floor. The basement level is concrete. The stairhall floor on the basement level is covered with a linoleum rug with 3" vinyl baseboard. There is a 6' 8" long linoleum rug cover for the full width of the stairhall at the first floor level by the main entrance door. The remainder of the first floor level, the landing at the second floor level, and the entire length of both stairs are covered with carpeting. All interior walls are painted drywall. The exterior wall at the basement level is paneling over concrete blocks, while the exterior wall above ground level is a full height and full width glass partition with aluminum partition struts. The main entrance door is glass with aluminum framing. All aluminum pieces have a mill finish. All doors have a varnish finish, except the metal door which has a factory prime coat of paint. The ceilings at both levels are drywall with a painted finish. The paint finish at the upper level has a light swirl pattern, and trim work at all levels is wood with a paint finish.

There is an electric baseboard heating unit located in the hallway in the basement and one on the first floor level. There is a hose outlet to the central vacuum system at the basement and first floor level.

The intercom call button and the mailboxes for all the apartments within a building are located in the stairhall at the first floor level. There is an intercom speaker in the basement stairhall.

There are light fixtures or a chandelier at all levels within the stairhall. Stairhalls are well illuminated and apartment doors are clearly defined with apartment number designations.

3. The Buildings

Exterior walls consist of 2 x 4 studs, 16" O.C. interrupted at first and second floor levels by floor joists in accordance with proper construction practices. First floor joists sit on a continuous 2 x 6 sill plate anchored to the basement masonry walls. The bottoms of all stud walls have continuous sole plates and the tops of all stud walls have continuous cap plates. Exterior walls are covered with aluminum siding, except Building No. 1 which has vinyl siding. Both contain 3/8" styrofoam with aluminum foil backing, over 15# construction paper and 3/8" sheathing. There is 3" of fiberglass rolled insulation in the walls. The interior wall surface is 1/2" drywall. This type construction has a total R value of $R_T=14.7$. The R value of the 3" insulation alone is $R=11$.

Interior partition framing consists of 2 x 4 studs, 16" O.C. with sole and cap plates similar to exterior walls. All interior partitions on the second floor are located directly over partitions on the first floor, except in Building No. 1. Almost all of the interior partitions are used as bearing walls. All partition walls are located near (but not always directly over) a bearing member in the basement. Extra floor joists and wooden headers were installed under the partitions and joists not located directly over a bearing member.

All first and second floor joists are 2 x 10 Douglas Fir spaced 16" on center. Floor joists are doubled under parallel partitions, and wooden headers are used under areas where heavy loading occurs. All joists have a 6" minimum overlap, and 5/8" plywood is used for subflooring. There is a 3" thick layer of insulation batts contained in the second floor joists and a 6" layer of batts contained in the first floor joists as sound and heat barriers. There is also a layer of 5/8" fire-rated gypsum board attached to the bottom of the first floor joists for the fire protection. The total R value for the construction of the first floor level is $R_T=26.3$. The R value for the thermopane glass windows is $R=1.54$. The R value for the plain 8" blocks is $R=1.43$. The R value for plain 12" blocks is $R=1.82$.

Roof trusses over the main part of building, including second floor ceiling joists, are 2 x 6 top chord and 2 x 4 diagonals and lower chord members, all made of Douglas Fir spaced 24" on centers. The part of the roof which projects out perpendicular to the main roof and covers the porch areas described above is made of 2 x 8 rafters on 16" centers, with a 2 x 8 ridge board which intersects the rafters at the peak. A 2 x 6 collar tie is placed at every fourth rafter in the projected roof area. The end gable of the projected roof area is constructed with 2 x 6 members at 48" on centers. All members are made of Douglas Fir. Roof sheathing is 1/2" cdx plywood. Pitch of roof is 4 in 12. Eave vents are placed in soffit of the overhang, and ridge vents are placed in the roof itself. There are two of each of these vents. The roof vents are 12" x 12".

The roof area is totally open from end to end, including the projected area of roof, and the entire area is covered with a 6" layer of Owens Corning Fiberglass insulation batts with Kraft paper facing. In addition, the ceiling of the second floor is covered with 1/2" gypsum board. The total R value for this type of construction is $R_T=24.28$. The R value for the 6" insulation above is $R=23$, per the manufacturer as marked on the batts.

All joists and rafters are "Construction Grade" Douglas Fir. All other framing members are "Standard Grade" Douglas Fir. Whenever wood is attached to masonry, anchor bolts were installed in the masonry securing a strong and rigid construction.

Roofs of buildings are covered with 3 tab, self-seal 235 lbs. asphalt roof shingles, with asphalt shingle ridge caps. The shingles were installed over one layer of 15# felt paper.

Drainage from roof areas is collected in 5"K type gutters which lead to 3" x 2" downspouts which discharge into the 4" diameter underground drain pipes described above in the section entitled "Drainage". All projections through the roof are properly flashed.

Contained within the attic area of each building are two 3" diameter vent lines from the grouped up stacked sanitary sewer discharge pipes, a multiwalled 15" diameter furnace stack from the boiler units and TV antenna wiring, as well as the usual electrical wiring.

There is only one access per building to the attic area. In Building No. 1, it is located in Apartment No. 5 and in all other buildings it is located in Apartment No. 4.

The porch areas at second floor levels are framed with 2 x 6's. The flooring is 1 x 4 tongue and groove wood at Building No. 1 and plywood at all other buildings. The finish is paint at Building No. 1 and carpet at all other buildings. The framing is supported by L-shaped corner posts made of three 1" square pieces of tubing laced together, which is part of the wrought iron railing work protecting the three open sides of the porch. There is a duplex outlet and coach-style light controlled by a switch located inside the second floor apartment. The ceiling and soffit of the roof over the porch is aluminum.

4. The Units

All apartment walls and partitions are generally 2 x 4 studs covered with 1/2" drywall. Floor to ceiling height is generally 8'0". The underside of all floor or ceiling joists are covered with drywall. All doors and frames are wood, all windows are aluminum framed horizontal slider type. All windows are thermopane units model no. WTA67 with self storing screen, and are constructed of aluminium with a mill finish.

The following Room Finish Schedules will indicate material and finish of all rooms within the apartment units. The room sizes indicated are approximate and pertain to the 16 similar apartment units in Building Nos. 2 through 5. (See floor plans at the end of this Offering Plan for the sizes of rooms in Building No. 1).

Room - Kitchen Size 8'-2" x 11'-3"

Floor Material - Plywood

Floor Covering - Linoleum rug (2 piece) Base Molding - 3" vinyl

Base Finish - Paint

Wall Material - Drywall

Wall Finish - Paint

Ceiling Material - Drywall

Ceiling Finish - Paint

Window Material - Aluminum 3⁰ x 3⁰

Window Finish - Mill

Trim Material - Wood

Trim Finish - Paint

Special Features - Wood upper (15' 0") and lower (11' 9") cabinets with plastic laminate countertop. Two lights on switch and light in range hood. Wall mounted telephone. Electric breaker box. Five duplex outlets.

Room - Dining Room Size 7'-10" x 11'-7"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint with light swirl
 Window Material - Aluminum - 4' x 4'
 Window Finish - Mill
 Trim Material - Wood
 Trim Finish - Paint

Special features - 220 volt outlet for air conditioner unit. One overhead light on switch. Three duplex outlets. Built in air conditioner (except in Apartment #5 of Building No. 3).

Room - Living Room Size 13' 3" x 20' 10"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint with light swirl
 Door Material - Wood
 Door Finish - Varnish
 Trim Material - Wood
 Trim Finish - Paint

Special features - 6' 0" x 6' 8" sliding glass door onto porch. Door has aluminum framing with a mill finish. One TV antenna jack. One central vacuum cleaner hose outlet. Four duplex outlets, one of which is on a switch. Intercom speaker and bell for main entrance door. Smoke detector attached to center of ceiling. Cable TV jack (except in Apartment #5 of Building No. 3).

Room - Hall Size 3' 0" x 4' 6"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Trim Material - Wood
 Trim Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint with light swirl

Special features - overhead light on switch. Thermostat to control temperature in the apartment.

Room - Hall Size 3' 4" x 3' 6"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Trim Material - Wood
 Trim Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint with light swirl

Room - Bed Room Size 10'-4" x 14'-10"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Painted
 Wall Material - Drywall
 Wall Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Painted with light swirl
 Door Material - Wood
 Door Finish - Paint
 Trim Material - Wood
 Trim Finish - Paint
 Window Material - Aluminum - (2) 4⁰ x 4⁰

Special features - One overhead light on switch. Three duplex outlets.
 Telephone panel.

Room - Closet Size 2' 1" x 10' 5"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint
 Door Material - Wood - (2) 4⁰ x 6⁸ - bypassing
 Door Finish - Paint
 Trim Material - Wood
 Trim Finish - Paint

Special features - Full length closet bar. One nominal 1 x 12 shelf over bar full length.

Room - Bed Room Size 11' 2" x 13' 11"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint with light swirl
 Door Material - Wood
 Door Finish - Paint
 Trim Material - Wood
 Trim Finish - Paint
 Window Material - Aluminum - 4⁰ x 4⁰

Special features - Light in ceiling on switch. Four duplex outlets. Telephone outlet.

Room - Closet Size 2' 0" x 3' 6"

Floor Material - Plywood
 Floor Covering - Carpet
 Base Molding - Wood
 Base Finish - Paint
 Wall Material - Drywall
 Wall Finish - Paint
 Ceiling Material - Drywall
 Ceiling Finish - Paint
 Door Material - Hollow core wood - Bifold 30"
 Door Finish - Paint

Special features - Full length closet bar. One nominal 1 x 12 shelf over bar full length. Access to attic in one apartment per building as noted previously.

As described previously, the Apartments are insulated with 3" batt insulation in the exterior walls and in the second floor level joists, and 6" batt insulation in first floor level joists and in the second floor ceiling joists. The "R" value of the 3" insulation is 11 and the "R" value of the 6" insulation is 23.

Apartment #5 of Building No. 3 has the following room finish schedule:

5. Hardware

All doors, windows and cupboards have standard apartment hardware throughout. Doors have cylindrical locks.

All apartments are keyed differently, but are master keyed. (Each building has a different masterkey.) Each apartment key within a building will open the main entrance door and basement door to that building only. Each storage area has its own lock and key, some of which have been changed by the tenants who presently reside in the apartments. The Sponsor has a set of the masterkeys and spare keys for the apartments.

E. MECHANICAL EQUIPMENT AND APPLIANCES

Each kitchen (except the kitchen in Apartment #5 of Building No. 3) contains a built-in dishwasher, a range and oven, a range hood, a refrigerator, a two compartment stainless steel sink with a garbage disposal, and lower and upper cupboards.

In Building No. 3, Apartment #5 contains a range and oven, a range hood, a refrigerator, a single compartment sink, and lower and upper cupboards.

Each apartment has its own thermostat for heating control, its own doorbell and intercom and mailbox. A smoke detector will be installed in the living room of each apartment. Each apartment except Apartment #5 in Building No. 3 has an air conditioning unit.

Each apartment has its own individual gas meter and boiler unit. Each apartment and each common service usage for the coin-operated washers have their own individual hot water heater except Apartment #5 in Building No. 3 which is connected to the common service usage hot water heater for Building No. 3. One additional hot water heater will be required for Apartment #5 in Building No. 3.

The following is a list of the mechanical equipment and appliances owned by the Sponsor and located in the buildings. Total count of equipment and appliances is indicated in parentheses.

Dishwashers - (1) "General Electric" Model GSD283-6SFA
(20) "Frigidaire" Model DW-CDUN
None in Apartment #5 of Building No. 3.

Garbage Disposals - (15) "In Sink Erator" Model 333-11
(4) "In Sink Erator" Model 333-5E
(1) "Emerson" Model E-20
(1) "Emerson" Model E-40-4
None in Apartment #5 in Building No. 3.

Ranges - (16) "Frigidaire" Model No. RSN35N
(4) "Frigidaire" Model No. RSN35L
(1) "Frigidaire" Model No. RBH533
(1) "Brown" Model No. WEK105

- Range Hoods - (5) "Berns Air King" Model No. - Not accessible
2-Speed fan and light
(16) "Fasco Model No. 263 2-Speed fan and light
(1) "Swanson" Model No. B5200 2-Speed fan and light
- Refrigerators - (16) "Frigidaire" Model No. FPD146TN
Freezers (1) "Whirlpool" Model No. EEL131CTWR1
(1) "Hotpoint" Model No. 3CTFC614G4
(3) "Frigidaire" Model No. FPD15TL
(1) Tenant owns
- Air Conditioners - (4) "Hot Point" Model No. 01ACJB-103
(1) "Hot Point" Model No. 21ACJB-103
(16) "Frigidaire" Model No. BW1038N
None in Apartment #5 of Building No. 3
- Water Heaters - (4) MOR-FLO "Nationaline" Model No. EFR 52,
4500 Watt top and bottom heating element,
52 gallon electric heater with 28 gallon
1st hour recovery.
(9) MOR-FLO "Nationaline" Model No. EFR 52D,
4500 Watt top and bottom heating element,
52 gallon electric heater with 28 gallon
1st hour recovery.
(13) A.O. Smith Model No. EES-52-910,
4500 Watt top and bottom heating element,
52 gallon electric heater with 20.5 gallon
1st hour recovery at 90°.
- Vacuum cleaners - (5) "Fasco" Built in Vacuum Cleaning
System Model No. 85040000 with
2" line.
- Heating Units - (11) Teledyne Laars Model No. JVS-50C,
Natural gas fired low pressure boiler
36,500 BTU/HR, hot water radiant heating
unit with Honeywell Thermostat Controls.
(11) Peerless Model No. MMW-60AWC-I,
Natural gas fired low pressure boiler
50,000 BTU/HR, hot water radiant heating
unit with Honeywell Thermostat Controls.
(10) Emerson-Cromlex electric baseboard heaters,
2000 watt output, Model No. FWH-1000.
- Clothes Washer - (5) "Maytag" commercial washers - coin
operated. (On 10-year rental contract
from Zacruth, Inc., 49 King Street,
Rochester, New York, 328-0650). Rental
contract began in 1980. Zacruth service
number is displayed on the unit.

Clothes Dryer - (5) "General Electric" commercial dryers - coin operated. (On 10-year rental contract from Zacruth, Inc., which began in 1980).

F. HEATING AND AIR CONDITIONING SYSTEMS

Each apartment has its own individual heating system. The boiler units are located in the basement and are natural gas-fired units. From the individual boilers, independent hot water distribution systems are piped to each apartment, where there are numerous baseboard radiant heating elements for dispersal of heat throughout the apartment.

There is a hydrotherm thermostat by Honeywell which is used to regulate the heating elements within the apartment. This thermostat has a setting range of 50^o to 90^o.

The common usage stairhall on the first floor and the hallway on the basement level will each be heated by an electric baseboard heating unit with thermostatic control located in that area.

The flue from the boilers is a metal double walled flue that extends up through the roof. Flue pipe is Underwriters Laboratories approved style QC Metalbestos Type B Gas Vent 11" outside diameter with 1" clearance to combustible material listed on the name tag.

Each apartment (except Apartment #5 in Building No. 3) has a built in through-the-wall style air conditioner unit located in the living and dining room area. The controls for the unit are located at the front of the unit. These units have a 9600 BTU/hr. cooling capacity using refrigerant R-12.

G. PLUMBING FIXTURES

The following is a list of plumbing fixtures located in the buildings. Total count of fixtures is indicated in parentheses.

Laundry trays - (4) Fiberglass 19" x 19" (none in Building No. 1)

Kitchen Sinks - (21) Countertop - stainless steel
2 compartments
(1) countertop - stainless steel
1 compartment
(Apartment #5 of Building No. 3)

Lavatories - (24) Vanity base - enamel finish over cast iron or steel (white).

Water closets - (24) Tank type (white).

Bath tubs - (22) White with shower head.

The plumbing in each building is closed system of hot and cold water lines, gas piping, and sewer and vent piping, all in accordance with governing standards.

Generally, water lines are copper with brass fittings, sewer and vent lines are cast iron in basement areas with copper in all other areas, and with PVC in Apartment #5 in Building No. 3. Gas lines are standard black iron pipe. All units are stacked and combined and discharge through the roof. There are two stacks per building.

All water and gas lines have control valves. All piping below the 5/8" drywall ceiling in the basement areas is exposed, while all piping in other areas is concealed. All lines to fixtures and/or equipment are valved.

Main water service line into the Property is a 2" copper line located in the utility room in the basement of Building No. 5. Water service line into each building is 1" copper line.

Main gas service line into the Property and also to each building is 1-1/2". There is a regulator and shut off valve in the main feed line to each building. There is a shut off valve in the individual feeds to each apartment within a building. Each apartment has its own gas meter. There are (22) similar gas meters. They are Rockwell International Model No. R-275 units with a rating of 275 cubic feet per hour. All the meters and shut off valves are located outside the buildings.

H. ELECTRICAL EQUIPMENT AND WIRING

The wiring in all buildings is in accordance with the standards of the New York State Fire Underwriters at the time of construction, providing 110 volt lines throughout and 208 volt wiring where required. All switches are single or double pole toggles. Each apartment is provided with the legally required number of electrical outlets. Each apartment except Apartment #5 in Building No. 3 has its own distribution panel, which is located in the kitchen. Each apartment has its own electrical meter except Apartment #5 in Building No. 3, and each building has its own separate meter for common area electricity usage. Presently Apartment #5 in Building No. 3 is on the common element usage meter in Building No. 3, but the Sponsor will provide for separate electric metering for this apartment by April 30, 1983. The common area usage panel and all the meters are located in the access walkway in the garage areas.

The distribution panels are as follows, with quantities indicated in parentheses.

- (5) Murray load center - 100 AMP service all in Building No. 1.
- (16) Federal Pacific - Stab Lok Load Center - 100 AMP service in Building Nos. 2 through 5.

The distribution within each panel varies throughout the Property. Generally, each panel contains:

- 1 - 100 or 70 AMP, 2 pole main breaker
- 1 - 50 or 40 AMP, 2 pole breaker for the range
- 1 - 20, 2 pole breaker for the air conditioner
and a total of 7 or 8 - 15 or 20, 1 pole breakers.

The common area usage panels are Cutler Hammer, Federal Pacific and Murray load centers. Again the distribution within each panel varies throughout the Property. Generally, there is one 2 pole breaker ranging from 50 to 100 AMPS and a total of 6 or 7 single (1) pole 15 and 20 AMP breakers.

The meters on the Property are General Electric, Westinghouse, and Sangamo brands. There is a breaker disconnect located in the garage after the meter and before the panel which services each apartment, except Apartment #5 in Building No. 3. There is not a disconnect after the meter which services the common area usage panels.

The disconnects are Federal Pacific, Cutler Hammer, and Murray 2 pole disconnects. The Federal Pacific disconnects are rated at 60 AMPS, the Murray disconnects are rated at 100 AMPS, and the Cutler Hammer disconnects are rated for both 60 and 100 AMPS.

Connected to the common element usage panel is time switch and electric eye controlled lights as described elsewhere above.

All wiring appears to be insulated copper and aluminum conductors, the sizes of which vary in accordance with loads and runs. Proper connectors have been used on aluminum wire connections.

Door signal systems are low voltage systems. Each apartment has a bell. There is also an intercom system as previously described. Light fixtures are located as described throughout this report. Single pole toggle switches control receptacles (for lamps) in Living Rooms and overhead lights in Bed Rooms.

I. GENERAL

1. Television Reception

All apartments within a building except Apartment #5 of Building No. 3 have a T.V. antenna jack which is connected to a single T.V. antenna located on the roof of that building. Each building has one T.V. Antenna for color T.V. reception.

2. Cable Television

Each apartment except Apartment #5 of building No. 3 has a cable TV jack located in the living room of the apartment.

3. Refuse Removal

There are no dumpsters or refuse disposal facilities on the premises. All apartments except Apartment #5 of Building No. 3 have a garbage disposal in the kitchen sink for disposal of food products. All other refuse is placed in the thirty gallon garbage cans which Sponsor provides. These cans are located in the access way in the garage area of the basement. These garbage cans are emptied weekly by Bestway Refuse Service.

4. Fire Protection

There are no sprinkler systems, nor any standpipes (with hoses) in buildings. However, there are two fire hydrants located near the Property (one at the corner of Owens Road and Brockport-Spencerport Road near the southeast corner of the Property and one on Brockport-Spencerport Road near the southwest corner of the Property) that would assist any fire fighting apparatus if necessary.

Buildings are positioned on the site in such a way that would allow fire fighting access to all apartments easily.

J. NORMAL EXPECTED LIFE AND USEFUL REMAINING LIFE OF VARIOUS ELEMENTS

The normal expected life of the various elements and equipment are as follows:

1. Aluminum siding - 25 years
2. Vinyl siding - 40 years
3. Copper and PVC plumbing - 50 years
4. Cast iron plumbing - 75 years
5. Kitchen sinks - 40 years
6. Bath tubs and sinks - 25 years
7. Water closets - 75 years
8. Air conditioner - 15 years
9. Range and hood - 15 years
10. Refrigerator - 13 years
11. Garbage Disposal - 18 years
12. Dishwasher - 12 years
13. Aluminum windows - 40 years
14. Wood framed building - 100 years
15. Electrical system - 100 years
16. Water heaters - 10 years
17. Built in Vacuum cleaner - 5 years
18. Boilers for heating system - 25 years
19. Roofing - 15 years

The above listed normal expected life of elements assumes that reasonable continued maintenance is performed throughout the life of the elements as required from time to time. If this is not done, then the listed values would have to be greatly reduced.

The Property being offered herein has been well maintained. The current age of the Property being fifteen (15) to sixteen (16) years old. Good maintenance is evidenced by the still usable condition of some of the elements with short life expectancies.

K. ADDITIONAL DESCRIPTION OF VARIOUS COMPONENTS OF THE PROPERTY.

The exterior walls are tight and of sound construction. They are in very good condition and require only a few minor repairs where present modifications are in progress. These repairs are included in the list of recommended repairs.

The masonry walls are sound and in good condition. They require a few minor repairs where present modifications are in progress. All such repairs are listed below.

The roof areas are in very good condition at this time. The roof on Building No. 1 has been replaced as recommended in the report.

The sidewalk in front of Building Nos. 4 and 5 still require replacing as indicated below. In general the major concrete repair work has not yet been completed due to the time of year being winter. It is scheduled for spring time weather in mid to late April.

The lighting installed in the various areas is sufficient for the usage to which it is intended. Repairs to the electrical items listed in the report are in progress. Other areas not requiring repair are in good condition.

The heating system is in very good condition. New boiler units have just been installed. The existing heating units are in good working condition.

All piping systems are in good working condition. There is no evidence at this time of plugged or corroded lines. All current modifications are being installed using new copper piping for hot and cold water piping. New extensions of the flue to pick up the exhaust from the new boilers are properly sized ranging from 4"Ø on a single unit up to the existing flue size by the time all five units are connected together.

The electric service and equipment are in good condition. There is no visible evidence of deterioration of insulation on the wires. There is no visible evidence of circuits being overloaded.

The intercom system is in good condition and operating properly.

The siding on the buildings is in very good condition. One piece on Building No. 4 has worked itself loose and will be renailed.

The garage areas are in good condition except one bay in the garage area of Building No. 4 as noted in the list of recommended repairs. That bay will be replaced. The steel columns which are located in garage area are in good condition except the one post located by the damaged bay of concrete in Building No. 4. That post will be replaced. All the posts need to be cleaned and repainted again.

The parking areas were resealed in 1982 and will need to be resealed and striped this year. Otherwise they are in good condition. The north driveway into the property from Owens Road will be widened slightly to provide better access at this driveway. A small trench will be dug from this driveway to the stream to help drainage at this driveway.

The only mechanical vent systems are the powered vents in the bathrooms. These vents are fan units which exhaust into the attic areas which are vented to the outside. These fans are standard bathroom fans used for this purpose. They are of sufficient size to provide proper exchange of air in the bathrooms which they service. All are functioning properly.

The dryer vents are standard through the wall metal vents with attached flapper which closes automatically when not in use. They are installed properly and are functioning satisfactorily. Due to the near proximity of Buildings Nos. 3 and 4 (9 feet apart) and since the dryer vents for these two buildings are through their adjacent walls, the natural air currents between the buildings tend to carry the warm, moist air upward between the buildings.

The porches at grade are all made of concrete construction. The construction is sound and shows no sign of deterioration. The reference to concrete floors sinking is incorrect. There is a piece of wood fascia board which was improperly installed during the original construction of the building, leaving a small gap between the concrete porch floor and the metal door sill. This gap will be properly repaired. The second floor area porches on building No. 1 showed signs of deterioration of the floor surfaces and some of the 2 x 6 supports. All these damaged areas are being replaced or repaired. To alleviate deterioration from occurring again these surfaces will be covered with aluminum sheeting similar to the porches on the other buildings instead of just painting like they were previously.

The engineer has inspected the repairs which have been completed to date and find them to be completed in a satisfactory manor. Repairs and modifications are being made by workmen properly skilled in their respective trades.

The engineer will continue to review and inspect the property as progress continues.

It is expected that all repairs will be completed by April 30, 1983 or sooner if weather permits for the concrete work.

L. IDENTIFICATION BY SERIAL NUMBER OF THE INDIVIDUAL BOILER UNITS, HOT WATER HEATER, AND GAS METER FOR EACH OF THE APARTMENTS OR COMMON ELEMENT USAGE

This will help to alleviate confusion at a later date in the event that the identifying marks should happen to get removed from one of these items.

Building No. 1

<u>Apartment #</u>	<u>Gas Meter</u>	<u>Boiler Unit</u>	<u>Hot Water Unit</u>
1	434130	MMW 60837	MG82-03323-910
2	434131	MMW 60840	MG82-03330-910
3	434137	MMW 60846	MG82-03264-910
4	434135	MMW 64883	MG82-03311-910
5	434140	MMW 57119	MG82-03290-910
Common Element	-	-	MG82-03307-910

Building No. 2

<u>Apartment #</u>	<u>Gas Meter</u>	<u>Boiler Unit</u>	<u>Hot Water Unit</u>
1	434580	MMW 64858	MJ82-29612-910
2	434569	MMW 64866	MJ82-29477-910
3	434575	MMW 64861	MJ82-29630-910
4	434571	MMW 64857	MJ82-29491-910
Common Element	-	-	MJ82-29662-910

Building No. 3

<u>Apartment #</u>	<u>Gas Meter</u>	<u>Boiler Unit</u>	<u>Hot Water Unit</u>
1	434577	8200073	823855
2	434583	8200056	823897
3	434581	8200060	823857
4	434579	8200043	823831
5	434582	8200062	823859
Common Element	-	-	823859

Building No. 4

<u>Apartment #</u>	<u>Gas Meter</u>	<u>Boiler Unit</u>	<u>Hot Water Unit</u>
1	434586	8200067	823816
2	434585	8200069	823863
3	434584	8200078	823874
4	434573	8200074	823873
Common Element	-	-	MM82-29844-910

Building No. 5

<u>Apartment #</u>	<u>Gas Meter</u>	<u>Boiler Unit</u>	<u>Hot Water Unit</u>
1	434578	8200072	823827
2	434574	8200020	823828
3	434576	MMW 60839	823821
4	434572	MMW 64860	823898
Common Element	-	-	MJ82-29666-910

M. RECOMMENDED REPAIRS

The following is a list of "Recommended Repairs" which are necessary at this time to insure the continued safe and economical operation of the complex in its current very good condition. All other elements not listed above appear to be in reasonably usable condition, regardless of age, and should not require any attention at this time. The "Recommended Repairs" are as follows:

Building No. 1

1. Repaint or replace all gutters and leaders.
2. Replace missing slats in shutters.
3. Point up cellar walls as required.
4. Repair electrical outlet in gas meter room.
5. Install fire code drywall on ceiling of storage rooms and gas meter room and patch same in laundry room.
6. Install glass and vent panels in utility room door.
7. Install rate-of-rise heat detector in utility room.
8. Install smoke detectors in the living rooms of those apartments which are not so equipped.
9. Repair minor cracks in drywall as required.
10. Install fire escape system or balcony system for Apt. #5.
11. Install aluminum ceiling and soffit at roof over porches.
12. Replace hose and accessories for central vacuum unit.
13. Replace worn carpeting in stair hall.

Building No. 2

1. Repair holes in the interior masonry fire wall in garage.
2. Repair or replace gutters on the southeast portion of the building and the lower pieces of the leader pipe as required.
3. Install smoke detectors in the living rooms of those apartments not so equipped.
4. Install rate-of-rise heat detector in utility room.
5. Point-up cellar walls as required.
6. Repair minor cracks in drywall as required.
7. Replace hose and accessories for central vacuum unit.
8. Replace worn carpeting in stair hall.
9. Replace handle on garage pedestrian door.

Building No. 3

1. Repair holes in the interior masonry fire wall in garage.
2. Point-up cellar walls as required.
3. Remount entrance lights at front door.
4. Respike gutters and replace lower section of leaders as required.

5. Repair second floor porch decks as required.
6. Install fire code drywall on west wall of Apt. #4 storage room and patch holes in drywall of utility room ceiling and garage ceiling.
7. Install rate-of-rise heat detector in utility room.
8. Install smoke detectors in the living rooms of those apartments not so equipped.
9. Patch minor cracks in drywall as required.
10. Replace hose and accessories for central vacuum unit.
11. Replace worn carpeting in stair hall.
12. Install electric meter for Apartment #5, as well as a separate water heater.

Building No. 4

1. Install smoke detectors in the living rooms of those apartments not so equipped.
2. Install rate-of-rise heat detector in utility room.
3. Repair holes in interior masonry fire wall in garage.
4. Point-up cellar walls as required.
5. Point-up pit in special utility room.
6. Repair floor in Apt. #4 garage stall.
7. Respike gutters and replace lower section of leaders as required.
8. Repair second floor porch decks as required.
9. Replace light fixture in storage room for Apt. #3
10. Replace door handle of utility room.
11. Patch ceiling in storage room for Apt. #1.
12. Install drywall or paneling in recreation room on walls.
13. Repair broken windows in recreation rooms.
14. Repair hinges on fire door to garage.
15. Patch minor cracks in drywall as required.
16. Replace hose and accessories for central vacuum unit.
17. Replace worn carpeting in stair hall.
18. Repair gap in wood at main entrance.
19. Reattach sill at main entrance.
20. Install clean out access in pit in utility room extension.
21. Replace insulation removed during modifications and repair drywall.
22. Caulk around air conditioner and glass doors and windows as needed. Add covers on air conditioner units where incomplete.
23. Install short piece of aluminum at basement window to hold insulation in proper place.
24. Reattach the one piece of siding which has worked loose over the garage door area.
25. Replace one piece of antenna which is missing and paint.
26. Clean eave trough.
27. Replace one post in garage. Paint remaining posts.
28. Sweep areas when construction is completed.
29. Renail wood headers at garage doors.
30. Trim pedestrian door into garage to clear asphalt.

Building No. 5

1. Repair holes in interior masonry fire wall in garage.
2. Point-up cellar walls as required.
3. Install rate-of-rise heat detector in utility room.
4. Install smoke detectors in living rooms of apartments which are not so equipped.
5. Remount entrance lights at front door.
6. Respike gutters and replace lower section of leader pipes as required.
7. Repair drywall on ceiling in recreation area.
8. Patch minor cracks in drywall as required.
9. Repair fire door to garage.
10. Replace hose and accessories for central vacuum unit.
11. Replace worn carpeting in stair hall.

Exterior Grounds

1. Roll and reseal blacktop.
2. Stripe parking spaces.
3. Replace sidewalk in front of building #5.
4. Straighten and reseal sanitary sewer stand pipes north of Buildings #3 and #4.
5. Backfill over perimeter drain lines for Buildings #3 and #4.
6. Install "Y" for drainage at PVC standpipe.
7. Clean weep holes in retaining walls between Buildings #2 and #3 and Buildings #4 and #5.
8. Install lateral support for retaining walls between Buildings #2 and #3 and Buildings #4 and #5.
9. Perform routine "Springtime" landscaping on shrubs and flower beds.
10. Pick up papers and remove items near stream which are on property.
11. Extend driveway from Owens Road to improve vehicle access to garages in Building No. 4.
12. Dig small ditch to help drainage near driveway.

Date: March 20, 1983



4/25/83

CERTIFICATION OF SPONSOR'S ENGINEER

New York State Department of Law
Two World Trade Center
48th Floor
New York, New York 10047

Attn: Real Estate Financing Bureau

Re: Eagle Apartments
6082, 6084, 6086, 6088 and 6090
Brockport-Spencerport Road
Brockport, New York 14220

HOWARD J. PATTON, being a licensed professional engineer in the State of New York, certifies as follows:

1. The sponsor of the offering to convert the above-captioned property to a condominium retained me to prepare a report disclosing the condition of the property (the "Report"). I visually inspected the property at various times during February and April, 1981 and again in January, February and March, 1983, and prepared the Report dated March 20, 1983, a copy of which is intended to be incorporated into the offering plan as Part III so that tenants and prospective purchasers may rely on the Report.

2. I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 19, insofar as they are applicable to the Report.

3. I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and

New York State Department of Law

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conducted the visual inspection(s) referred to above with due diligence in order to form a basis for the certification. I certify that the Report and all documents prepared by me disclose all the material facts which were then discernable from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report and all documents prepared by me based on my visual inspection:

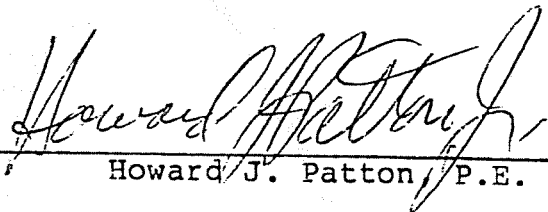
- a. set forth in narrative form the physical condition of the entire property and are current and accurate as of the date of inspection;
- b. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;
- c. do not omit any material fact;
- d. do not contain any untrue statement of a material fact;
- e. do not contain any fraud, deception, concealment or suppression;
- f. do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- g. do not contain any representation or statement which is false, where I: (1) knew the truth; (2) with reasonable effort could have known the truth; (3) made no reasonable effort

New York State Department of Law

Page Three

to ascertain the truth, or (4) did not have knowledge concerning the representations or statement made.

4. I further certify that I am not controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium 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.


Howard J. Patton, P.E.

Subscribed and sworn to before me
this 28 day of April, 1983.



MELINDA A. MARTIN
Notary Public in the State of New York
GENESSEE COUNTY
Commissions Expires March 30, 1985

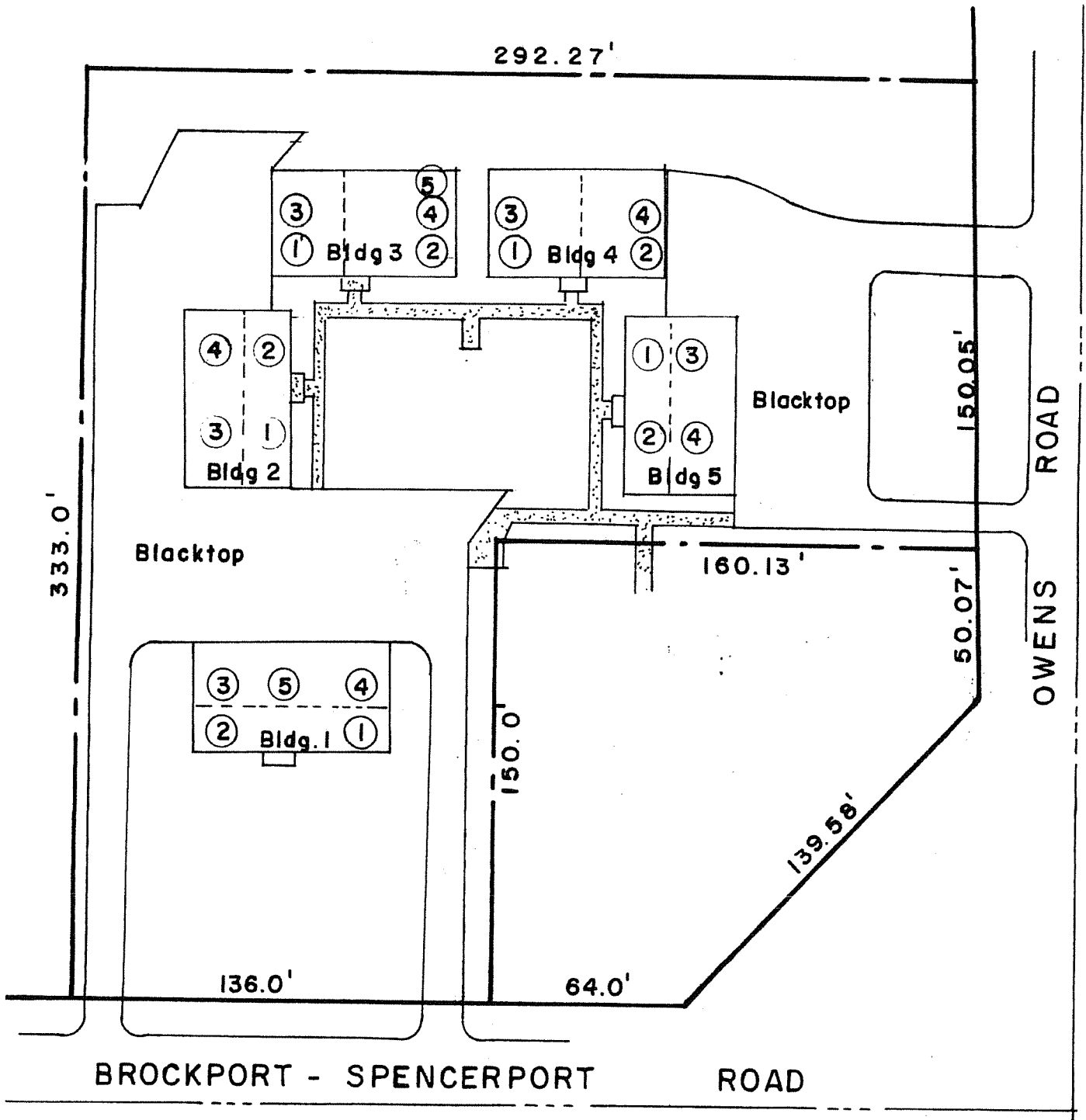
SCHEDULE OF LEASE EXPIRATION DATES*

(as of May 1, 1983)

	<u>UNIT</u>	<u>LEASE EXPIRATION</u>
Building One	1	mo. to mo.
	2	mo. to mo.
	3	mo. to mo.
	4	mo. to mo.
	5	mo. to mo.
<hr/>		
Building Two	1	mo. to mo.
	2	mo. to mo.
	3	mo. to mo.
	4	mo. to mo.
<hr/>		
Building Three	1	mo. to mo.
	2	mo. to mo.
	3	mo. to mo.
	4	mo. to mo.
	5	mo. to mo.
<hr/>		
Building Four	1	mo. to mo.
	2	6/30/83
	3	mo. to mo.
	4	mo. to mo.
<hr/>		
Building Five	1	mo. to mo.
	2	mo. to mo.
	3	mo. to mo.
	4	mo. to mo.

(The Property is not subject to any State or local rent control law.)

*The Sponsor has agreed to allow all tenants, whether or not they choose to purchase a Unit, to remain in occupancy at least until June 30, 1983. This right of occupancy is in addition to, and not a limitation of, the rights of present tenants described on page 23 of this Plan.

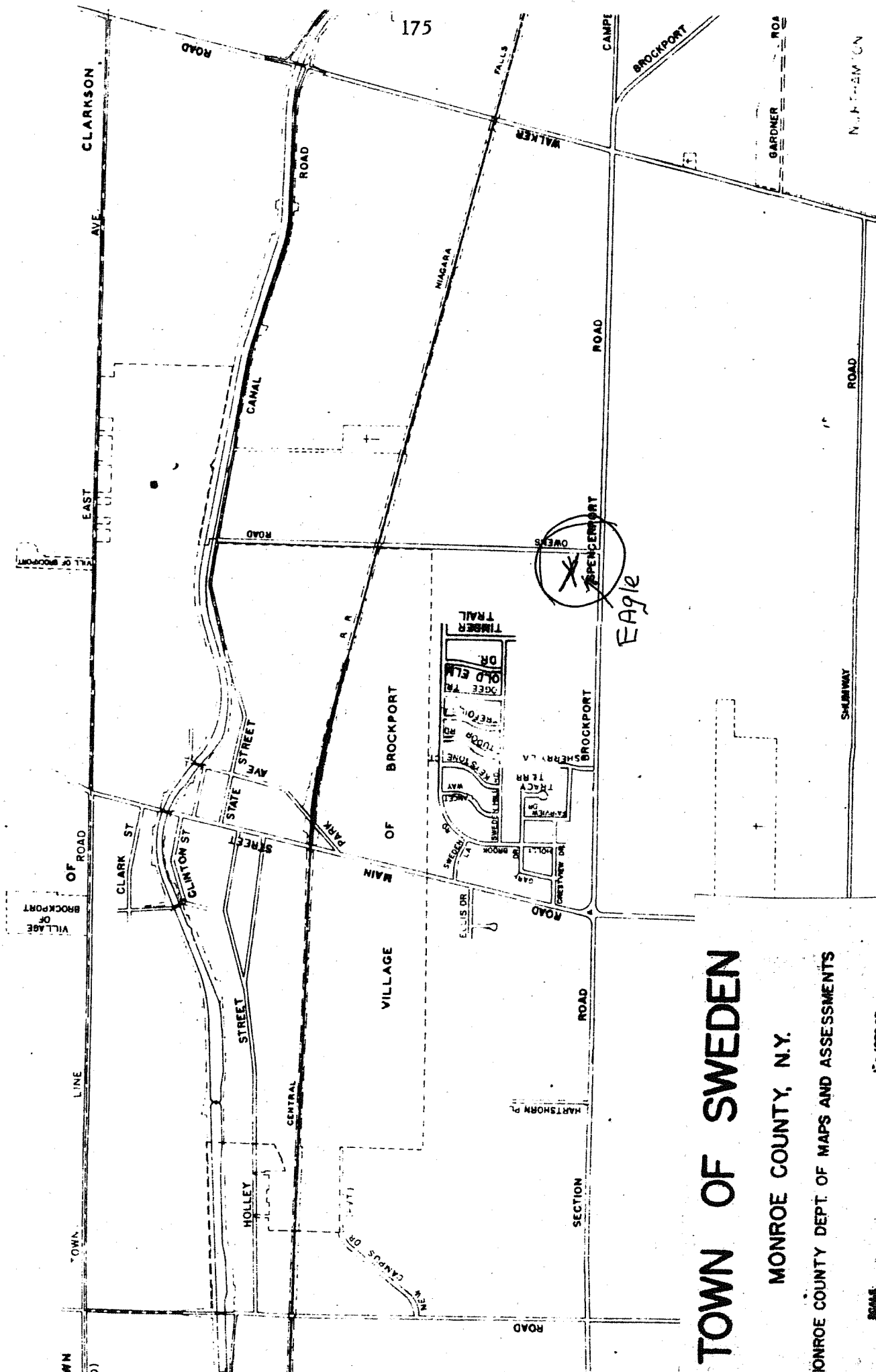


LEGEND

- ① ② First Floor Units
- ③ ④ Second Floor Units
- ⑤ Bldg.1 Second Floor Unit
- ⑤ Bldg.3 Basement Unit
- Garages in Basements

EAGLE CONDOMINIUM

TOWN of Sweden, N.Y.



TOWN OF SWEDEN

MONROE COUNTY, N.Y.

MONROE COUNTY DEPT. OF MAPS AND ASSESSMENTS

DAVID B. LIESE

Dear Eagle Condominium Unit Purchaser:

This letter is your "Notice to Close" your condominium unit at Eagle. This letter also contains information about your purchase which you should find helpful.

An amendment to the Eagle Condominium Offering Plan declaring the Plan effective has been accepted for filing by the New York State Department of Law. This means that we are committing the property to the condominium form of ownership. The Condominium Declaration will be recorded in the Monroe County Clerk's Office prior to the first closing. This recording will officially create the Eagle Condominium.

Commencement of Unit Closings

Assuming you have received a mortgage commitment (if you are getting a mortgage), and there are no other outstanding contingencies to your closing, the closing of your Unit will take place sometime between January 27, 1984 and February 15, 1984. If you wish to close earlier please contact us. Please have your attorney arrange the day and time of closing with the bank giving you a mortgage loan and with my attorneys, Agnello and Agnello, 361 Executive Office Building, Rochester, New York 14614 (546-3200). If you will not be represented by an attorney, our attorneys can assist you in scheduling your closing. Please make arrangements no later than Friday, January 27, 1984.

Documents to be Received Prior to Closing

Your attorney will be receiving from our attorney a survey of the condominium property and a copy of the proposed deed. Once the closing has been set, our attorneys will send a closing statement. The closing statement will include adjustments for taxes, condominium common charges, and interest on your downpayment. (If you are a tenant, or if the unit which you are purchasing is presently occupied by a tenant, there will also be an adjustment for rent, and you will receive a credit for the amount of any security deposit paid.) The closing statement will also indicate the amounts of the checks you will need at closing.

Fire Insurance

At closing you will receive an Insurance Certificate certifying to you that there is fire and casualty insurance covering your unit (and all other units in the Condominium). This coverage is paid through the Condominium common charges. The building, including the interiors of the units, is covered for the full replacement cost of the basic structure in the event of any covered fire or casualty. A copy of this Insurance Certificate will be furnished to your mortgage lender prior to the closing. There is also liability coverage in the amount of \$1,000,000.00 for each occurrence. You should be aware of the following:

- (a) the liability coverage does not cover occurrences within the unit or within any common elements, e.g. balcony or patio, exclusive to the unit.
- (b) the coverage on the units is for the units with the standard appliances, carpeting, lighting fixtures, etc. The increase in value by reason of any upgrading (e.g. carpeting, wallpaper, lighting fixtures, appliances, etc.) done by you or any prior occupant is not covered. You must obtain your own coverage for the difference in value between a unit with standard items and the unit as improved with the upgraded items.
- (c) the Condominium's insurance policy does not provide you with living expenses should you be required to live elsewhere while the unit is being repaired or reconstructed after a casualty.

You should obtain an "HO-6" condominium owner's policy to cover your personal property, liability within your unit and any "improvements or betterments" made or installed in your unit by yourself or by any prior occupant. The "improvements or betterments" coverage in the HO-6 policy is usually limited to \$1,000.00. If the "improvements or betterments" i.e., the value of any upgrades, such as appliances, carpeting, lighting fixtures, wall coverings, built-ins, etc., over the standard items exceeds \$1,000.00, you should consider an endorsement to the HO-6 policy to increase this limit.

Condominium Start-Up Costs

As set forth in the Offering Plan, the initial purchaser of each unit is required to contribute, at closing, \$150.00 to the working capital of the Condominium Association.

These funds will be needed for Association start-up costs, including the payment of the first year's fire and casualty insurance premium on the buildings and units. I am also giving the Condominium \$3,000.00 to be used by the Condominium Association as an initial reserve deposit for possible future capital expenditures.

Title Insurance

Because the title companies in New York State will insure that the condominium has been created in compliance with the applicable laws, title insurance is customarily obtained. If you are obtaining a mortgage, your lender will require that you furnish title insurance. "Fee" or owner's title insurance, insuring your interest in the unit over and above the interest of your mortgage lender, is optional at additional cost to you. Your attorney will arrange for the title insurance needed or requested by you.

Election of Board of Managers of Condominium

Until two years from the date of the first Unit closing, or the first annual meeting of owners following the transfer of title to 11 residential units, the affairs of the Condominium Association will be run by a Board of Managers consisting of one or more persons appointed by myself as Sponsor. Thereafter, the owners of all units will elect a new Board of Managers to run the Condominium Association, a majority of which Board members must be unit owners or residents at Eagle.

A copy of this letter is being forwarded to your attorney.

I look forward to your closing and to having you as a unit owner at Eagle Condominium.

David B. Liese