

**AMENDED AND RESTATED
HOMEOWNERS ASSOCIATION OFFERING PLAN
THE RESERVE ASSOCIATION INC.
South Clinton Avenue at the Erie Canal
Town of Brighton, County of Monroe,
State of New York**

APPROXIMATE AMOUNT OF OFFERING

Six Million Sixty Eight Thousand Thirty Five Dollars (\$6,068,035.00), Based upon the Total Value of the Fully Improved Covered Areas to be Owned and Maintained by the Association in Section I of The Reserve on the Erie Canal ("Development"), with an estimated value for Section II being \$1,000.00. The cost of membership in the Association is included in the purchase price of each dwelling unit.

NUMBER OF UNITS OFFERED:

One Hundred Twenty Six (126), comprising Section I of the Development, with Section II currently planned to include a maximum of Two Hundred One (201) units for sale.

SPONSOR/SELLING AGENT

**Anthony J. Costello & Son (Joseph) Development, LLC
919 Westfall Road
Building B, Suite 200
Rochester, New York 14618**

Date of Acceptance for Filing: November 13, 2013

This Offering Plan may not be used after May 12, 2014, unless this Offering Plan is extended by amendment.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF AN ASSOCIATION IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF DIRECTORS OF THE ASSOCIATION UNDER THE TERMS OF THIS PLAN (SEE SECTION OF THE PLAN ENTITLED "SPECIAL RISKS").

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

THE RESERVE ASSOCIATION, INC.

AMENDMENT NO. 4

This is the fourth amendment to the Offering Plan for The Reserve Association Inc. The primary purposes of this amendment are to revise the purchase contract and certain provisions of the plan, change the escrow agent and extend the term of the offering.

1. No closings have occurred as of this date. One contract has been signed. There are no homes occupied by tenants.
2. The Sponsor is in control of the Association and will retain control for up to fifteen (15) years after the recording of the Declaration or until 100% of the homes are sold, whichever first occurs.
3. The principal address of Sponsor shall now be amended to read as follows:

Anthony J. Costello & Son (Joseph) Development, LLC
919 Westfall Road, Building B
Suite 200
Rochester, New York 14618
4. The incorrect home warranty was stated in the plan. The warranty to be given to home buyers is the Rochester Homebuilders Association warranty, a copy of which is attached as Exhibit A. This is the warranty typically given for new home construction in the Rochester, New York area. The limited warranty does not permit construction that is below code or below locally accepted building practices. The limited warranty limits the N.Y.S. Housing Merchant Warranty in the following respects:
 - (a) by limiting its applicability to the first owner of the home;
 - (b) by limiting the total liability of the Sponsor to 50% of the contract price paid by the home owner; and
 - (c) the warranty on the Common Areas is one year from the date of the recording of the Declaration. Said warranty was not mentioned in the Amended and Restated Plan.
 - (d) Those existing contract purchasers whose contracts set forth the N.Y.S. Housing Merchant Warranty shall have such warranty on their homes.
5. The Escrow Agent has changed. The new Escrow Agent is WOODS OVIATT GILMAN LLP. The firm's address is 2 State Street, Rochester, New York 14614. The phone number is 585-987-2800. A new escrow account has been opened at Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. The

account is called Woods Oviatt Gilman LLP as Escrow Agent for the Reserve Association, Inc. It is an IOLA account. The account number is 3386008555. Paula A. Lapin, Esq. and Jerry Goldman, Esq. are the authorized signatories on the account. Both are lawyers admitted to practice in New York Neither the Escrow Agent nor either of its signatories are related to the Sponsor, the selling agent, the management agent or any principal of any of them. Nor do the Escrow Agent or its signatories have any beneficial interest in the Sponsor or this offering. A new Escrow Agreement is attached as Exhibit B. The Lot Reservation Agreement has also been revised to reflect this change and to make it more streamlined. The new Lot Reservation Agreement is attached as Exhibit C.

6. A new purchase agreement is attached as Exhibit D. The purchase agreement has been amended as follows:
 - a) Changes Escrow Agent;
 - b) Corrects Warranty;
 - c) Has the deposit under the Unit Reservation Agreement applied to the deposit due under the purchase agreement;
 - d) Streamlines the purchase agreement to make it more understandable by purchasers.
7. The Declaration will be corrected to state that each Owner gets one vote, regardless of how many lots are owned by that Owner. It will also be amended to require the vote 66 2/3% of Owners to amend the Declaration rather than 80%.
8. There has been no change to the budget or the budget year which runs from June 1, 2014 to May 31, 2015.
9. All material changes of facts and circumstances affecting the property or the Offering Plan are included in this Amendment.

THE RESERVE ASSOCIATION, INC.
SPONSOR



The Residential Construction Performance Guidelines attached to this Limited Warranty, as adopted by the Rochester Home Builders' Association and as the same may be amended from time to time, are published by the Rochester Home Builders' Association, and have not been reviewed or approved by the Monroe County Bar Association or the Greater Rochester Association of Realtors, Inc. The Monroe County Bar Association and the Greater Rochester Association of Realtors, Inc. make no representations of any kind as to the adequacy or sufficiency of the Residential Construction Performance Guidelines

LIMITED WARRANTY

WARRANTOR:

The Warrantor _____ is the Seller identified in the RESIDENTIAL CONSTRUCTION AND PURCHASE CONTRACT ("Contract") to which this LIMITED WARRANTY is appended, with an address of _____.

HOME WARRANTED:

The Dwelling warranted is the Dwelling constructed by the Seller as identified in the Contract.

TO WHOM WARRANTED:

The Dwelling is warranted to the person or persons identified as the Buyers in the Contract.

WARRANTY DATE:

This Limited Warranty is effective upon transfer of title to or possession by the Buyer or Buyer's agent, whichever is earlier (Warranty Date).

THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE DWELLING AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THIS LIMITED WARRANTY IS MADE PURSUANT TO GENERAL BUSINESS LAW §777-b AND EXCLUDES/MODIFIES THE HOUSING MERCHANT IMPLIED WARRANTY SET FORTH IN GENERAL BUSINESS LAW §777-a

SELLER'S LIMIT OF TOTAL AGGREGATE LIABILITY:

The maximum total aggregate liability of the Seller under this Limited Warranty shall be equal to a maximum of 50 percent of the full contract price of the Property (as defined in the Contract) paid by the Buyer to the Seller for the first year of warranty coverage and 50 percent in years 2 through 6.

CONSEQUENTIAL DAMAGES:

This Limited Warranty excludes all consequential and incidental damages, except as otherwise required by New York State law.

1. TO WHOM GIVEN. This Limited Warranty is extended solely to the Buyer named in the Contract and solely during the time the Buyer owns the Property. It does not extend to subsequent owners of the Property or to other persons.

2. BY WHOM MADE. This Limited Warranty is made exclusively by the Seller whose name and address appear on the Contract.

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3. **FINAL INSPECTION OF DWELLING.** Before the Buyer moves into the Dwelling or accepts the deed, the Seller will set up an appointment for final inspection of the Dwelling with the Buyer. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature -- such as cracks, chips, dents, stains, or marks -- that may have occurred during the final stages in finishing the Dwelling, or any unfinished work caused by circumstances beyond the Seller's control.

All defects or flaws found on final inspection of the Dwelling will be itemized on a **FINAL INSPECTION BEFORE POSSESSION** Sheet, which will be signed by the Buyer and the Seller before occupancy of the Dwelling or transfer of title.

The purpose of the Limited Warranty is to identify the Seller's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Dwelling.

The Seller's responsibility is limited to:

a. Completion of items shown on the **FINAL INSPECTION BEFORE POSSESSION** Sheet, as provided in said Sheet; and

b. Performance of warranty obligations under the provisions of this Limited Warranty, as set out below.

4. **WARRANTY COVERAGE AND PERIODS.** The Warranty Period for all coverage begins on the Warranty Date, which shall be conclusive for all purposes. The Warranty Date is the date that the Buyer takes title to the Dwelling, or the Buyer or any person authorized by the Buyer, begins residential occupancy of the Dwelling, whichever date is earlier.

a. **First Year Basic Coverage:** For one year from the Warranty Date, the Dwelling will be free from latent defects that constitute:

(1). Defective workmanship performed by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;

(2). Defective materials provided by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller; and

(3). Defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Seller.

Workmanship, materials and design will be considered to be defective under this Limited Warranty if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code ("Building Code"); or if the Building Code does not provide a relevant specific standard, if they fail to meet or exceed the Residential Construction Performance Guidelines ("Guidelines") attached hereto, and which Guidelines are expressly made a part hereof; or if neither the Building Code nor the Guidelines provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

In the case of goods sold incidentally with or included in the sale of the Dwelling, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers, and dryers, workmanship will be considered to be defective if the Seller, an agent of the Seller, or an employee or subcontractor of the Seller, fails to install such goods in accordance with the manufacturer's standards and specifications, and the New York State Uniform Fire Prevention Building Code, or in accordance with the Guidelines, or locally accepted building practices, as applicable. As hereinafter set out (see Exclusions from All Coverage), merchantability, fitness

and all other implied warranties with respect to such goods shall be governed by applicable laws and statutes.

b. Two Year Major Systems Coverage: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Dwelling which have been installed by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller, are warranted to be free from latent defects that constitute defective installation by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller.

Installation will be considered to be defective if the workmanship in such installation fails to meet or exceed the relevant standards and specifications of the New York Uniform Fire Prevention and Building Code; or if the Building Code does not provide a relevant specific standard, if it fails to meet or exceed the Guidelines, or if neither the Building Code nor the Guidelines provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

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

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

The Heating, Cooling and Ventilation System means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

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

c. Six Year Major Structural Defect Coverage: For six years from the Warranty Date, the Dwelling will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(1). defective workmanship performed by the Seller, an agent of the Seller, employee or subcontractor of the Seller,

(2). defective materials provided by the Seller, an agent of the Seller, employee or subcontractor of the Seller; or

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

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code; or if the Building Code does not provide a relevant specific standard, if they fail to meet or exceed the Guidelines; or if neither the Building Code nor the Guidelines provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

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

5. WARRANTY. If a defect occurs in an item covered by this Limited Warranty, the Seller will repair, replace or pay the Buyer the reasonable cost of repairing or replacing the defective item (s), within a reasonable time after the Seller's inspection or after the Seller's testing confirms the defect, as provided in Paragraph 7, below. Repair, replacement or payment of the reasonable cost for any Major Structural Defect is further limited to (1) the repair of damage to the Load-bearing portions of the Dwelling which is necessary to restore their load-bearing function, or the reasonable cost thereof, and (2) the repair of those components of the Dwelling (exclusive of personal property) damaged by the major structural defect which made the Dwelling unsafe, unsanitary or otherwise unlivable, or the reasonable cost thereof. The choice among repair, replacement or payment is solely that of the Seller.

When the Seller finishes repairing or replacing the defect or pays the reasonable cost of doing so, the Seller shall be fully released and discharged from any liability for said defect, and upon the request of the Seller, a full release of all legal obligations with respect to the defect shall be signed by the Buyer and delivered to the Seller.

6. EXCLUSIONS FROM ALL COVERAGE. The following are excluded from the Basic Coverage, Major Systems Coverage, and Major Structural Defect Coverage:

a. Magnuson-Moss Warranty Act. Except as otherwise provided under FIRST YEAR BASIC coverage, above, this Limited Warranty does not cover manufacturing defects or loss or damage resulting from or to items excluded within the definition of "consumer products" under the Magnuson-Moss Warranty Act, Pb.L. 93-637, 15 U.S.C. 2301, which was signed into law in January 1975. The Act applies to written warranties on tangible personal property which is intended to be attached to or installed in a dwelling, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, furnaces, water heaters, and appliances. Merchantability, fitness, and all other implied warranties with respect to such goods shall be governed by the Magnuson-Moss Warranty Act, the New York Uniform Commercial Code, and other applicable statutes.

b. Defects in Outbuildings and Structures. This Limited Warranty does not cover defects in landscaping (including sodding, seeding, shrubs, trees and plantings), offsite improvements, or outbuildings and structures not constructed by the Seller, an agent of the Seller, or an employee or the subcontractor of the Seller.

c. Obvious Defects. This Limited Warranty does not cover any item of defective workmanship or materials which were obvious during Final Inspection and were not included in the FINAL INSPECTION BEFORE POSSESSION form, including, without limitation, any cracks, chips, dents, stains or marks on kitchen cabinets, plumbing fixtures, electrical fixtures, mirrors, glass, appliances, micas, vinyls, ceramics, painted/stained surfaces, doors, woodwork and carpeting.

d. Alteration or Modifications. This Limited Warranty does not cover any item of defective workmanship or materials for any material, system, or work which has been altered, modified, or supplemented in any material way, or which was performed or installed by any person other than the Seller, an agent of the Seller, employee or subcontractor of the Seller.

e. Consequential Damages. Except as otherwise required by the law, this Limited Warranty does not cover any injury to persons or damages to personal or real property, in whole or in part, which may be a consequence of, incident to or result from any defect in materials or performance of the work. That is, the Seller is responsible only for correcting the defect, and is not liable for any personal injury or property damages resulting from any such defect.

f. Other Exclusions from Coverage.

- (1). Loss or damage caused by workmanship performed by any person other than the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;
- (2). Loss or damage caused by defective materials supplied by any person other than the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;
- (3). Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Seller;
- (4). After the First Year Basic Coverage, loss or damage caused by non-load bearing concrete floors of basements and concrete floors of attached garages and porches;
- (5). Loss or damage of real property which is not part of the Dwelling and which is not included in the purchase price of the Dwelling;
- (6). Loss or damage to the extent that is caused or made worse by:
 - (a). negligence, improper maintenance, or improper operation by anyone other than the Seller, its employees, agents, or subcontractors; or
 - (b). failure by the Buyer or anyone other than the Seller, Seller's employees, agents, or subcontractors, to comply with the warranty requirements of manufacturers or supplier of appliances, fixtures, or items of equipment; or
 - (c). failure of the Buyer to give notice to the Seller of any defects or damage within a reasonable time; or
 - (d). changes in the grading of the ground by anyone other than the Seller, Seller's employees, agents, or subcontractors; or
 - (e). changes, alterations or additions made to the Dwelling by anyone after the Warranty Date; or
 - (f). dampness or condensation due to the failure of the Buyer or occupant to maintain adequate ventilation;
- (7). Conditions, loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, ground water springs, ground gas emissions, changes not reasonably foreseeable in the underground water table, and generally, caused by or resulting from acts of commission or omission beyond the Seller's control;
- (8). Loss or damage caused by the seepage of water, unless caused by a construction defect;
- (9). Loss or damage caused by the failure of Buyer to take timely action to minimize any such loss or damage;
- (10). Loss or damage caused by insects;

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(11). Loss or damage resulting from failure of the Seller to complete construction of the Dwelling, or to complete the construction timely;

(12). Loss or damage caused by or which arises while the Dwelling is being used primarily for nonresidential purposes;

(13). Loss or damage resulting from abnormal loading on floors by the Buyer which exceeds design loads as mandated by the Building Code.

(14). Any condition which does not result in actual physical damage to the Dwelling;

(15). Normal wear and tear and normal deterioration;

(16). Costs of shelter, transportation, food, moving, storage or other expenses associated with or related to any defect, or the repair or replacement of any defect in workmanship, materials or design.

(17). Any claim not filed in a manner set forth below in Paragraph 7, "Step-by-Step Claims Procedures."

(18). Naturally occurring contaminants including but not limited to radon, animal dander, dust, dust mites, fungi, mold, bacteria and pollen (collectively, "Impurities"). Seller disclaims any liability resulting from impurities in the home, including but not limited to property damage, personal injury or death, loss of income, emotional distress, loss of use, loss of value and/or adverse health effects.

7. STEP-BY-STEP CLAIMS PROCEDURES. As noted in Paragraph 4, this Limited Warranty has three separate periods of coverage: Defects which are covered for one year; Defects which are covered for two years; and Defects which are covered for six years.

The Buyer may make a claim for a defect at any time during the appropriate period of coverage. Any such claim must be in writing and shall be made on a Notice of Warranty Claim Form provided by the Seller. A sample claim form is attached hereto. If the Seller does not provide such a form, the Buyer's claim must nevertheless be in writing and shall include a description of the defect (referred to herein as Notice of Warranty Claim, or simply Notice of Claim). However, in order for the Buyer to preserve Buyer's rights under this Limited Warranty, the Seller must receive the Notice of Warranty Claim no later than the first business day after the expiration of the warranty coverage under which the claim is made. If the Seller does not receive such Notice of Claim by the specified deadline, the Buyer will forever be barred from making any claim for any defect under this Limited Warranty for which the coverage period expired.

The Notice of Claim must be made by personal delivery or United States certified mail, and shall be deemed to have been received either at the time of personal delivery or in the case of mail, as of the date of first attempted delivery at the address of the Seller and in the manner provided herein.

IT IS EMPHASIZED THAT RECEIPT BY THE SELLER OF NOTICE OF WARRANTY CLAIM ON A TIMELY BASIS AS PROVIDED ABOVE IS A NECESSARY CONDITION TO PROTECT THE BUYER'S RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

No steps taken by the Seller, Buyer or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Seller's response to any

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complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Seller, including but not limited to the Seller's right to receive a timely and properly completed Notice of Warranty Claim.

The term "correct the defect" as used herein shall mean that the Seller may, at its option, repair the defect or replace the defective item or pay the Buyer the reasonable cost of such repair or replacement.

The Buyer shall follow the following claim procedure for each separate defect which the Buyer claims is covered under this Limited Warranty:

a. The Buyer shall give Notice of Claim to the Seller, to be received by the Seller not later than the first business day after the expiration of the appropriate warranty period under which the claim is made, by written Notice of Warranty Claim.

b. The Seller shall have thirty (30) days from the date it receives Notice of Claim, not counting the day the notice is received, within which to inspect and/or test that part of the Dwelling for which the claim is made, and within a reasonable time not to exceed thirty (30) days from the date of such inspection and/or test (weather permitting and assuming required materials are available) within which to correct the defects for which notice was received. The Buyer or other occupants of the Dwelling must provide reasonable access to the Seller and its agents during normal business hours, for the purpose of such inspection, testing and corrective work. Failure by the Buyer to provide such reasonable access to the Seller will extend the time within which to perform the work.

c. In the event:

(1). The Seller denies the claim or fails to make such inspection or tests within said thirty (30) days, although reasonable access was provided to the Seller for such inspection; or

(2). If so inspected or tested, the Seller fails to correct the defect within a reasonable time not to exceed thirty (30) days (weather permitting and assuming required materials are available), although reasonable access was provided to the Seller for the performance of the corrective work; or

(3). The Seller has corrected the defect and the Buyer is unsatisfied with the corrective action;

then, within thirty (30) days following any such event, but in no event later than six months following receipt by the Seller of the Notice of Claim, regardless of the denial of the claim or status of the corrective work or lack thereof in order to preserve Buyer's rights, the Buyer must commence, and diligently pursue the step-by-step dispute proceeding outlined in the paragraph (d) below (the "Dispute Proceeding").

d. The Buyer agrees to first pursue mediation administered by the American Arbitration Association under its Home Construction Mediation Procedures. If a party fails to respond to a written request for mediation within thirty (30) days after service of such request or fails to participate in any scheduled mediation conference, that party shall be deemed to have waived its right to mediate the issue in dispute. If mediation does not result in settlement of the dispute within thirty (30) days after the initial mediation conference or if a party has waived its right to mediate the issues in dispute, then any unresolved claim, dispute or other matter in question arising out of or related to this Limited Warranty, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association under its Home Construction Arbitration Rules in effect at the time of the arbitration. The demand for mediation

and/or arbitration, as applicable, shall be filed in writing with the other party to the Limited Warranty and with the American Arbitration Association. In no event shall the demand for mediation and/or arbitration, as applicable, be made after the date when institution of legal or equitable procedures based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Any fees and expenses for the Dispute Proceeding shall be paid in accordance with the American Arbitration Association's Home Construction Mediation Procedures or Home Construction Arbitration Rules, as applicable.

8. **EXCLUSIVE REMEDY.** The Seller and Buyer agree that the procedures described in Paragraph 7 set forth the Buyer's sole and exclusive means of obtaining a remedy pursuant to the terms of this Limited Warranty. Any controversy or claim arising out of or related to this Limited Warranty, or the breach thereof, shall be settled by either mediation or arbitration administered by the American Arbitration Association under its Home Construction Mediation Procedures or Arbitration Rules, as applicable, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

9. **GENERAL PROVISIONS.**

a. This Limited Warranty may not be changed or amended in any way except in writing signed by both parties.

b. This Limited Warranty shall be binding upon and inure to the Buyer and the Buyer's heirs, executors or administrators, and the Seller, and the Seller's heirs, successors, and assigns.

c. Should any provision of the Limited Warranty be determined unenforceable by a court of competent jurisdiction, such determination shall not affect the enforceability of the remaining provisions.

d. This Limited Warranty is to be governed under the laws of New York State.

e. Use of one gender in this Limited Warranty includes both genders, and use of the singular includes the plural, as may be appropriate.

NOTICE OF WARRANTY CLAIM FORM

Dear Buyer:

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

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

Owner's Names:

Address of Dwelling
Warranted:

Home Phone:

Work or Day Phone:

Warranty Date:

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

Signature: _____

Date: _____

Signature: _____

Date: _____

THE RESERVE ASSOCIATION, INC.

ESCROW AGREEMENT

AGREEMENT made this _____ day of March, 2014, by and among _____ ("PURCHASER"), Anthony J. Costello & Son (Joseph) Development, LLC ("SPONSOR"), and WOODS OVIATT GILMAN LLP as ESCROW AGENT ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Amended and Restated Offering Plan for the Reserve Association, Inc. with the Attorney General to offer for sale single-family Homes with mandatory homeowners' association membership at premises located at Clinton Avenue, Town of Brighton, New York 14618, subject to the terms and conditions set forth in the Amended and Restated Offering Plan; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of a single-family Home with mandatory homeowners' association membership (the "Purchase Agreement") at Northwest Savings Bank, located at 36 West Main Street, Rochester, New York 14614 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Woods Oviatt Gilman LLP Escrow Account for the Reserve Association, Inc. ("Escrow Account"). The account number is 3386008555.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Paula A. Lapin, Esq., and Jerry Goldman, Esq. Both designated signatories are admitted to practice law in the State of New York. Both of the signatories on the Escrow Account have an address of 2 State Street, Rochester, New York 14614, and a telephone number of (585) 987-2800.

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

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

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 All Deposits, except for advances made for upgrades, extras or custom work received in connection with the Purchase Agreement are, and shall continue to be, the Purchaser's money and may not be commingled with any other money, or pledged or hypothecated by Sponsor, as per GBL §352-h.

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

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

3.3.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the membership interest;

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

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

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

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

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

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

4. RECORD KEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

7. TERMINATION OF AGREEMENT.

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

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

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

13. WAIVER VOID.

Any provisions in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligations of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL§352-e(2-b) and §352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan or any amendment thereto.

14. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

WOODS OVIATT GILMAN LLP

By: _____
Paula A. Lapin, Esq.

PURCHASER(S)

**Anthony J. Costello & Son (Joseph) Development,
LLC, Sponsor**

By: _____

LOT RESERVATION AGREEMENT

Prospective Seller:

Anthony J. Costello & Son (Joseph) Development, LLC
919 Westfall Road
Building B, Suite 200
Rochester, New York 14618

Prospective Buyer:

Property:

Lot _____
The Reserve on the Erie Canal
Town of Brighton, County of Monroe
State of New York

1. The Prospective Seller ("PS") and Prospective Buyer ("PB") are negotiating as to their possible entry into a purchase agreement ("Purchase Agreement") for the sale by PS to PB of the above Property comprising a single family home to be newly constructed and finished by PS. At least three (3) business days prior to PB signing this Agreement, PB acknowledges having received and read a copy of the Offering Plan for The Reserve Association, Inc. (the "HOA Offering Plan"), and all amendments to it. If PB has not received and read the Offering Plan at least three (3) business days prior to PB signing this Agreement, PB shall have the right to rescind this Agreement within seven (7) days after delivery to the Sponsor of this Agreement as executed by PB together with the Unit Reservation Deposit provided for below.

2. It is agreed that until termination of this Agreement on _____ (subject to any earlier termination of this Agreement as provided for below), the PS will not enter into any purchase agreement with respect to the Property with any party other than PB. PS nevertheless reserves all rights and powers, as owner of the Property, to continue to engage, without restriction or interruption, in all advertising, promotion, listing, and other marketing of the Property for sale.

3. This Agreement does not constitute a Purchase Agreement, nor does it create any option or right of first refusal with respect to the Property. This Agreement comprises only a mutual accommodation between PS and PB under which they will discuss pricing, plans, and other terms for potential entry into a Purchase Agreement, with absolutely no obligation on the part of either PB or PS to proceed with a Purchase Agreement.

4. Upon execution of this Agreement, the PB, in consideration of the agreement by PS, is depositing with PS funds in the total amount of \$ _____ (the "Reservation Deposit") via PB's check number _____, which Reservation Deposit will be held in escrow in an attorney's IOLA trust account maintained by PS's counsel at Northwest Savings Bank, as more fully set forth in Section 8 below. Within seven (7) business days after PB

delivers to PS this Agreement as executed by PB together with a check for the Reservation Deposit, the PS must either accept this Agreement and return a fully executed counterpart to the PB, or reject this Agreement and refund the entirety of the Reservation Deposit. If the PS takes no action within that time period, the PS will be deemed to have rejected this Agreement, and must refund the entirety of the Reservation Deposit to PB.

THE RESERVATION DEPOSIT WILL BE FULLY REFUNDABLE TO PB UPON TERMINATION OF THIS AGREEMENT FOR ANY REASON WHATSOEVER, AND PS WILL IN NO EVENT HAVE ANY RIGHT, TITLE, OR INTEREST TO THE RESERVATION DEPOSIT, NOR WILL THE PS HAVE ANY RIGHT TO RETAIN ANY PORTION OF THE RESERVATION DEPOSIT. THE TIME PERIODS SET FORTH IN THIS AGREEMENT FOR RETURN OF THE RESERVATION DEPOSIT ARE SUBJECT TO THE CLEARING OF ANY CHECK FURNISHED BY THE PB FOR THE RESERVATION DEPOSIT AND SO DEPOSITED IN THE ESCROW AGENT'S SPECIAL ESCROW ACCOUNT.

5. This Agreement will terminate upon the above date of _____, and unless then extended by further agreement between PB and PS, the Reservation Deposit will be paid and refunded in full to PB within five (5) business days after such termination date.

6. Notwithstanding the foregoing:

- (i) PB will also have the right to terminate this Agreement by written notice to PS at any time of PB's choosing, for any reason or for no reason at all, following which notice of termination, PS will return the Reservation Deposit to PB in full within five (5) business days following such notice of termination; and
- (ii) PS will have the right to provide notice to PB at any time that unless PS and PB execute a Purchase Agreement with respect to the Property within a period of three (3) calendar days following such notice, PS will then have the right to terminate this Lot Reservation Agreement by written notice to PB, with the Reservation Deposit to be refunded and paid in full to PB within five (5) business days following such notice of termination.

7. Upon the execution of a Purchase Agreement with respect to the Property between PS and PB, this Agreement will be deemed terminated upon execution of the Purchase Agreement by PB, and the Reservation Deposit will be credited towards Purchaser's payment of the Deposit under the Purchase Agreement, and will be retained by the Escrow Agent in the escrow account as a Deposit. If the amount of the Reservation Deposit exceeds the amount of the Deposit due under the Purchase Agreement, the excess will be refunded and paid in full to PB within five (5) business days after execution of the Purchase Agreement.

8. The PS will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h, and the Attorney General's regulations promulgated pursuant thereto. The Reservation Deposit will be placed, within five (5) business days after this Agreement is signed by PS and PB, in a segregated special escrow account of

Woods Oviatt Gilman LLP (the "Escrow Agent"), whose address and telephone number is 2 State Street, Rochester, New York 14614, telephone number (585) 987-2800. The two signatories on said account authorized to withdraw funds are Jerry A. Goldman, Esq. and Paula A. Lapin, Esq., both of whom are attorneys admitted to practice law in the State of New York.

The name of the segregated special escrow account is "Woods Oviatt Gilman LLP Attorney Escrow Account for the Reserve Association, Inc.", with said account located in Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. Northwest Savings Bank is covered by Federal bank deposit insurance

The account does not bear interest for the PB, as the PS has elected to place the funds in a separate Interest-On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497. However, no fees of any kind may be deducted from the account principal, and the PS shall bear any administrative cost for maintenance of the account.

Any provision of any Agreement, whether oral or in writing, by which the PB purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void.

Within ten (10) business days after tender of the Reservation Deposit submitted with this Agreement, the Escrow Agent will notify the PB that such funds have been deposited into such escrow account, and will provide the PB with the account number thereof. If the PB does not receive notice of such Reservation Deposit within fifteen (15) business days after tender of the Reservation Deposit, the PB may cancel this Agreement and receive a full return of said Deposit. The Escrow Agent will hold funds in escrow until termination of this Agreement, upon which event the entire Reservation Deposit will be returned to the PB.

Prospective Seller:

Anthony J. Costello & Son
(Joseph) Development, LLC

Prospective Buyer:

By: _____

Name:

Title:

PURCHASE AGREEMENT

Lot _____

The Reserve on the Erie Canal

AGREEMENT, made as of _____, 20____, between ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, having an office at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618, as seller ("Sponsor" and _____ having an address of _____, as purchaser ("Purchaser").

RECITALS

A. Sponsor is the sponsor of an Offering Plan for The Reserve Association Inc., encompassing the Development known as The Reserve on the Erie Canal, located in the Town of Brighton, County of Monroe, State of New York (the "Property"). Purchaser wishes to purchase a lot in the Development and a detached single family dwelling to be constructed by the Sponsor. (the "Unit").

B. The Property and the Unit are subject to the Declaration and By-Laws of The Reserve Association Inc. (the "HOA"), with membership in the HOA mandatory upon purchase of the Unit.

NOW, THEREFORE, in consideration of mutual promises hereby, the parties agree as follows:

1. **THE OFFERING PLAN.** Purchaser acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "Plan") and all amendments thereto, at least three (3) business days prior to Purchaser signing this Agreement. The Offering Plan is incorporated herein by reference. In the event of any inconsistency between the provisions of this Agreement and said Plan, the provisions of the Plan will govern and be binding.

2. **THE UNIT.** Sponsor agrees to construct and convey, and Purchaser agrees to purchase, the Unit to be constructed by the Sponsor on Lot _____ of the Development, pursuant to Paragraph 4, below.

3. **PURCHASE PRICE.**

a) The purchase price ("Purchase Price") is as follows:

Base Price \$ _____

Charges for all extras ("Extras")
Per Exhibit A \$ _____

Total Purchase Price \$ _____

The Purchase Price is payable as follows:

(i) \$ _____ (the "Deposit"), due upon Purchaser's signing this Agreement; and

(ii) \$_____ (the "Extras Payment"), due upon Purchaser's signing this Agreement; and

(iii) \$_____, constituting the balance of the Purchase Price, by certified check or official bank check, payable at Closing.

(iv) The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which is deemed terminated upon execution of this Purchase Agreement. Purchaser hereby elects to apply the Unit Reservation Deposit of \$_____ previously paid against payment of the Deposit due upon the Purchaser's signing of this Agreement.

b) Checks for the Deposit shall be made payable to Woods Oviatt Gilman LLP as Escrow Agent for The Reserve Association, Inc. Checks for any Extras Payment under (ii) above, and checks for the balance of the Purchase Price under (iii) above, shall be made payable to Anthony J. Costello & Son (Joseph) Development, LLC.

c) Woods Oviatt Gilman LLP, with an address at 2 State Street, Rochester, New York 14614, telephone number (585) 987-2800, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Woods Oviatt Gilman LLP Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Escrow Agent has designated the following attorneys to serve as signatories: Paula A. Lapin, Esq. and Jerry Goldman, Esq. The designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor either authorized signatory on the account is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or has any beneficial interest in any of the foregoing. The complete terms of the escrow are set forth in the Escrow Agreement attached hereto. **YOU MUST SIGN THE ESCROW AGREEMENT IN ORDER FOR THIS PURCHASE AGREEMENT TO BE EFFECTIVE.**

4. **CONSTRUCTION OF UNIT.** Sponsor agrees to construct and sell, and Purchaser agrees to purchase, the Unit to be completed by Sponsor in accordance with plans and specifications on file in the Sponsor's office (the "Unit Plans"), including the Extras. Builder shall furnish and perform all of the work, materials, and equipment required in connection with the construction of the Unit pursuant to the Unit Plans.

Purchaser understands that it may make changes and alterations in the Unit Plans provided that such changes are made prior to the start of construction, and are listed on a change authorization form signed by Purchaser and Sponsor.

Sponsor reserves the right to: (i) make changes or substitutions of materials for those as set forth in the Unit Plans, provided any such changes are of equal or better value and quality; (ii) determine the final grading, site elevation, and location of the Unit, its foundation, set back, driveway, and landscaping, so as to conform to and satisfy drainage requirements, topographical conditions, and any governmental requirements.

Sponsor has the right to change grades, foundations, and footings, and the setback of the Unit if underground conditions are such that the original placement is inadvisable. Underground

conditions can be the result of rock, water, soil type or any other condition which in the judgment of Sponsor would necessitate a change in elevation or setback, or result in extraordinary construction costs or necessitate unusual construction methods.

While the Sponsor is obligated to timely complete the Unit and to obtain a certificate of occupancy therefor from the Town of Brighton, as more fully set forth in this Purchase Agreement and the Offering Plan, the Sponsor may at its option defer the commencement of construction of the Unit until all of the contingencies to Purchaser's obligation under Section 5 below are waived or satisfied.

5. CONTINGENCIES ON PURCHASER'S OBLIGATIONS.

A. The Purchaser's obligations under this Agreement are contingent on Purchaser obtaining a written commitment for a mortgage loan (the "Mortgage Loan"), from a lender of Purchaser's choice (the "Lender"), in an amount not in excess of \$_____, at such rate of interest which the Lender may lawfully charge, and subject to such other terms and conditions as the Lender may lawfully require. Any conditions of Purchaser's mortgage commitment will not be conditions of this Agreement, but shall be the sole responsibility of the Purchaser. Acceptance of a written mortgage commitment by the Purchaser shall be deemed a waiver and satisfaction of this contingency.

(i) Purchaser agrees to make application to its Lender within five (5) business days from the date of this Agreement, and to pursue the application in good faith. Once a Purchaser receives a written mortgage commitment ("Commitment"), Purchaser must provide the Sponsor with a copy within five (5) days of receipt. All fees, and expenses which may arise by reason of Purchaser's Mortgage Loan, shall be borne exclusively by Purchaser.

(ii) In the event the Purchaser fails to obtain a Commitment from the Lender within _____ () days from the date of this Agreement, the Purchaser shall have the right to cancel this Agreement by written notice to the Sponsor within ten (10) days after the expiration of such period. Upon any termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with Sponsor to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser to the Sponsor within the ten (10) day period, the above financing contingency clause shall be deemed automatically waived.

B. Purchaser's obligations under this Agreement are contingent upon the Purchaser securing a firm contract for the sale of the property located at _____ no later than _____, 20____. If Purchaser is unable to obtain such a firm contract for the sale within _____ () days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Sponsor within ten (10) days after the expiration of such period. Upon any termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with the Sponsor to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser within such ten (10) day period, the above sale contingency clause shall automatically be deemed waived.

6. CLOSING OF TITLE.

Sponsor shall notify Purchaser in writing as to the date and time of Closing, which shall take place on or about _____ days after all contingencies for Purchaser's benefit under Section 5 above are waived or satisfied. That date shall be referred to herein as the "Original Scheduled Closing Date".

Notwithstanding anything else herein the Sponsor is unconditionally obligated to complete the Unit and to procure a certificate of occupancy therefor from the Town of Brighton no later than the second (2nd) anniversary of the date of Purchaser's signature of this Agreement.

If there is a Lender involved in this transfer, and the Lender, notwithstanding the issuance of a certificate of occupancy for the Unit, requires the establishment of an escrow to secure or fund the completion of punchlist or weather-related work in or about the Unit, such item(s) will not constitute an objection to Closing provided that a reasonable escrow fund is deposited by the Sponsor with the Lender corresponding to the Lender's inspection report identifying such work. All monies in said escrow fund will be paid by the Lender directly to the Sponsor when the Lender deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no Lender involved, any such incomplete item(s) will not constitute an objection to Closing provided the Town of Brighton has issued such a certificate of occupancy. In such event, the parties shall establish a list of incomplete items, which shall provide for the estimated time of completion, subject to Sponsor's Two Year Completion Obligation as defined in the Plan, with no escrow to be held.

7. POSSESSION PRIOR TO CLOSING. Purchaser may not take possession of the Unit prior to the time of Closing unless Purchaser is expressly authorized in writing by Sponsor. Any such pre-closing occupancy shall be at the sole discretion of the Sponsor.

8. TITLE DOCUMENTS.

a) Sponsor shall provide to Purchaser's attorney at least fifteen (15) days in advance of Closing, fully guaranteed tax, title and United States District Court Searches dated or redated subsequent to the date of this Agreement.

b) At the Closing, Sponsor shall deliver to Purchaser a warranty deed with lien covenant conveying to the Purchaser marketable title to the Unit, free and clear of all liens and encumbrances with the exception of Permitted Encumbrances as set forth in the Plan.

c) At Closing, Sponsor agrees to deliver to Purchaser a certificate of occupancy for the Unit as issued by the Town of Brighton.

9. CLOSING ADJUSTMENTS. Subject to Paragraph 10 hereof, the following adjustments shall be made as of midnight on the day before the Closing: real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed; and assessments for the month, or portion of the month, in which title closes.

10. ADDITIONAL CLOSING COSTS.

a) In addition to all other sums payable elsewhere under this Agreement, at Closing Purchaser shall pay:

(i) a charge to Sponsor for its procuring of a survey of the Unit, being the sum of \$ _____;

(ii) all premiums for any title policies insuring the Purchaser's or Lender's interests, Lender's and Purchaser's attorneys' fees, all charges imposed or exacted by the Lender in connection with the Mortgage Loan, and all mortgage recording taxes;

(iii) all New York State real estate transfer tax on the deed, including any "Mansion Tax";

(iv) all recording and filing charges payable to any public official;

(v) payment to the Board of Directors of an initial non-reimbursable working capital contribution equal to two (2) months Assessments; and

(vi) a charge to Sponsor reimbursing its expense for a water meter fee of \$ _____ and Town of Brighton recreation fee of \$700.

11. DEFAULT BY PURCHASER.

a) If Purchaser fails to make any payment when required or fails to perform any of Purchaser's other obligations, Sponsor shall give notice to Purchaser of such default. If such default shall not be cured within ten (10) days thereafter, Sponsor may terminate this Agreement by written notice to Purchaser. If Sponsor elects to terminate this Agreement, (a) Sponsor may retain all Deposits and Extras Charges as liquidated damages, and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights or liability against the other.

b) If Purchaser fails for any reason to Close on the Originally Scheduled Closing Date, then at Sponsor's option the Closing adjustments described in Section 9 of this Agreement will be made as of the Originally Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor an amount equal to interest on the Purchase Price at the rate of nine percent (9%) per annum until paid.

c) All rights and remedies of Sponsor under this Section 11 are cumulative of and in addition to all rights and remedies under Section 12 below.

12. DEFAULT BY SPONSOR OR PURCHASER. Upon any default by Sponsor or Purchaser under this Agreement, the other party shall be entitled to all rights and remedies available under law and/or equity, without limitation or restriction whatsoever, including, but not limited to, the right of specific performance.

13. DAMAGE TO THE UNIT. The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of Closing, or possession of the Unit by Purchaser, with Sponsor obligated to then repair or restore the Unit, and with this Agreement to continue in full

force and effect. Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration; provided, that Sponsor must complete the same so as to procure a certificate of occupancy for the Unit no later than the second anniversary of the date of signing of this Agreement by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor.

14. **LIMITED WARRANTY.** The sole warranty Purchaser is to receive on the Unit is the Rochester Homebuilders Association Warranty. A copy of the Warranty is contained in the fourth amendment to the Plan.

15. **NO REPRESENTATIONS.** Purchaser acknowledges that Purchaser has not relied upon any representations or warranties except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement.

16. **PROHIBITION AGAINST ADVERTISING.** Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or otherwise, or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale.

17. **BROKERS.** Sponsor will pay to any listing broker engaged by it, all commissions earned in connection with this transaction with Sponsor to have no obligation to compensate any broker engaged by Purchaser. Any division of commissions paid by Sponsor to its listing broker, with any broker engaged by Purchaser, will be pursuant to separate agreement between such brokers.

18. **PURCHASER'S ATTORNEY APPROVAL.** The Purchaser's obligations under this Agreement, are contingent upon Purchaser securing its attorney's approval of this Agreement within seven (7) calendar days after the full execution of this Agreement. The failure of Purchaser's attorney to either approve or disapprove this Agreement within said seven (7) day period shall be deemed to comprise waiver by Purchaser of the need for such approval and waiver of such contingency.

19. **AGREEMENT MAY NOT BE ASSIGNED.** Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor.

20. **NOTICES.** Any notice under this Agreement shall be in writing and hand delivered or sent postage prepaid, by certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this agreement, with a copy to Paula A. Lapin, Esq., 2 State Street, Rochester, New York 14614, or to such other address as either party may hereafter designate to the other in writing. Any notice either of the parties receives from the other party's attorneys shall be deemed to be notice from such party itself.

21. **JOINT PURCHASERS.** The term "Purchaser" shall be read as "Purchasers", if more than one person are purchasers, in which case their obligations shall be joint and several.

22. **PERFORMANCE BY AND LIABILITY OF SPONSOR.** Purchaser's acceptance of the deed for the Unit shall be deemed to be full performance of each agreement on the part of Sponsor to be performed pursuant to the provisions of this Agreement or the Plan except those herein expressly stated to survive delivery of the deed.

23. **GOVERNING LAW** The provisions of this Agreement shall be governed by in the

internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

24. **SUCCESSORS AND ASSIGNS.** The provisions of this Agreement shall bind and inure to the benefit of Purchaser and its heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates set forth below.

SPONSOR:

**ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC**

Date: _____

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

THE RESERVE ASSOCIATION, INC.

AMENDMENT NO. 5

This is the fifth amendment to the Offering Plan for The Reserve Association Inc. The primary purpose of this amendment is to extend the term of the offering.

1. No closings have occurred as of this date among the 40 single family homes that are subject only to the Reserve Association offering plan. Two contracts have been signed. There are no homes occupied by tenants.
2. There have been two closings in the Glenville Condominium One, however, which Unit Owners are also members of the Reserve Association, Inc. These were units G12.2 and G13.3. No other closings in the first phase of the Association have occurred, leaving 124 Units still owned by Sponsor: 40 among the single family homes in the Reserve Association, 22 in Glenville Condominium One, 6 in Watermark Brownstones One, and 28 each in Rexford Condominium and Frankfort Condominium.
3. The sponsor is in control of the Association and will retain control for up to fifteen (15) years after the recording of the Declaration or until 100% of the homes are sold, whichever first occurs. The initial Directors of the Association are Anthony J. Costello, President, Brett Costello, Vice President and Timothy Reidy, Secretary/Treasurer. All three have business addresses at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618.
4. The aggregate monthly Association charges for all units owned by Sponsor in the Reserve Association is \$14,788.24. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by the two closed units in Glenville Condominium One.
5. The aggregate monthly real estate taxes payable for units owned by Sponsor in the Reserve Association is \$1,227.08.
6. There has been no change to the budget or the budget year. The budget and a new certification of the budget are attached as Exhibit A
7. There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the property, the rights of unit owners, Sponsor's capacity to perform all of its obligations under the plan, or the operation of the Association.
8. The Sponsor's financial obligations to the Association over the next twelve months include the completion of the Clubhouse Building on the Property. The

Clubhouse is under construction and is expected to be completed in March of 2015.

9. All units in the Association are subject to several mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. The loans total \$ 11,749,856.00. They mature on August 31, 2017. Interest is paid monthly on these obligations in the amount of \$29,138 per month. The interest rate is 4%.
10. The obligations of Sponsor under paragraphs 4, 5, 8 and 9 will be paid by sales or other assets of Sponsor.
11. Sponsor is current on all obligations to the Association and under its financing and has been for twelve months prior to this amendment.
12. The Sponsor is the sponsor of four related offering plans, all part of the Reserve on the Erie Canal, Brighton, New York. They are: Glenville Condominium One (File No. CD12-0004); Rexford Condominium (File No. CD12-0006); Frankfort Condominium (File No. CD12-0002); and Watermark Brownstone One Condominium (File No. CD12-0005). Copies of these offering plans are on file with the Department of Law and are available for public inspection.
13. Sponsor and its principal are current on all obligations in connection with the above plans.
14. The management of the Property has been changed. It will now be managed by Kenrick Corporation, 3495 Winton Road, Building D, Suite 4, Rochester, New York 14623, an experienced condominium management company in the Rochester, NY area. Richard Aikens, the president of Kenrick Corporation, has been managing residential properties for over thirty years. The Management section of the plan and the Identity of Parties section of the Plan are deemed amended to reflect this change. A copy of the management agreement is attached as Exhibit B.
15. There is a working capital fund for the Reserve Association, Inc. The account is entitled The Reserve Association, Inc. Working Capital. It is housed in the Community Association Banc, a division of Mutual of Omaha Bank, Box 64084, Phoenix, AZ 85082. The current balance is \$477.11.
16. All material changes of facts and circumstances affecting the property or the Offering Plan are included in this Amendment.

THE RESERVE ASSOCIATION, INC.
SPONSOR

THE RESERVE ASSOCIATION INC.
BUDGET PROJECTION FOR FIRST YEAR OF HOA OPERATION
June 1, 2014 – May 31, 2015
126 Homes or Units
Pre Clubhouse Opening, and Excluding Expenses for the Clubhouse

Projected Income

	<u>Notes</u>	
A. Universal Maintenance Charges	1	\$180,332.37
\$1,431.21 per home per		
year, payable \$119.26		
monthly based on 126 homes		
B. Neighborhood Surcharges	2	\$ 44,112.00
Separate amounts are payable per year and		
monthly for Units in each of Ft. Plain and		
Waterford single family neighborhoods, as		
itemized in Footnote 2.		
Total		\$224,444.37

Projected Expenses

	<u>Notes</u>	
A. Expenses Corresponding to Universal		
Maintenance Charges		
Labor	9	\$ 79,886.00
Clubhouse Heating and Cooling	14	\$ 00.00
Clubhouse Electricity	13	\$ 00.00
Clubhouse Water	12	\$ 00.00
Repairs, Maintenance and Supplies		
Clubhouse Repair	16	\$ 00.00
Clubhouse HVAC Maintenance	15	\$ 00.00
Clubhouse Pool Maintenance	18	\$ 00.00
Landscaping	4	\$ 49,664.00
Clubhouse Cleaning	11	\$ 00.00
Irrigation Maintenance	5	\$ 1,470.00
Road Maintenance	8	\$ 2,300.00
Snow Removal		
Snow Plowing	6	\$ 1,200.00
Snow Shoveling of Sidewalks	7	\$ 4,680.00
Clubhouse Rubbish Removal/Recycling	17	\$ 00.00
Insurance	20	\$ 4,500.00
Management Fees	21	\$ 24,192.00
Legal Fees	23	\$ 500.00
Accounting Fees	22	\$ 950.00
Taxes		
Real Estates Taxes	24	\$ 113.37
Income Taxes	25	\$ 50.00
Reserves	26	\$ 2,809.00

Other				
	Office Costs	19	\$	250.00
	Security Automobile	10	\$	7,768.00
Subtotal				
				\$180,332.37
B.	Expenses Corresponding to Neighborhood Surcharges			
	Landscaping	27	\$	30,781.00
	Snow Removal	28	\$	5,240.00
	Rubbish Removal/Recycling	29	\$	4,406.00
	Contingency	30	\$	409.00
	Management	31	\$	3,276.00
Subtotal			\$	44,112.00
Total				\$224,444.37

The Reserve Association Inc.

Footnotes to Schedule C

1. Projected Income - Universal Maintenance Charges. This figure comprises the equal monthly Assessments in the amount of \$119.26 to be paid to the Association by each Unit Owner, and the annual total thereof, before the Clubhouse is opened for use by Members, with such total Projected Income in turn equal to item A, Expenses Corresponding to Universal Maintenance Charges, under Projected Expenses below (See Note 3). Such monthly Assessment is estimated to be set at said amount of \$119.26 per Unit for the first year of HOA operations, before the Clubhouse is opened for use by Members; upon and following opening of the Clubhouse, which is expected to occur on or about June 1, 2015, the commencement of the second year of HOA operations, such Assessments are expected to increase to the sum of \$283.68 monthly per Unit, as set forth in the Budget Projection comprising Schedule C1 following, which Schedule C1 includes expenses for operation and maintenance of the Clubhouse.
2. Projected Income - Neighborhood Surcharges - To (1) provide for uniformity in the quality of associated services, maintenance and/or repair, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation, the Association is furnishing certain services throughout all or varying portions of the entire Development, but with the costs thereof being allocated amongst different groups of Unit Owners in a manner so as to fairly and reasonably distribute expenses based upon differing benefit levels. As a result, in addition to the universal maintenance charges explained under Footnote 1 above and paid to the Association in equal monthly amounts by the Owners of all Units of every type within the Development, an additional monthly neighborhood surcharge ("Neighborhood Surcharges") will also be payable to the Association by the Owners of all Units, with the Neighborhood Surcharge varying dependent upon the type of Unit and/or the neighborhood in which the Unit is located. Upon commencement of the first year of HOA operation, as projected to occur on June 1, 2014, Neighborhood Surcharges as follow are projected to be payable by the Owners of Units in the Ft. Plain and Waterford neighborhoods, comprised of Single Family Dwelling Units, with Units expected to Close in said neighborhoods as of commencement of the first year of the HOA operation, or to Close during such first year of HOA operation:

Ft. Plain Single Family Homes	
\$1,992.00 per home per	
year, payable \$166.00	
monthly based on 21 homes	\$ 41,832.00 annual subtotal
Waterford Single Family Homes	
\$120.00 per home per	
year, payable \$10.00	
monthly based on 19 homes	\$ 2,280.00 annual subtotal
Total	\$44,112.00

Consistent with the Sponsor's undertaking and obligation to pay only the Deficiency Contribution, as referenced on page 42 of this Offering, ie, the difference between actual Association expenses, and the total of all Association Assessments levied on Owners who have

closed on purchase of their Units, the Sponsor will not pay Assessments on any Unsold Units, whether universal maintenance charges or Neighborhood Surcharges, including Unsold Units in neighborhoods not yet offered for sale, or in which a Unit has not yet Closed; in contrast, under each Condominium Offering the Sponsor is to pay Common Charges on all Unsold Units within the Offering after the First Closing thereunder.

3. Projected Expenses – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, which is composed of an itemization of all expenses which Members in turn pay through the equal monthly Assessments to the Association under Projected Income, category A, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 29 through 33 itemize, on a neighborhood-by-neighborhood basis, all expenses which Members in turn pay through the monthly Assessments to the Association which comprise the applicable Neighborhood Surcharge set forth under Projected Income, category B, and Footnote 2 above.
4. Landscaping – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$413/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,593; Weed, Edge with Mulch installed at \$59.40/cu yd: \$6,574; Second Edging: \$1,221; Bi-weekly weeding, 19 trips: \$7,900; Shrub trimming/cleanup, up to 3 trips: \$14,580; Mechanical edge twice (at roads): \$2,042; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,004. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary – \$8,941. These services include the perpetual landscape maintenance obligations undertaken by the Association (i) within the easterly boundary area of the Development, and (i) within the adjoining Town of Brighton lands comprising a westerly segment of Meridian Centre Park pursuant to a limited license to be conveyed by the Town to the Association for that purpose, all pursuant to formation of the Brighton Reserve Park District as described in the Location and Area Information Section of this Plan. All quotes in this and the following notes include sales tax whenever applicable.
5. Irrigation Maintenance – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.
6. Snow Plowing – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt. Prior to the opening of the Clubhouse the amount of said expense will be lower, based upon the fact at such point an increased amount of such work will be performed in the area immediately surrounding the Clubhouse.
7. Snow Shoveling of Sidewalks – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections. Prior to the opening of the Clubhouse the amount of said expense will be lower, based upon the fact at such point an increased amount of such work will be performed in area immediately surrounding the Clubhouse.
8. Road Maintenance – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote dated April 17, 2012 from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 26 below).

9. Labor – Two full-time positions for security and light maintenance at annual wages of \$30,000 each. These personnel will be employees of the management firm, AJ Costello & Son Reserve Management, LLC (See Note 22 below), with the Association to reimburse the management firm for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions @ \$30,000.00 each) \$60,000.00

~~Taxes and Benefits~~

FICA and Medicare @ 7.65%	\$4,590.00
Health Insurance	\$7,986.00
State Long Term Disability	\$87.00
Worker's Comp	\$2,100.00
Unemployment Insurance (NYS)	\$1,008.00
Unemployment Insurance (Federal)	\$102.00
Life Insurance	\$97.00
Employee Assistance Program	\$916.00

Fee, 5% of wages, inclusive of payroll processing costs \$3,000.00

Total \$79,866.00

All such projections are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor, and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. Security Automobile – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. Clubhouse Cleaning –No such expense will be incurred prior to opening of the Clubhouse.
12. Clubhouse Water –No such expense will be incurred prior to opening of the Clubhouse.
13. Clubhouse Electricity –No such expense will be incurred prior to opening of the Clubhouse.
14. Clubhouse Heating and Cooling –No such expense will be incurred prior to opening of the Clubhouse.
15. Clubhouse HVAC Maintenance –No such expense will be incurred prior to opening of the Clubhouse.
16. Clubhouse Repair –No such expense will be incurred prior to opening of the Clubhouse.
17. Clubhouse Rubbish Removal/Recycling –No such expense will be incurred prior to opening of the Clubhouse.
18. Clubhouse Pool Maintenance –No such expense will be incurred prior to opening of the Clubhouse.

19. Office Costs -- Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. Insurance -- The estimate of \$4,500.00 is based upon a quote dated 16 December 2011, provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost casualty insurance on all Development signage, which casualty insurance will be sufficient to cover any reasonably expected structural replacements in the event of total loss with respect to the Development signage, with no co-insurance provision in the event of partial loss, and with a deductible of One Thousand Dollars (\$1,000.00). The casualty and general liability insurance is on terms that provides: (i) that each Member is an additional insured party; (ii) there will be no cancellation without notice to the Association's Board of Directors; (iii) a waiver of subrogation; and (iv) a waiver of invalidity because of acts of the insured and members, and (v) a waiver of prorata reduction if Unit Owners obtain additional coverage. Coverage for water damage, boiler and machinery, or auto liability, is not included in the quotation and may be available at extra cost. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The coverage is as follows:

Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

21. Management -- Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of the Sponsor; the budget amount is based on a Management Agreement with said entity, attached as Exhibit Q to the Plan, which Agreement will be assumed by the Board of Directors at the first closing of any Unit, and with the services of such entity to commence at such time. This figure is comparable to market rates, as attested by Richard K. Aikens, President, Kenrick Corporation, managing thirty plus properties in the Rochester, NY area.
22. Audit -- Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$950.00.
23. Legal Fees-- For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$500.00.
24. Real Estate Taxes -- A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided in the attached letter from Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes,

applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30, yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49, yields a total annual tax bill of \$24.49 per tax parcel.

25. Income Tax: New York State Franchise Tax – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. Federal Income Tax – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. Reserves: Reserves are established for a limited number of items as listed on the appended spreadsheet. Reserve for said items as listed in the spreadsheet are initially to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$2,809.00. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners, and are also estimated, both in terms of cost and useful life, on the appended spreadsheet; this includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I. Actual work may be adjusted for timing and cost, dependent on future inspections of these items. Subsequent to the opening of the Clubhouse the amount of said reserve contributions will be increased, based upon the fact corresponding facilities or components within the Clubhouse are placed in operation.
27. Landscaping (Neighborhood Surcharges): The total of \$30,781.00 is itemized as follows:
Fort Plain Landscaping: \$30,781.00 – The following services are quoted by Pin Oak Lawn and Landscape: Grass cutting/trimming: \$448/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,620; Weed, Edge with Mulch installed at \$59.40/cu yd: \$4,366; Bi-weekly weeding, 19 trips: \$3,591; Second edging: \$378; Shrub trimming/cleanup, up to 3 trips: \$2,430; mechanical edge (at road) twice: \$486. Miscellaneous labor @ \$32/hr: 35 hours budgeted: \$1,210. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: horticultural oil application and three site inspections with treatments as necessary: \$3,255. All quotes include sales tax.
28. Snow Removal (Neighborhood Surcharges): The total of \$5,240.00 is itemized as follows:
Fort Plain Snow plowing: \$5,240.00– The following service for plowing of driveways is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$4,990 with \$250 estimated for salt.
29. Rubbish Removal/Recycling (Neighborhood Surcharges): The total of \$4,406.00 is itemized as follows:
Fort Plain Rubbish Removal/Recycling: \$2,313.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.
Waterford Rubbish Removal/Recycling: \$2,093.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96

gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

30. Contingency (Neighborhood Surcharges): The total of \$409.00 is itemized as follows:

Fort Plain Contingency: \$222.00– The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

~~Waterford~~ Contingency: \$187.00– The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

31. Fort Plain Management (Neighborhood Surcharges): \$3,276.00– Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President, Kenrick Corporation (see Note #21 above).

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING PROJECTED BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

IN THE OPINION OF THE SPONSOR THE FOREGOING ESTIMATED ASSESSMENTS AND SURCHARGES ARE SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE ASSOCIATION'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING ON JUNE 1, 2014 AND ENDING ON MAY 31, 2015, WITH THE BUDGET PROJECTING MONTHLY ASSESSMENTS AND SURCHARGES AS SET FORTH ABOVE PER UNIT FOR SAID FIRST FULL YEAR OF OPERATION. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES, FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION WILL BE PRECISELY AS SET FORTH IN THIS BUDGET. THE ACTUAL COSTS FOR THE FIRST FULL YEAR OF OPERATION MAY EXCEED BUDGETED COSTS, BASED ON MARKET FLUCTUATIONS AND DEPENDING ON WHEN THE FIRST FULL YEAR OF OPERATION ACTUALLY OCCURS. IF THE ACTUAL DATE OF COMMENCEMENT OF ASSOCIATION OPERATIONS, REPRESENTED BY THE FIRST CLOSING OF ANY UNIT IN THE DEVELOPMENT, IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED ABOVE, THE PLAN MUST BE AMENDED TO INCLUDE A REVISED BUDGET FOR THE FIRST YEAR OF OPERATION DISCLOSING CURRENT PROJECTIONS. WITHOUT PREJUDICE TO AND CUMULATIVE OF ANY RIGHT OR REMEDIES ACCRUING TO ANY PURCHASER TO THE EXTENT ANY SUCH DELAY RESULTS IN OR COMPRISES A BREACH OF THE SPONSOR'S TWO YEAR COMPLETION OBLIGATION, IF SUCH AMENDED PROJECTIONS FOR THE FIRST YEAR OF OPERATION EXCEED IN THE AGGREGATE THE ORIGINAL PROJECTIONS FOR THE FIRST YEAR OF OPERATION BY TWENTY-FIVE PERCENT (25%) PERCENT OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN FIFTEEN (15) DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THE RIGHT, WITHOUT PREJUDICE TO AND CUMULATIVE OF ANY RIGHT OR REMEDIES ACCRUING TO ANY PURCHASER TO THE EXTENT ANY SUCH DELAY RESULTS IN OR COMPRISES A BREACH OF THE SPONSOR'S TWO YEAR COMPLETION OBLIGATION. THE SPONSOR MUST IN SUCH EVENT RETURN ANY DEPOSIT OR DOWNPAYMENT WITHIN A REASONABLE PERIOD OF TIME TO

PURCHASERS WHO RESCIND. THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE BUDGETED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET AND FOOTNOTES THERETO.

hereserve:227:003

KENRICK

CORPORATION

September 18, 2014

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

Re: Certification by Expert on Adequacy of Budget
The Reserve Association, Inc.

The Sponsor of the Homeowners Association has retained me to review the estimated annual budget containing projections of income and expenses for the June 1, 2014 to May 31, 2015 year of operation as a homeowners association.

My experience in this field includes: involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (40) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to the Schedule of income and expenses. I have reviewed the schedule, investigated the facts set forth in the Schedules, and the facts underlying them with due diligence in order to form a basis for this Certification. I have relied on my experience in managing residential properties.

I certify that the projections in the Schedule of income and expense appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the next year or operation as a Homeowners Association.

I certify that the Schedules:

1. set forth in detail the terms of the transaction as it relates to the schedules and is complete current and accurate;

EXHIBIT A

2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a Homeowners Association;
3. does not omit any material fact;
4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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.

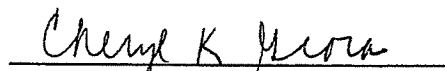
I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the next year of Homeowners Association operation but merely an opinion of their vitality.

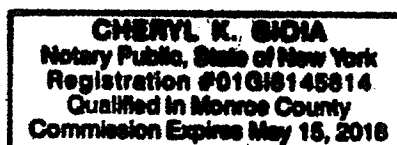
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Richard K. Aikens

STATE OF NEW YORK}
COUNTY OF MONROE} ss:

Sworn to before me this 18th day
of September 2014


Notary Public



RKA/lbk

ASSOCIATION MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 2014, by and between the Board of Directors (the "BOARD") of The Reserve Association, Inc. (the "ASSOCIATION"), not individually but on behalf of all of the owners from time to time in units at The Reserve Association, Inc., Town of Brighton, New York and on behalf of the ASSOCIATION which is organized pursuant to the Not-for-Profit Corporation Laws of the State of New York (the "OWNERS"), and Kenrick Corporation (the "AGENT").

RECITALS:

Under the provisions of the purchase contract with the purchase of each unit, the Declaration of ASSOCIATION Ownership, and the By-Laws required under the provisions of the Not-for Profit Corporation Laws of the State of New York, the OWNERS delegate the authority to manage the ASSOCIATION to an elected Board of Directors, which may be the Board of Directors of a Not-for-Profit corporation organized by the OWNERS; and

The BOARD, on behalf of the OWNERS, desires to employ the AGENT to manage the ASSOCIATION, and the AGENT desires to be employed to manage the ASSOCIATION,

IT IS AGREED:

1.0 The BOARD employs the AGENT exclusively to manage the ASSOCIATION for a period of two (2) years, beginning May 1, 2014 and ending April 31, 2016.

2.0 The AGENT shall manage the ASSOCIATION to the extent, for the period, and upon the terms of this agreement. The AGENT shall perform the following services in the name of and on behalf of the BOARD, and the BOARD hereby gives the AGENT the authority and powers required to perform these services:

2.1 The AGENT shall collect and, as necessary, receipt for all monthly or other assessments and other charges due to the BOARD for operation of the ASSOCIATION and all rental or other payments from concessionaires, if any, provided that the AGENT shall have no responsibility for collection of delinquent assessments or other charges except sending notices of delinquency.

2.2 The AGENT shall maintain records showing all its receipts and expenditures relating to the ASSOCIATION and shall promptly submit to the BOARD a cash receipts and disbursements statement for the preceding month and a statement indicating the balance or deficit in the AGENT'S account for the ASSOCIATION on or before the 20th day of the following month.

2.3 The AGENT shall prepare and submit to the BOARD; on or before sixty (60) days prior to the start of each fiscal year (during the term of this contract, and any extensions thereof) a recommended budget for the next year showing anticipated receipts and expenditures for such year. If upon commencement of this contract, there is not a budget in place to run through the first ninety (90) days of this contract, AGENT may be requested to prepare and submit a budget, at a cost to be agreed upon at that time.

2.4 Within sixty (60) days after the end of each fiscal year, the AGENT shall submit to the BOARD a summary of all receipts and expenditures relating to the ASSOCIATION for the preceding year, providing that this service shall not be construed to require the AGENT to supply an audit. Any audit required by the BOARD shall be prepared at its expense by accountants of its selection.

2.5 Subject to the direction and at the expense of the BOARD, the AGENT shall cause the common elements of the ASSOCIATION to be maintained according to appropriate standards of maintenance consistent with the character of the ASSOCIATION, including general landscape maintenance, snow removal, refuse removal, general exterior maintenance and painting, driveway maintenance, and the like, all as described in the Declaration and By-Laws of the ASSOCIATION.

2.6 AGENT shall hire, pay, negotiate collective bargaining agreements with (if necessary), supervise, and discharge whatever personnel may be required to maintain and operate the Property on behalf of the ASSOCIATION and in accordance with the budget, job standards, and wage rates previously approved by the ASSOCIATION. All such personnel shall be employees of the ASSOCIATION and not of AGENT, and all salaries, taxes, and other expenses payable to or on account of such employees shall be operating expenses of the Property.

2.7 The following costs shall be paid for initially by AGENT. Immediately after payment by AGENT, AGENT may be reimbursed out of the Operating Account.

(a) Subject to Association approval, cost of the gross salary and wages or pro-rata share thereof plus charges to cover cost of payroll taxes, insurance, workmen's compensation and other approved benefits of AGENT'S site employees required to properly, adequately, safely and economically manage, operate and maintain each Property subject to the Agreement, provided that such employees have been identified and enumerated to the Owner. During the period of this Agreement, the payroll related charges as they apply to all wages paid to site employees on behalf of the Property has been established at 30% of gross payroll. This percentage chargeback covers the following: Social Security, State Unemployment, Federal Unemployment, Disability Insurance, Worker's Compensation Insurance, Liability and Fidelity Insurance and payroll processing.

(b) The following are charges allowed for other services provided by the AGENT, not included in this management agreement:

To the Owner of the Unit:

Return check charges	\$35.00 per returned check
Resale certification	\$50.00

To the ASSOCIATION:

Community mailings	\$.50 per unit
Special Assessments	\$.50 per unit
Material reproduction	\$.10 per copy
Postage/Messenger	\$ Actual cost
Long distance telephone	\$ Actual cost

2.8 Subject to the approval of the BOARD, the AGENT shall negotiate and execute on behalf of the BOARD contracts for water, electricity, gas, telephone and such other services for the common elements of the ASSOCIATION as may be necessary or advisable. All such purchases and contracts shall be in the name and at the expense of the ASSOCIATION. The AGENT shall also purchase on behalf of the BOARD such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the ASSOCIATION. All such purchases and contracts shall be in the name and at the expense of the ASSOCIATION.

2.9 The AGENT shall pay from the funds of the ASSOCIATION all taxes, building inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the BOARD with respect to the maintenance or operation of the ASSOCIATION or incurred by the AGENT on behalf of the BOARD pursuant to the terms of this agreement or pursuant to other authority granted by the BOARD.

2.10 The AGENT shall maintain appropriate records of all insurance coverage carried by the BOARD. The AGENT shall cooperate with the BOARD in investigating and reporting all accidents or claims for damage relating to the ownership, operation, and maintenance of the common elements of the ASSOCIATION including any damage or destruction to them. The Board shall pay to the AGENT an Insurance Claim Administration Fee equal to ten percent (10%) of the cost of restoration for any losses covered under the insurance policy protecting the Association's property or property of the individual members of the ASSOCIATION. This fee shall be included by the AGENT in the claim to the insurance carrier and shall be due and payable upon receipt of payment of claim by carrier.

2.11 The AGENT will maintain an accurate and reasonably detailed record of all reports, financial records, correspondences, and property inspections it prepares on behalf of the ASSOCIATION.

3.0 In discharging its responsibilities under Paragraphs 2.0-2.11 inclusive of this agreement, the AGENT shall not make any expenditure nor incur any non-recurring contractual obligation exceeding \$1,000.00 without the prior consent of the BOARD, providing that no such consent shall be required to repay any advances made by the AGENT under the terms of Paragraph 5. Notwithstanding these limitations, the AGENT may, on behalf of the BOARD without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger of life or property or may threaten the safety of the ASSOCIATION of the OWNERS and occupants or may threaten the suspension of any necessary service to the ASSOCIATION.

4.0 Notwithstanding any other provision of this agreement, the AGENT has no authority or responsibility for maintenance of or repairs to those portions of individual dwelling units in the ASSOCIATION, which are not defined as portions of the "common elements" of the property. Such maintenance and repairs shall be the sole responsibility of the OWNERS individually.

5.0 All monies collected by the AGENT on behalf of the BOARD shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation separate and apart from AGENT'S own funds.

5.1 All expense of operation and management may be paid from the BOARD'S funds held by the AGENT, and the AGENT is authorized to pay any amounts owed to the AGENT by the BOARD from such account at any time without prior notice to the BOARD. The AGENT shall have no obligation to advance funds to the BOARD for any purpose whatsoever.

5.2 All AGENT'S employees who handle or are responsible for the safekeeping of any monies of the BOARD shall be covered by an insurance policy protecting the BOARD, such coverage to be in an amount and with a company determined by the AGENT at the expense of the AGENT.

6.0 The BOARD shall pay the AGENT a management fee equal to sixteen (\$16.00) Dollars per unit per month for the first two years. The management fee shall be paid monthly in advance. No further charge shall be made by the AGENT for the services of the AGENT, except as otherwise expressly provided in this agreement.

6.1 The ASSOCIATION shall deliver to the AGENT, true, complete and correct copies of all governing documents, rules and regulations, budget and other organizational documents of the ASSOCIATION. The ASSOCIATION will furnish the AGENT all the available architectural, electrical, mechanical and other plans of the ASSOCIATION. All such documents shall remain at all times the sole property of the ASSOCIATION and upon expiration or termination of this agreement, shall be delivered by the AGENT to the ASSOCIATION.

6.2 The AGENT shall provide, within ten (10) days following written request from an Owner, in accordance with State law, a certification of the status of payments, and any outstanding balances, of all assessments, whether regular or special, and other charges or fees, certified by the AGENT. The AGENT may charge the Owner fifty dollars (\$50.00) for the preparation of such certification.

7.0 One of the AGENT'S employees shall be designated Property Manager for the ASSOCIATION. The Property Manager or other representative of the AGENT shall attend bi-monthly meetings of the BOARD and the annual meeting of the OWNERS. Each meeting shall be limited in duration to two (2) hours. The AGENT shall be paid at the rate of seventy-five dollars (\$75.00) per hour for all time in excess of the allotted two (2) hours. Regular BOARD meetings will be held during normal business hours (8:00 am-5:00 pm).

The Property Manager or other representative of the AGENT shall, upon not less than 36 hours notice, attend meetings other than bi-monthly meetings of the Board or annual meeting of the OWNERS as requested, provided that the BOARD shall pay the AGENT of seventy-five dollars (\$75.00) per hour for the Property Manager's or other representative's attendance at each meeting. The AGENT shall be custodian of the official records of the BOARD and the ASSOCIATION but shall not be required to record the minutes of the meeting.

8.0 The BOARD shall designate a single individual who shall be authorized to deal with the AGENT on any matter relating to the management of the ASSOCIATION. The AGENT is directed not to accept directions or instruction with regard to the management of the ASSOCIATION from anyone else. In the absence of any other designation by the BOARD, the President of the BOARD shall have this authority.

9.0 The AGENT shall have no authority to make any structural changes in the ASSOCIATION or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the ASSOCIATION or the safety of the OWNERS and occupants or are required to avoid the suspension of any necessary service to the ASSOCIATION.

9.1 The AGENT has no responsibility for the compliance of the ASSOCIATION or any of its equipment with the requirements of any ordinances, laws, rules, or regulations (including those relating to the disposal of solid, liquid, and gaseous wastes) of the Village, Town, City, County, State or Federal Government, or any public authority or official thereof having jurisdiction over it, except to notify the BOARD promptly of, or forward to the BOARD promptly, any complaints, warnings, notices, or summonses received by it relating to such matters.

9.2 The OWNERS represent that to the best of their knowledge the ASSOCIATION complies with all such requirements, as named in Paragraph 9.1, and authorize the AGENT to disclose the ownership of the ASSOCIATION to any such officials, and agree to indemnify and hold harmless the AGENT, its representatives, servants, and employees, of and from all loss, cost, expense, and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations.

10.0 The BOARD shall:

10.1 Indemnify, defend, and save the AGENT harmless from all suits in connection with the ASSOCIATION and from liability for damage to property and injuries to or death of any employee or other person whomsoever, and carry at its own expense public liability, boiler, elevator liability (if elevators are part of the equipment of the ASSOCIATION), naming the BOARD and the AGENT and adequate to protect their interest and in form, substance, and amounts reasonably satisfactory to the AGENT and furnish to the AGENT certificates evidencing the existence of such insurance. Unless the BOARD shall provide such insurance and furnish such certificates within thirty (30) days from the date of this agreement, the AGENT may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the BOARD.

10.2 Pay all expenses incurred by the AGENT including, without limitation, attorneys' fees for counsel employed to represent the AGENT or the BOARD in any proceeding or suit involving an alleged violation by the AGENT or the BOARD, or both, of any constitutional provision, statute, ordinance, law, or regulation of any governmental body pertaining to environmental protection or fair housing including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion, or national origin in the sale, rental, or other disposition of housing or any services rendered in connection therewith. Nothing herein contained shall require the AGENT to employ counsel to represent the BOARD in any such proceeding or suit.

10.3 Anything herein to the contrary notwithstanding the BOARD will not assume any liability or responsibility or indemnification for damages, injury or death resulting from gross negligence, illegal or criminal acts by the AGENT or its employees, and the AGENT will indemnify the BOARD from all damages resulting from such acts.

11.0 This agreement may be terminated by either OWNER or AGENT, with or without cause, at the end of the initial two (2) year term or of any following term year upon the giving of sixty (60) days written notice prior to the end of said initial term or following term year.

11.1 Notwithstanding the foregoing; either party shall have the right to terminate this agreement immediately and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events:

(a) BREACH OF AGREEMENT - Thirty (30) days after the receipt of notice by either party to the other specifying in detail a material breach of this Agreement, if such breach has not been cured within said thirty (30) day period; or if such breach is of a nature that it cannot be cured within said thirty (30) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced or/and such efforts are not proceeding and being continued diligently both during and after such thirty (30) day period prior to the breach being cured. HOWEVER, the breach of any obligation of either party hereunder to pay any monies to the other party under the terms of this Agreement shall be deemed to be curable within thirty (30) days.

(b) FAILURE TO ACT, ETC. - In the event that any insurance required of OWNER is not maintained without any lapse, or it is alleged or charged that the Premises, or any portion thereof, or any act or failure to act by OWNER, its agent and employees with respect to the Premises, fails to comply with any law or regulation, or any order or ruling of any public authority, and AGENT, in its sole discretion, considers that the action or position of OWNER or its representatives with respect thereto may result in damage or liability to AGENT, or disciplinary proceeding with respect to Agent's license, AGENT shall have the right to terminate this Agreement at any time by written notice to OWNER of its election to do so, which termination shall be effective upon the service of such notice. Such termination shall not release the indemnities of OWNER set forth herein.

11.2 In the event a petition of bankruptcy is filed by or against the AGENT, or in the event that the AGENT shall make an assignment for the benefit of creditors, or take advantage of any federal or state bankruptcy or insolvency act, either party hereto may terminate this Agreement upon five (5) days written notice to the other.

12.0 Any notice required or permitted to be served hereunder may be served by registered or certified mail or in person as follows:

12.1 If to the AGENT:

Firm: Kenrick Corporation
Address: 3495 Winton Place, Building D, Suite 4
City: Rochester, New York 14623

12.2 If to the BOARD, to the President of the BOARD at his or her home address.

Either party may change the address for notice by notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the mail.

13.0 This agreement shall be binding upon and inure to the benefit of the successors and assigns of the AGENT and the heirs, administrators, successors, and assigns of the BOARD. Notwithstanding the preceding sentence the AGENT shall not assign its interest under this agreement except in connection with the sale of all or substantially all the assets of this business: in the event of such a sale, the ASSOCIATION has the right to terminate this contract.


IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 25 day of April, 2014.

WITNESSES:

THE RESERVE ASSOCIATION, INC.
BOARD OF DIRECTORS



KENRICK CORPORATION


AGENT

AMENDMENT NO. 6

This is the sixth amendment to the Offering Plan for The Reserve Association, Inc. The purpose of this amendment is to give post-closing information and extend the term of the offering plan.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 has closed. It closed on December 22, 2014 in Rochester, New York. The remaining 39 Units are owned by Sponsor. A list of the remaining units is contained on Exhibit 1, attached. 5 Units are under contract, being lots F-3, F-4, F-7, W10 and W11.

2. There are no homes occupied by tenants. Construction is continuing.

3. A permission to occupy was issued for Lot F-19 (9 St. Johnsville Trail) on December 12, 2014 and is attached hereto.

4. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Directors are Anthony Costello, President, Brett Costello, Vice President, and Timothy Reidy, Secretary/Treasurer. All three have business addresses at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618. Anthony Costello is the Principal of the Sponsor, Brett Costello is his son and Timothy Reidy is an employee of the Sponsor entity.

5. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.

6. (a) A reserve fund has been started. The reserve has a balance of \$602.29.

(b) There is a working capital fund. It contains \$1,431.12. The funds are deposited in the Community Association Banc, a division of Mutual of Omaha Bank, PO Box 64084, Phoenix AZ 85082. The name of the account is "The Reserve Association, Inc. Working Capital."

7. Sponsor is financially obligated to complete the Clubhouse and related improvements for the Reserve Association, Inc. The financial obligations of the Sponsor in this paragraph and paragraphs 8, 9, and 10 will be met by sales and other assets of the Sponsor.

8. The aggregate taxes for units owned by Sponsor is \$3,222.00 per month and Sponsor is paying these as they come due.

9. The aggregate monthly association charges for all single-family Units owned by Sponsor is \$4,651. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by the one Home that has

closed in the Reserve and the amounts payable by the 6 Units that have closed in Glenville Condominium One. All portions of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Common Areas.

10. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$ 14,413,165 and the maturity date is August 31, 2017. The loan is paid by monthly payments of interest only in the amount of \$35,498. The interest rate is 4%. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating to the condominium, including the financing obligations and has been for the last twelve months.

11. Neither the Sponsor nor its principal has made prior offerings of cooperative interests in realty except that Mr. Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Watermark Brownstones One (File number CD12-0005), Frankfort Condominium (file number CD12-0002), and Rexford Condominium, (file number CD12-0006). The Sponsor is current on all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

12. There have been no changes to the first year budget which commenced June 1, 2014. The budget was last certified in September of 2014 as part of the 5th amendment to the Plan.

13. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment .

Anthony J. Costello & Son (Joseph) Development, LLC,
Sponsor

REMAINING UNITS
The Reserve on the Erie Canal

Fort Plain

F-1
F-2
F-3
F-4
F-5
F-6
F-7
F-8
F-9
F-10
F-11
F-12
F-13
F-14
F-15
F-16
F-17
F-18
F-20
F-21

Waterford

W-1
W-2
W-3
W-4
W-5
W-6
W-7
W-8
W-9
W-10
W-11
W-12
W-13
W-14
W-15
W-16
W-17
W-18
W-19



No. 10416

PERMISSION FOR OCCUPANCY

OF: NEW SINGLE DWELLING

LOCATED AT: 9 ST JOHNSVILLE TRAIL

IS HEREBY GRANTED pursuant to Article 1 Section 225-4 of the Town of Brighton Comprehensive Development Regulations.

I certify that to the best of my knowledge as determined by inspections, plans, records, and reports on file in the Department of Building & Planning of the Town of Brighton, Monroe County, New York the structures and uses hereafter listed comply with the requirements of the Comprehensive Development Regulations of the Town of Brighton and the New York State Uniform Fire Prevention and Building Code. No certification is made with reference to materials and/or workmanship.

Construction work on use of property is located on street number 9 ST JOHNSVILLE TRAIL, Tax ID# 149.11-2-41, said work done under permit number 1130346 issued 8/23/2013.

Permission for occupancy number 10416 is issued to Anthony J Costello & Son on 12/12/2014, with the condition that the Certificate of Occupancy covers construct a 1 1/2 story single family home (3 bedrm & 3 bath) w/ attached 2 car garage approx 2393 sf to include the optional porch.

BUILDING INSPECTOR

AMENDMENT NO. 7

This is the seventh amendment to the Offering Plan for The Reserve Association, Inc. The purposes of this amendment are to disclose a new budget and to extend the term of the offering plan.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 closed on December 22, 2014 in Rochester, New York. Three additional homes have since closed. The remaining 36 lots are owned by Sponsor. Two lots are under contract, being lots F-7 and W11. A list of the unsold homes is as follows: F1,2,5,6,7,8-18, 20 and 21. Also, W1-9, 11-19.

2. There are no homes occupied by tenants. Construction is continuing.

3. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Directors are Anthony Costello, President, Brett Costello, Vice President, and Timothy Reidy, Secretary/Treasurer. All three have business addresses at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618. Anthony Costello is the Principal of the Sponsor, Brett Costello is his son and Timothy Reidy is an employee of the Sponsor entity.

4. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.

5. (a) A reserve fund has been started. The reserve has a balance of \$1,272.

(b) There is a working capital fund. It contains \$2,863. The funds are deposited in the Community Association Banc, a division of Mutual of Omaha Bank, PO Box 64084, Phoenix AZ 85082. The name of the account is "The Reserve Association, Inc. Working Capital."

6. Sponsor is financially obligated to complete the Clubhouse and related improvements for the Reserve Association, Inc. The clubhouse is nearly complete and will open in September of 2015. The financial obligations of the Sponsor in this paragraph and paragraphs 7, 8 and 9, will be met by sales and other assets of the Sponsor.

7. The aggregate taxes for units owned by Sponsor is \$4,430.00 per month and Sponsor is paying these as they come due.

8. The aggregate monthly association charges for all single-family homes owned by Sponsor is \$9,366. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by the four Homes that have closed in the Reserve and the amounts payable by the 11 Units that have closed in Glenville Condominium One. All sections of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Common Areas.

9. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$14,949,237 and the maturity date is August 31, 2017. The loan is paid by monthly payments of interest only. The amount varies monthly. The interest rate is 4%. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating to the Association, including the financing obligations and has been for the last twelve months.

10. Neither the Sponsor nor its principal has made prior offerings of cooperative interests in realty except that Mr. Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Glenville Condominium Two (file number CD14-0320), Watermark Brownstones One (file number CD12-0005), Frankfort Condominium (file number CD12-0002), and Rexford Condominium, (file number CD12-0006). The Sponsor is current on all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

11. A new budget for the second year of operation, starting June 1, 2015, is attached as Exhibit A. A budget certification is attached as Exhibit B. Certified financial statements for the first year of operation are attached as Exhibit C.

12. A dog park has been added to the project. It is in two sections, one for small dogs, and one for large dogs. It is located on lot C-1 of the common areas.

13. The Brewerton neighborhood in phase 2 of the project was previously envisioned to be 26 patio homes. Due to market demand, Sponsor has decided to create instead a separate condominium entitled the Brewerton Condominium containing 35 ranch, townhome style condominium Units. The Town Planning Board has approved this change. An offering plan for this condominium has been submitted to the Attorney General's office and is under review. Since this increase would increase the total number of units in the development, the Sponsor has agreed to build fewer loft apartment units in the development. Plans are being developed to do so and the pertinent offering plans will be amended as soon as the plans are finalized and approved by the Town.

14. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment .

Anthony J. Costello & Son (Joseph) Development, LLC,
Sponsor

SCHEDULE A
BUDGET FOR SECOND YEAR OF HOA OPERATION
JUNE 1, 2015 – MAY 31, 2016
126 Homes or Units
Post Clubhouse Opening and Including Expenses for the Clubhouse

Projected Income

			<u>Notes</u>
A.	Universal Maintenance Charges \$3,122.19 per home payable \$260.18 monthly	\$393,397.00	1
B.	Neighborhood Surcharges for Glenville Condominium One, Glenville Condominium Two, Ft. Plain and Waterford Neighborhoods. See Footnote 2.	\$96,885.00	2
	Total	\$490,282.00	

Projected Expenses

			<u>Notes</u>
A.	Expenses -Universal Maintenance Charges		
	Labor	\$185,189.00	9
	Clubhouse Heating and Cooling	\$ 10,190.00	14
	Clubhouse Electricity	\$ 16,963.00	13
	Clubhouse Water	\$ 515.00	12
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	\$ 5,000.00	16
	Clubhouse HVAC Maintenance	\$ 1,850.00	15
	Clubhouse Pool Maintenance	\$ 4,000.00	18
	Landscaping	\$ 26,257.00	4
	Clubhouse Cleaning	\$ 27,096.00	11
	Irrigation Maintenance	\$ 1,470.00	5
	Road Maintenance	\$ 2,300.00	8
	Snow Removal		
	Snow Plowing	\$ 1,940.00	6
	Snow Shoveling of Sidewalks	\$ 5,198.00	7
	Clubhouse Rubbish Removal/Recycling	\$ 1,104.00	17
	Insurance	\$ 34,781.00	20
	Management Fees	\$ 24,192.00	21
	Legal Fees	\$ 1,000.00	23
	Accounting Fees	\$ 2,000.00	22
	Taxes		
	Real Estates Taxes	\$ 114.00	24
	Income Taxes	\$ 100.00	25
	Reserves	\$ 20,370.00	27
	Other		
	Office Costs	\$ 1,000.00	19
	Clubhouse Contingency	\$ 13,000.00	26
	Security Automobile	\$ 7,768.00	10
	Subtotal	\$393,397.00	

B. Expenses Corresponding to Neighborhood
Surcharges

Landscaping	\$ 63,793.00	28
Snow Removal	\$ 18,180.00	29
Road Maintenance	\$ 1,560.00	30
Rubbish Removal/Recycling	\$ 9,667.00	31
Contingency	\$ 409.00	32
Management	\$ <u>3,276.00</u>	33

Subtotal	\$96,885.00	
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Total		\$490,282.00
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The Reserve Association Inc.

Footnotes to Schedule A

1. **Projected Income - Universal Maintenance Charges.** Each Unit Owner will pay \$260.18 in monthly Assessments to the Association after the Clubhouse is opened.
2. **Projected Income - Neighborhood Surcharges** -The Association is furnishing certain services throughout the Development, but the costs are being allocated by neighborhood based upon differing benefit levels. As a result, in addition to the charges explained under Footnote 1 paid by all Units, an additional monthly neighborhood surcharge ("Neighborhood Surcharges") will be payable to the Association by neighborhood as set forth below:

Glenville Condominium One

\$1,142.20 per home per year, payable	
\$95.18 monthly based on 24 homes	\$27,413.00 annually

Ft. Plain Single Family Homes

\$1978.80 per home per year, payable	
\$164.90 monthly based on 21 homes	\$41,555.00 annually

Waterford Single Family Homes

\$120.00 per home per year, payable	
\$10.00 monthly based on 19 homes	\$ 2,280.00 annually

Glenville Condominium Two

\$1,165.32 per home per year payable	
\$97.11 monthly based on 22 homes	\$25,637.00 annually

Total	\$96,885.00
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3. **Projected Expenses** - Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 28 through 33 itemize, for each neighborhood, all expenses which Members pay as Neighborhood Surcharges.
4. **Landscaping** - \$26,257.00 The following services are quoted by Lakeview Lawn and Landscape, for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Shrub trimming/cleanup 2 trips, Mechanical edging twice (at roads), Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary. All quotes in this and the following notes include sales tax whenever applicable.
5. **Irrigation Maintenance** - Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.

6. **Snow Plowing** – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt..
7. **Snow Shoveling of Sidewalks** – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections.
8. **Road Maintenance** – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 28 below).
9. **Labor** – a. Two full-time positions for security and light maintenance at annual wages of \$30,000 each; b. Four part-time positions for Clubhouse concierge and trainer (30 hours/week each, wages of \$22,500 each annually). These personnel will be employees of AJ Costello & Son with the Association to reimburse AJ Costello & Son for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions)	\$ 60,000.00
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Taxes and Benefits

FICA and Medicare @ 7.65%	\$ 4,590.00
Health Insurance	\$ 7,986.00
State Long Term Disability	\$ 87.00
Worker's Comp	\$ 2,100.00
Unemployment Insurance (NYS)	\$ 1,008.00
Unemployment Insurance (Fed)	\$ 102.00
Life Insurance	\$ 97.00
Employee Assistance Program	\$ 916.00
Fee, 5% of wages, inclusive of payroll processing costs	\$ 3,000.00

Total	\$ 79,886.00
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Wages (4 part time positions)	\$ 90,000.00
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Taxes and Benefits

FICA and Medicare @ 7.65%	\$ 6,885.00
Worker's Comp	\$ 1,800.00
Unemployment Insurance (NYS)	\$ 2,016.00
Unemployment Insurance (Fed)	\$ 102.00
Fee, 5% of wages, inclusive of payroll processing costs	\$ 4,500.00

Total	\$105,303.00
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All such provisions are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. **Security Automobile** – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. **Clubhouse Cleaning** – Quote from McNair Building Service, Inc., PO Box 26253, Rochester, NY: \$2,258 per month for service 5 days a week.
12. **Clubhouse Water** – Based on estimates for DJC Architecture, PLLC, 99 Garnsey Road, Pittsford, NY: 20,246 cubic feet of water at \$0.0254/cubic foot.
13. **Clubhouse Electricity** – Based on estimates for DJC Architecture, PLLC, 99 Garnsey Road, Pittsford, NY: Lighting and equipment usage: 121,167 kilowatt-hours per year at \$0.14/kilowatt-hour. The unit cost of \$0.14 kilowatt-hour is based upon Rochester Gas & Electric average 2014 cost per kwh.
14. **Clubhouse Heating and Cooling** – Based on estimates for DJC Architecture, PLLC, 99 Garnsey Road, Pittsford, NY. Gas for heating: 4,097 therms/year at \$1.86/therm; the cost of \$1.86/therm is based on Rochester Gas & Electric's average 2014 cost per kwh. Electricity for cooling: 18,357 kilowatt-hours at \$0.14/kilowatt-hour. The unit cost of \$0.14 kilowatt-hour is based upon Rochester Gas & Electric average 2014 cost per kwh.
15. **Clubhouse HVAC Maintenance** – Estimate based on similar experience of Sponsor in building management.
16. **Clubhouse Repair** – Estimate by Kenrick Corporation, 3405 Winton Place, D-4, Rochester, NY 14623 for routine repairs.
17. **Clubhouse Rubbish Removal/Recycling** – Weekly rubbish and recyclables pick-up is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 96 gallon wheeled totes; the quote is \$92.00 per month.
18. **Clubhouse Pool Maintenance** – Based on a quote from Beauty Pools, Inc., 2000 Commerce Parkway, Lancaster, NY for weekly service (cleaning and maintenance) for a 15-week season, includes estimate for supplies.
19. **Office Costs** – Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. **Insurance** – The estimate of \$34,781.00 is based upon a June 4, 2015 quote, provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost fire/casualty insurance covering the Clubhouse, and its equipment, furniture and furnishings, as well as replacement cost casualty insurance on the pool/spa and all Development signage, with a deductible of Two Thousand Five Hundred Dollars (\$2,500.00).

The coverage is as follow:

Building	\$5,780,000
Business Personal Property	\$ 662,000
Pool	\$ 230,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

21. **Management** – Management services are to be provided by Kenrick Corporation: the budget amount is based on a Management Agreement with said entity.
22. **Audit** – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$2,000.00.
23. **Legal Fees**– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$1000.00.
24. **Real Estate Taxes** – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided BY Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30; yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49; yields a total annual tax bill of \$24.49 per tax parcel.
25. **Income Tax: New York State Franchise Tax** – It is unlikely that there would be any Franchise Tax due. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. **Federal Income Tax** – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. **Clubhouse Unit Contingency** – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.
27. **Reserves:** Reserves are established for a limited number of items. Reserve are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$20,370.00, requiring contributions of \$12.48per unit per month for Section 1, which includes a figure of \$1.72/unit/month for sealing private roads every 3 years. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners. This includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I.

28. **Landscaping (Neighborhood Surcharges):** The total of \$63,793.00 is itemized as follows:

Glenville Condominium One Landscaping: \$18,027.00 – the following services are quoted by Lakeview Lawn & Landscape for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Mechanical edging (at road), Shrub trimming/cleanup, 2 trips. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care; one horticultural oil application and three site inspections with treatments as necessary. All quotes in this and the following notes include sales tax whenever applicable.

Glenville Condominium Two Landscaping: \$16,775.00 – the following services are quoted by Lakeview Lawn & Landscape for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Mechanical edging (at road), Shrub trimming/cleanup, 2 trips. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care; one horticultural oil application and three site inspections with treatments as necessary. All quotes in this and the following notes include sales tax whenever applicable.

Fort Plain Landscaping: \$28,991.00 – the following services are quoted by Lakeview Lawn & Landscape for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Shrub trimming/cleanup, 2 trips, mechanical edging (at road). Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care; horticultural oil application and three site inspections with treatments as necessary. All quotes include sales tax.

29. **Snow Removal (Neighborhood Surcharges):** The total of \$18,180.00 plus salting is itemized as follows:

Glenville Condominium One Snow Plowing: \$5,962.00 – Snow removal for driveways & walkways per contract with Oxford East dated November 2014: clearance commences whenever snowfall reaches an average depth of two inches including \$2,640.00 estimated for application of salt.

Glenville Condominium Two Snow Plowing: \$5,465.00 – Snow removal for driveways & walkways per contract with Oxford East dated November 2014: clearance commences whenever snowfall reaches an average depth of two inches including \$2,420.00 estimated for application of salt.

Fort Plain Snow Plowing: \$6,753.00– Snow removal for driveways & walkways per contract with Oxford East dated November 2014: clearance commences whenever snowfall reaches an average depth of two inches including \$1,080.00 estimated for application of salt.

30. **Road Maintenance (Neighborhood Surcharges):** The total of \$1,560.00 is itemized as follows:

Glenville Condominium One Road Maintenance: \$780.00 Routine repair of the private road asphalt (filling potholes). These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Glenville Condominium Two Road Maintenance: \$780.00 Routine repair of the private road asphalt (filling potholes). These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

31. **Rubbish Removal/Recycling (Neighborhood Surcharges):** The total of \$9,667.00 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$2,644.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Glenville Condominium Two Rubbish Removal/Recycling: \$2,617.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Fort Plain Rubbish Removal/Recycling: \$2,313.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Waterford Rubbish Removal/Recycling: \$2,093.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

32. **Contingency (Neighborhood Surcharges):** The total of \$409.00 is itemized as follows:

Fort Plain Contingency: \$222.00- The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187.00- The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

33. **Fort Plain Management (Neighborhood Surcharges):** \$3,276.00- Management services are to be provided by Kenrick Corporation.

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

THE FOREGOING BUDGET PROJECTION IS NOT INTENDED AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES FOR THE SECOND OR ANY SUBSEQUENT YEAR OF OPERATION WILL BE AS SET FORTH IN THIS PROJECTION. ANY OR ALL OF THE ACTUAL COSTS FOR THE SECOND FULL YEAR OF OPERATION MAY SUBSTANTIALLY EXCEED ANY OR ALL OF SAID PROJECTED COSTS. FURTHER, THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE INDICATED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET PROJECTION AND FOOTNOTES.

KENRICK

CORPORATION

June 24, 2015

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd floor
New York, New York 10271

Re: The Reserve Association, Inc.
Town of Brighton, New York

The Sponsor of the Homeowners Association has retained me to review the annual budget containing projections of income and expenses for the fiscal year, June 1, 2015 – May 31, 2016. My experience in this field includes:

Involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (49) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to Schedule A.

I have reviewed the schedule and investigated the facts set forth in Schedule A, and the facts underlying them with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential properties.

I certify that the projections in Schedule A appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year or operation as a Homeowners Association.


I certify that the Schedule:

1. sets forth in detail the terms of the projected income and expenses for the operation.
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the operation as a Homeowners Association;
3. does not omit any material fact;

4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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 Homeowners Association operation but merely an opinion of their vitality.

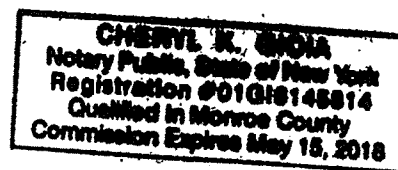
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Richard K. Aikens
Kenrick Corporation

STATE OF NEW YORK)
COUNTY OF MONROE} ss:

Sworn to before me this 24th day
of June 2015.


Notary Public



RKA/lbk

THE RESERVE ASSOCIATION, INC.

**FINANCIAL STATEMENTS
MAY 31, 2015**

THE RESERVE ASSOCIATION, INC.

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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Reserve Association, Inc., which comprise the balance sheet as of May 31, 2015, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Reserve Association, Inc. at May 31, 2015, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Bruce D. Quigley & Roy, LLP

Rochester, New York
June 25, 2015

THE RESERVE ASSOCIATION, INC.

BALANCE SHEET

MAY 31, 2015

ASSETS

Assets

Cash and cash equivalents	\$ 11,930
Accounts receivable from homeowners	390
Accounts receivable from sponsor	1,739
Accounts receivable from other associations	<u>5,718</u>
Total assets	\$ <u><u>19,777</u></u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ 19,226
Advance payments from homeowners	<u>439</u>

Total liabilities	<u>19,665</u>
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Fund balances

Operating	0
Major maintenance	<u>112</u>

Total fund balances	<u>112</u>
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	\$ <u><u>19,777</u></u>
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See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED MAY 31, 2015

	Operating <u>Fund</u>	Major Maintenance <u>Fund</u>	<u>Total</u>
Revenues			
Common charges	\$ 7,775	\$ 111	\$ 7,886
Working capital	3,101	0	3,101
Sponsor contributions	26,739	0	26,739
Interest	5	1	6
Other	2,718	0	2,718
	<u>40,338</u>	<u>112</u>	<u>40,450</u>
Total revenues			
Expenses			
Landscaping and grounds maintenance	5,975	0	5,975
Trash removal	385	0	385
Snow removal	30,051	0	30,051
Administrative expenses	323	0	323
Management fees	960	0	960
Insurance	2,644	0	2,644
	<u>40,338</u>	<u>0</u>	<u>40,338</u>
Total expenses			
Excess of revenues over expenses	0	112	112
Transfers	0	0	0
Fund balances - beginning of year	0	0	0
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 112</u>	<u>\$ 112</u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2015

Cash flows from operating activities:

Excess of revenues over expenses	\$ 112
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided by operating activities:	
(Increase) decrease in:	
Accounts receivable from homeowners	(390)
Accounts receivable from sponsor	(1,739)
Accounts receivable from other associations	(5,718)
Increase (decrease) in:	
Accounts payable	19,226
Advance payments from homeowners	439

Net cash and cash equivalents provided by operating activities 11,930

Cash and cash equivalents - beginning of year 0

Cash and cash equivalents - end of year \$ 11,930

Supplemental disclosure of cash flow information:

Cash paid for income taxes \$ 0

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1: SUMMARY OF OPERATIONS

The Association was incorporated under Section 402 of the New York State Not-for-Profit Corporation Law on December 20, 2011, for the purpose of owning common land, recreational facilities and a community center and maintaining the common areas (consisting of asphalt, sidewalks, driveways, clubhouse, and pool) of The Reserve Association, Inc., in Brighton, New York. The Association is a master association for other condominium and homeowner associations consisting of one hundred and twenty six units in phase I with an additional two hundred and one units in phase II. Currently, there are eleven condominiums and two single family homes sold. The homeowners elect a board of directors who hire an independent property management firm to manage the Association. Currently, Anthony J. Costello & Son Development, LLC. (Sponsor), is in control of the board.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The Association's tax returns for the years ending 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

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

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through June 25, 2015, the date the financial statements were available to be issued.

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to homeowners for the year ended May 31, 2015 were \$119, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of homeowners are determined by the board of directors. The Association retains any operating surplus for use in future operating years. Additionally, there are monthly surcharges for related entities ranging from \$10 to \$167 for landscaping, snow and trash removal, and road maintenance. There is an optional monthly cable charge of \$80. For the year ended May 31, 2015, the Sponsor opted not to assess the surcharge for related entities. As of June 1, 2015, the monthly assessments and surcharges remained the same and will be assessed to all homeowners.

The homeowners are assessed two months common charges for working capital at the time of closing their unit.

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

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Kenrick Corporation for management of its operations. The agreement provides for a monthly fee of \$960 for the year ended April 30, 2016.

NOTE 5: SPONSOR ASSESSMENTS

The Sponsor is required to pay operating deficits until all units are sold, or November 13, 2028, which ever comes first.

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

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

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

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 7: CONCENTRATIONS OF CREDIT RISK

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

See independent auditors' report.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

We have audited the financial statements of The Reserve Association, Inc. as of and for the year ended May 31, 2015, and our report thereon dated June 25, 2015, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bonn, Dioguardi & Ray, LLP

Rochester, New York
June 25, 2015

THE RESERVE ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

MAY 31, 2015

The offering plan contains a study to estimate the remaining useful lives and the replacement costs of components of common property. The estimates were based on estimated current replacement costs.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Asphalt sealing	3	\$ 7,804
Sidewalk replacement	60	106,848
Driveway sealing	3	3,706
Clubhouse		
Roof	40	113,000
HVAC	25	120,000
Elevator	60	75,000
Pool - plaster	20	11,500
Pool - equipment	15	28,000
Flooring	20	44,860
Deck	25	16,800

See independent auditors' report on supplemental information.

STEPHEN E. HALL
ATTORNEY AT LAW
400 EXECUTIVE OFFICE BUILDING
36 WEST MAIN STREET
ROCHESTER, NEW YORK 14614

ADMITTED TO PRACTICE
NEW YORK, ARIZONA AND
PENNSYLVANIA BARS

TELEPHONE: (585) 546-3770
FACSIMILE: (585) 546-3776
(NOT FOR SERVICE OF PROCESS)

November 11, 2013

New York State Department of Law
Real Estate Financing Bureau - 23rd Floor
120 Broadway
New York, New York 10271

ATTN: ~~Lisa~~ Lisa C. Wallace, Esq.
Assistant Attorney General

RE: The Reserve Association Inc.
The Reserve on the Erie Canal ("Development")
Town of Brighton, County of Monroe, State of New York
H012-0001

Dear Ms. Wallace:

I am the attorney who prepared the homeowners association plan for the captioned property. I affirm as follows, under penalty of perjury:

Enclosed for filing pursuant to Part 22, Newly Constructed, Vacant or Non-Residential Homeowners Associations, are two (2) copies of the Amended and Restated Offering Plan, with all Exhibits having previously been submitted.

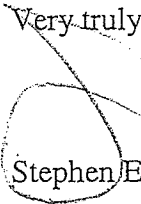
Upon notification that this Plan has been accepted for filing, I will proceed to file the necessary executed RS-3 form abandoning the Offering Plan for The Reserve Clubhouse Condominium (CD12-0003).

I am fully familiar with the provisions of Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 22.

I prepared the attached Amended and Restated Offering Plan and previously submitted Exhibits based on information from the sponsor. I have read all the printed copy submitted to the Department of Law but expressly disclaim any responsibility to have made an independent inspection of the building(s) or property or investigation of the information furnished to me by sponsor.

I have no actual knowledge of any violation of Article 23-A of the General Business Law or Part 22 of the regulations promulgated by the Department of Law, nor do I have actual knowledge of any material fact omitted or any untrue statement of a material fact included in the Amended and Restated Offering Plan.

Very truly yours,


Stephen E. Hall

SEH/am
Enclosures
thereserve.173b

AMENDED AND RESTATED
HOMEOWNERS ASSOCIATION OFFERING PLAN
THE RESERVE ASSOCIATION INC.
("ASSOCIATION" or "HOA")
SOUTH CLINTON AVENUE AT THE ERIE CANAL,
TOWN OF BRIGHTON, MONROE COUNTY,
STATE OF NEW YORK

APPROXIMATE AMOUNT
OF OFFERING:

Six Million Sixty Eight Thousand Thirty Five Dollars (\$6,068,035.00), Based upon the Total Value of the Fully Improved Covered Areas to be Owned and Maintained by the Association in Section I of The Reserve on the Erie Canal ("Development"), with an estimated value for Section II being \$1,000.00. The cost of membership in the Association is included in the purchase price of each dwelling unit.

NUMBER OF UNITS OFFERED:

One Hundred Twenty-Six (126), comprising Section I of the Development, with Section II currently planned to include a maximum of Two Hundred One (201) units for sale.

NAME AND PRINCIPAL BUSINESS
ADDRESS OF SPONSOR:

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC
Suite 300
One Airport Way
Rochester, New York 14624
Phone: (585) 328-2280

SELLING AGENT:

JOHN T. NOTHNAGLE, INC.
217 West Main Street
Rochester, New York 14614

DATE OF ACCEPTANCE FOR FILING: _____.

THIS PLAN MAY NOT BE USED AFTER _____ UNLESS EXTENDED BY AMENDMENT.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF DIRECTORS OF THE ASSOCIATION UNDER THE TERMS OF THIS PLAN (SEE SECTION OF THE PLAN ENTITLED "SPECIAL RISKS").

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF AN ASSOCIATION IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE OWNED BY PURCHASERS OF RESIDENTIAL UNITS FOR THEIR OWN OCCUPANCY OR ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. (SEE SECTION OF THE PLAN ENTITLED "SPECIAL RISKS".)

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

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

PLEASE READ IT CAREFULLY.

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

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

THE RESERVE ASSOCIATION INC.
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SPECIAL RISKS

Purchasers and prospective purchasers of all residential dwelling Units in The Reserve on the Erie Canal (the "Development") should be aware of the following Special Risks, which are also described or referenced in other Sections of this Amended and Restated Offering Plan for The Reserve Association Inc. ("Association"). Purchasers and prospective Purchasers should read the entire Plan to completely understand these and other material aspects of this Offering.

1. Anthony J. Costello & Son (Joseph) Development, LLC (the "Sponsor") intends to develop, construct, and sell the one hundred twenty six (126) residential dwelling Units known as Section I of The Reserve on the Erie Canal (the "Development", or "The Reserve") in the Town of Brighton, County of Monroe, State of New York. Section I will consist of six (6) separate Phases, being (i) two (2) neighborhoods of detached single family dwellings known as Ft. Plain and Waterford, and containing twenty one (21) and nineteen (19) Units each, respectively ("Single Family Dwelling Units"), (ii) Glenville Condominium One, being a separate Condominium Offering of eight (8) buildings containing twenty four (24) townhome-style Condominium Units ("Townhome Units"), (iii) Watermark Brownstones One, being a separate Condominium Offering of two (2) buildings containing a total of six (6) Townhome Units, (iv) Rexford Condominium, being a separate Condominium Offering of one (1) building containing twenty eight (28) loft-style Condominium Units ("Loft Units"), and (v) Frankfort Condominium, being a separate Condominium Offering of one (1) building containing twenty eight (28) Loft Units. Section I will also include a three (3) floor clubhouse building ("Clubhouse Building") and adjacent grounds, which Clubhouse Building and adjacent grounds will not be offered for sale, but rather conveyed to the Association as a facility for recreational use by all Association Members and their guests, together with office space for the Association (See Pages 15-19, 31-36).

2. This Amended and Restated Offering Plan amends and restates in its entirety the Offering Plan for the Association as was originally accepted for filing on August 14, 2012, and subsequent First and Second Amendments thereto. The First Amendment modified the Procedure to Purchase Section of the Plan so as to provide for execution of Unit Reservation Agreements by the Sponsor and prospective Purchasers (Page 55-57), and added a form of Unit Reservation Agreement to the Plan, comprising as Exhibit S within Part II of the Plan. The Second Amendment incorporated into the Plan the revisions in the Department of Law's regulations regarding escrow trust fund requirements (Pages 48-51). The Plan is now modified and restated in its entirety so as to incorporate all changes effected by said First and Second Amendments, and to take account of the following additional matters:

(i) Changes in both the legal and physical structure of the aforesaid Clubhouse facility to be conveyed to the Association for recreational use by all Association members and their guests. Prior to the within amendment and restating of this Plan, the Clubhouse facility was to be established under the former Reserve Clubhouse Condominium Offering ("Clubhouse Condominium"), with the Clubhouse Condominium to have encompassed a four (4) story building together with ground floor, containing ten (10) Condominium Loft Units

on floors two through four to be offered for sale to the public. The ground and first floors of said Building, and all exterior areas within the Clubhouse Condominium property, constituting Lot C1 of the Subdivision comprising the Development, were to comprise the eleventh (11th) Unit in the Clubhouse Condominium; such Unit was not to be offered for sale to the public, but with title to the Unit (formerly referred to in this Plan as the "Clubhouse Unit") instead to have been conveyed to the Association for use as and to comprise the Development's Clubhouse facility.

In physical terms, the Clubhouse facility now instead comprises the three (3) floor Clubhouse Building, comprising two (2) stories together with a ground floor; the entirety of this Building, and all surrounding and adjoining grounds within Lot C1 of the Subdivision comprising the Development, will comprise the Clubhouse facility for recreational use by all Association members and their guests, with the Clubhouse Building also to include office space for the Association on the second floor, all as more fully described in this Plan; fee simple title to this Building and Lot C1 (now referred to in this Plan as the "Clubhouse Building and Property"), is not being offered for sale, but is to be conveyed to the Association as a Covered Area under this Plan. Revisions have been made throughout the Plan reflecting the above changes (Pages 31-36, 72-76, including modification of the Engineer's and Architect's Description, and the floor plans of the Clubhouse Building comprising **Exhibit C** within Part II of the Plan.

Simultaneously with acceptance of this Amended and Restated Offering Plan for filing, the former Clubhouse Condominium Offering is being abandoned, which abandonment reflects the above restructuring, and eliminates the ten (10) Loft Units previously to be offered for sale to the public within said Building as originally envisioned, and eliminates as well the former "Clubhouse Unit" itself as a former Condominium Unit within that abandoned Offering.

(ii) The Subdivision plans for the Development as originally approved by the Town of Brighton, as described within the Local Governmental Approval Section of this Plan and **Exhibit C** within Part II of this Plan, are for a maximum of three hundred twenty seven (327) Units; elimination of the ten (10) Loft Units previously to be offered for sale under the Clubhouse Condominium Offering, with said ten (10) Units now to be included within Section II of the Development as described in subparagraph (iv) below, rather than within Section I under the Clubhouse Condominium Offering as originally planned, is consistent with these prior approvals. After the making of a final determination by the Sponsor as to reallocation of said ten (10) Units within a specific type or types of Units within Section II, the Sponsor will apply for and procure revisions accordingly to the approvals from the Town of Brighton, and with this Plan to then be amended accordingly. Applications for approvals will also be pending before the Town of Brighton as to the aforesaid revision of the physical structure of and plans for the Clubhouse Building; while such approval process must be completed, and with this Plan to be amended to incorporate such approvals when procured, the plans for such modified Clubhouse Building represent a considerably smaller and less complex facility, (i) originally being a four (4) story building together with ground floor, and to contain not only the Clubhouse facility for the Development, but as well ten (10) Condo Loft Units, but now (ii) to be a two (2) story building

together with ground floor, to comprise only the Clubhouse facility, and with such mixed residential use eliminated (Pages 87-88).

(iii) Revision and updating of the **Schedule A** Budget for The Reserve Association, Inc., to reflect the above modifications, as well as to change the projected first year of HOA operations to June 1, 2014 – May 31, 2015, from the originally projected first year of HOA operations, June 1, 2013 – May 31, 2014 (Page 44).

(iv) Change in the Subdivision plans to reflect that while the entire Development is currently planned to include a maximum of three hundred twenty seven (327) Units, which has not changed, the Development is now planned to comprise Sections I and II, rather than Sections I, II, and III. Section I, originally planned to include one hundred thirty six (136) Units to be offered for sale to the public, will now contain a total of one hundred twenty six (126) Units to be offered for sale, reflecting deletion of the ten (10) former Clubhouse Condominium Loft Units, with Section II to now encompass the remaining maximum of two hundred one (201) additional Units. This is reflected in the revised subdivision and site plans comprising a portion of **Exhibit D** within Part II of this Plan, which also incorporate adjustment of the property lines of certain Subdivision lots within said Sections I and II (Pages 15-17, 31-32, 65-67, 71-72, 87-88).

(v) Several further routine matters, being (a) closing of the Sponsor's construction loan financing (page 67), (b) the progress and status of construction of infrastructure and other improvements within the Development (Pages 32-33, 61-63), (c) the Sponsor's acquisition of title to the remaining portion of the Development lands as were previously under contract (Page 15), and (d) the Sponsor's receipt from the Town of Brighton of final subdivision and site plan approval for Section II of the subdivision (Pages 87-88).

3. The Sponsor has substantially completed construction of the improvements within the Development listed under (a) and (b) below, and will subsequently commence construction of the improvements within the Development listed under (c) below; the Sponsor estimates that it will complete such improvements listed under (c) below within the time frame set forth below, and will in any event complete such improvements no later than the expiration of the period of two (2) years commencing upon the execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development:

(a) construction of the full extent of Reserve View Boulevard, both the section thereof to provide ingress and egress to South Clinton Avenue and which will be dedicated to the Town, and the remaining extent thereof to comprise a private roadway and to be a Covered Area maintained by the Association (see Declaration, **Exhibit G**), provided that the top courses of both said portions of Reserve View Boulevard will not be installed until substantial completion of the Development, in accordance with standard construction and development practices; and

(b) construction of the full extent of the private roadway to be known as Watermark Landing West, and the emergency vehicle ingress and egress drive and related

improvements to a segment of the Erie Canal Pathway, which together provide alternative emergency vehicle ingress and egress to South Clinton Avenue, also to be a Covered Area maintained by the Association, provided that the top courses will not be installed until substantial completion of the Development in accordance with standard construction and development practices (See Association Declaration, **Exhibit G**); and

(c) completion of the build-out, finishing and equipping of the Clubhouse Building, and procuring of a Certificate of Occupancy therefor from the Town of Brighton (See Pages 31-33, 61-63).

The Sponsor currently plans to commence construction of the Clubhouse Building in November 2013, and to complete the build-out, finishing, and equipping of the Clubhouse Building, and to obtain a Certificate of Occupancy therefor from the Town of Brighton, by the projected date of October 2015, but in any event no later than the expiration of the period of two (2) years commencing upon the execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development.

Because of a variety of circumstances, including several beyond the Sponsor's control, such as the number of persons willing to purchase a Unit in the Development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that all or any specific portion of the remaining Units within the Development will be sold, constructed, and occupied; the Sponsor will construct further Units as, and dependent upon, Purchasers enter into binding Purchase Agreements. In one (1) further Section of the Development presently contemplated, Section II, up to an additional two hundred one (201) Units may be constructed and sold. The Sponsor gives no assurance that any minimum number of Units in Section I, or that any Units in Section II, will be completed or sold, and specifically reserves the right to modify the Development concept within any phase or phases in Section I not yet then commenced, or within any future portions of the Development beyond Section I not yet then commenced, to any other type of residential development as may be permitted and approved by the Town of Brighton. The Plan will be amended to disclose any changes in the number of Units, phases or Sections to be built (See Pages 15-17, 31-32, 65-66).

4. While all forty (40) Single Family Dwelling Units in Section I of the Development (21 Units in the Ft Plain Neighborhood, and 19 Units in the Waterford Neighborhood) are being offered only under this Plan, with membership in the Association mandatory for the Owners of all such Single Family Dwelling Units, all Townhome and Loft Units (30 Townhome Units, being 24 Units in Glenville Condominium One and 6 Units in Watermark Brownstones One, and 56 Loft Units, being 28 Units in each of Frankfort and Rexford Condominiums) are simultaneously offered for sale both (i) under this Plan, with membership in the Association by the Owners of all Townhome and Loft Units mandatory, and (ii) under the separate Offering Plan for the subject Condominium. As a result, while Single Family Dwelling Unit Owners will pay Assessments only to the Association, Townhome and Loft Unit Owners will pay not only said Assessments to the Association, but also will pay the separate Common Charges due to the

respective Condominium Board of Managers under and pursuant to such separate Condominium Offering Plan (See Pages 18-19).

5. Unit Owners other than the Sponsor may not rent or lease their Units, except with the consent of the Board of Directors of the Association in limited circumstances (see Declaration, **Exhibit G, Schedule A-1**). However, the Sponsor reserves the unconditional right and discretion to rent or lease, rather than sell, any Unsold Units, and is not limiting its right to rent or lease, rather than sell, based on any objective articulable criteria. The Sponsor may from time to time freely rent any Unsold Units without any limitation whatsoever, and without the consent of the Association's Board of Directors or any other Unit Owner. Because the Sponsor is not limiting the conditions under which it will rent or lease rather than sell Units, the Sponsor makes no commitment to sell any specific minimum number of Units, other than the fifteen percent (15%) minimum of Units under each Condominium Offering Plan as required to declare each such Condominium Offering Plan effective, and Owner-occupants may never gain effective control and management of the Association. Sponsor makes no representation that it will endeavor in good faith to sell Units rather than to rent or lease Units (See Pages 18, 46 and 65, 63).

6. The actual use of each Unit is restricted by numerous limitations set forth in the Association's Declaration including, without limitation thereto, restrictions on commercial use of any Unit or rental of the Units by the Purchasers thereof, and restrictions limiting occupancy of any one Unit by no more than one (1) family, or three (3) unrelated persons (See Pages 79-81, and **Schedule A-1 to Exhibit G**).

7. As defined in the Declaration, the Sponsor and all Unit Owners shall automatically be deemed to have become Members of the Association (see Section 1.01 of the Declaration, **Exhibit G**). There shall be two (2) classes of Membership; all Unit Owners, with the exception of the Sponsor, shall be Class A Members, and the Sponsor shall be a Class B Member. Until all Units owned by Sponsor are transferred, or until fifteen (15) years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member, one (1) vote (See **Declaration, Exhibit G, Section 5.03**). While Sponsor is in control of the Board of Directors of the Association, Sponsor may not exercise veto power over expenses described in the Association's budget (**Schedule A**), or over expenses required to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer (Pages 82-86).

8. The first meeting of the Board of Directors of the Association may not be held within six (6) months of the first Unit closing (See By-Laws, **Exhibit I, Article Two**, and Page 82).

9. It is completely within the Sponsor's discretion as to whether a particular Purchaser's obligation to Close on purchase of a Unit will be contingent upon the Purchaser obtaining financing for Closing of the purchase, with each individual Purchase Agreement subject to

negotiation on the existence and terms of such a contingency. The Sponsor is under no obligation to offer or to agree to such a contingency with respect to any Purchase Agreement; the criteria for a Purchaser receiving such a contingency are essentially dictated by market conditions, including the demand for Units by non-contingent Purchasers at any given point in time. Specific reference must be made to any such Purchase Agreement which does contain such a contingency for the terms and conditions thereof, including the time within which a Purchaser must notify Sponsor of any inability to obtain financing or a commitment; as with any mortgage financing commitment and contingency, risk does exist that a Purchaser's financing commitment may expire, or that terms of such a commitment may change, prior to actual Closing (See Pages 52-54, and Exhibit A).

10. The Sponsor will comply with the Escrow Trust Fund provisions established by the Attorney General. Deposits will be held in trust by the Sponsor's attorney in an account entitled "The Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc.", located at Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614 ("Escrow Agent's Account"), which Bank is covered by Federal bank deposit insurance. The Escrow Agent's Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. If aggregate deposits are in excess of then applicable maximum amount, such deposits will not be federally insured in excess of the then applicable maximum amount. The minimum amount of the deposit or downpayment to be paid by each Purchaser under each Purchase Agreement, and placed into the aforesaid escrow account, shall be ten percent (10%) of the purchase price for the Unit, exclusive of all Extras Charges as described and defined in Special Risk No. 9 below; however, the percentage of the purchase price to be paid by a particular Purchaser is subject to increase over such ten percent (10%) level based and dependent upon negotiations between the Sponsor and such Purchaser (See Pages 48-55).

11. In the event a Purchaser reaches agreement with the Sponsor as to upgrades, or special or custom finishes, or other special work with respect to a Unit over and above the basic finish, fixture, and appliance package offered by Sponsor with respect to the Unit (collectively, "Extras"), the negotiated price to be paid by the Purchaser for all Extras ("Extras Charges"), over and above the amount of all deposits, downpayments, or advances placed in the Escrow Agent's Account, will be paid directly from the Purchaser to the Sponsor, upon the earlier of (i) the making of a contractual commitment by the Sponsor to any third party contractor, supplier, or other vendor, for the purchase by the Sponsor of labor and/or materials corresponding to any Extra so ordered by a Unit Purchaser, or (ii) remittal of payment by the Sponsor to any third party contractor, supplier, or other vendor for labor and/or materials corresponding to any Extra so ordered by a Unit Purchaser. Except in the event of default by Sponsor under the Purchase Agreement for such Unit, Extras Charges paid by a Purchaser shall in no event be refundable by the Sponsor, but will be retained by the Sponsor upon any termination or cancellation of such Purchase Agreement (See Page 51).

In the event of default by a Purchaser under its Purchase Agreement for a Unit, in addition to and cumulative of all other rights and remedies of the Sponsor upon any such default, the Sponsor shall have the right to retain (i) the full amount of all deposits paid by the

Purchaser under said Purchase Agreement, whether or not such sums aggregate to an amount in excess of ten percent (10%) of the purchase price for the Unit, plus (ii) all Extras Charges. In addition, the Sponsor shall have the right to seek specific performance by Purchasers under any Purchase Agreement for a Unit, and the Sponsor may collect a late fee of one and one-half percent per month for failure of a Purchaser to close a Unit on the date set for Closing in the Purchase Agreement (See Page 53-54, and **Exhibit A**).

Any Unit Purchaser who defaults under its Purchase Agreement must be given written notice thereof and the opportunity to cure such default within thirty (30) days from the sending of such notice, with time being of the essence. If a defaulting Unit Purchaser does not remedy the default within such thirty (30) day grace period, with time being of the essence, Sponsor will have the right to cancel such defaulting Unit Purchaser's Agreement. If the Purchase Agreement is so cancelled based upon the Purchaser's default, Sponsor has the right to sell the Unit to others as if the Purchase Agreement had never been made, without accounting to the Unit Purchaser for the proceeds of such sale (See Page 54).

12. Any Unit Owner who is delinquent in the payment of Assessments due to the Association for the Unit may have his or her voting rights as a member of the Association suspended, or may lose rights to use of the Association's Clubhouse Unit (see **Declaration, Exhibit G**, Section 6.04).

13. At the Closing of title to the Unit, each Purchaser will be required to pay all applicable New York State Real Estate Transfer Tax, including any "mansion tax", as well as any water meter or related fees, all Town of Brighton recreation and related fees, and Unit survey costs, as are charged to or incurred by the Sponsor in connection with the construction and sale of the Unit (See Page 55).

14. The transfer by the Sponsor of each newly constructed Unit shall be accompanied by the Sponsor's statutory warranty in compliance with the Housing Merchant Implied Warranty Law (General Business Law Article 36-B). No other warranties, express or implied, or arising from a course of dealing or usage of trade, shall apply (See Page 54).

15. The Sponsor will be providing the Town of Brighton with letters of credit to the extent required by the Town to secure the completion of certain subdivision landscaping, stormwater mitigation, erosion control, and infrastructure, principally roadways, and stormwater and sanitary sewer facilities; no letters of credit will be provided by the Sponsor with respect to the completion of installation of the Development's water main and supply system, for the installation and connection of gas, electric, telephone and other communication facilities, or for the construction of any building or structures. While there are no financial or other limitations on the Sponsor's liability under law or equity for failure to perform any of its obligations under this Offering Plan or any Purchase Agreement, there are and will be no other letters of credit, bonds, or other security posted or established and serving as collateral or security for the actual fulfillment and completion by Sponsor of any of its obligations with

respect to the Association, including the Sponsor's obligations to complete construction of any Association property, or other improvements, the actual fulfillment and completion of which obligations is as a result dependent upon the continued financial viability of the Sponsor (See Page 63-64).

16. Private roads in the Development will not be built to Town specifications for public roads, and will not be considered for any future dedication to the Town. The Association will remain liable for the maintenance and replacement of such private roads in perpetuity (See Page 22).

17. Reserves have not been established in the Association's budget (**Schedule A**) for all repairs and capital improvements. In event reserves under the Association's projected budget are inadequate for future maintenance, repair and replacement, the Association's Members may be subject to a Special Assessment (See Page 91).

18. The estimates of projected real estate taxes and Assessments contained herein (see the Budget, **Schedule A**), have been prepared by a consultant engaged by the Sponsor, Kevin L. Bruckner, MAI, CCIM of Bruckner, Tillett, Rossi, Cahill & Associates; these estimates cannot be construed or taken as an assurance, warranty, or representation that the same will comprise the final amounts of taxes and Assessments actually imposed by any taxing authority, but are merely estimates based upon information reasonably available at this time. A nominal provision has been made for real estate taxes on the Clubhouse Building and other property owned by the Association, based upon the value of the Association property being reflected in the individual Assessments of the Units. Should there be a higher or further Assessment of the Association property, the Assessments on all Units will necessarily be increased to fund the resulting tax burden (See Page 44).

19. The portion of the Budget in this Plan for the cost of natural gas and electricity is not intended as a reliable forecast of energy costs. Energy prices are volatile and energy consumption depends on unpredictable variations in the outside weather conditions and the environment, and on general and individual levels of consumption. Accordingly, it is not possible to predict whether the budgeted figures in **Schedule A** for natural gas and electricity will reflect actual costs, with nothing in this Offering intended a warranty or guarantee of the amount of such costs (See Page 44).

20. The Association will enter into a contract with Anthony J. Costello & Son Reserve Management LLC, an affiliate of the Sponsor, to provide management services to the Association, with such Management Agreement to have an initial term of seven (7) years. The Association may experience lower or higher management fees in the future if contracting with an entity other than Anthony J. Costello & Son Reserve Management LLC. A copy of the Management Agreement with AJ Costello & Son Management LLC is set forth as an **Exhibit Q** within the Offering Plan (See Page 93).

21. An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing certain provisions of the Declaration and approving any additions, modifications or alterations to Unit exteriors, within guidelines and/or policies established by the Board of Directors, and subject as well to any necessary approval by the Town of Brighton, and all boards and departments thereof (See **Declaration, Exhibit G**, Article 8).

22. If a Unit Owner fails to maintain or restore the Owner's Unit consistent with the guidelines established by the Association, the Association may perform maintenance or restoration not performed by the Unit Owner at the Unit Owner's expense, with the cost of said maintenance or restoration to be Assessed against the defaulting Unit Owner, and deemed to be a lien against the Unit and collectable as such (See **Declaration, Exhibit G**, Section 7.03).

23. Section I of the Development will include a substantial portion of the Covered Areas to be owned and/or maintained by the Association for the benefit and use of Owners of all three (3) types of housing Units within the entire Development as currently planned, including the Clubhouse Building, with adjacent outdoor pool/spa and other exterior amenities. As a result, upon completion of such facilities and areas, the Association will then commence incurring relatively significant costs and expenses attendant to owning and/or maintaining the same. Beginning with the First Closing of sale of a Unit in the Development, the portion of the Assessment payable by each Unit Owner to the Association, as corresponds to the expenses of the Association relating to owning and/or maintaining such areas and facilities, will be allocated and calculated based only upon the one hundred twenty six (126) Units planned to be included within Section I, and will thus be at a level substantially higher than the ultimate Assessment amounts corresponding to such expenses as estimated to exist upon completion and sale of the maximum of three hundred twenty seven (327) Units currently contemplated to comprise both Sections I and II of the Development. If and when the Development progresses into and through Section II as now contemplated, the portion of the Assessment corresponding to such expenses will be allocated and calculated based upon the increased number of Units encompassed by the Association, and with the per Unit share of such Assessment expected to decrease accordingly. A risk nonetheless remains that the Development will not progress as planned, but will instead cease at a point short of completion and sale of up to three hundred twenty seven (327) Units as contemplated, whether within, or at some point following, Section I. Any such cessation of development within The Reserve could be based upon the Sponsor's business and economic decision not to proceed beyond Section I, or could be the result of construction and sales in the Development ceasing at any point within or following Section I, due to general or specific adverse economic or financial conditions affecting the Sponsor, the Development, or the economy in general. In any such case, those Unit Owners who have Closed upon the sale of Units will on a permanent basis continue to pay monthly and annual Assessments to the Association, and/or to pay Special Assessments to the Association, based upon the resultant sharing of the costs and expenses of owning and/or maintaining such areas and facilities by a pool of Unit Owners ultimately comprising the Development that is much smaller in number than as originally envisioned. Reference is made to the **Schedule A** Budget to this Offering Plan and the future Budget Projections therein (See Page 45).

24. All dimensions, measurements, area calculations, specifications, and other quantifications of any type or nature whatsoever (referred to as "Standards " for purposes of this paragraph) under this Plan and/or any Purchase Agreement as relate to the installation, construction and finishing of any Unit or Covered Areas (referred to as "Improvements" for purposes of this paragraph), including, but not limited to, any such as contained within the Engineer's and Architect's Description in Part II of this Plan, may only be applied using a standard of reasonableness, and with allowance for reasonable tolerances, when evaluating or measuring the conformity thereto and compliance therewith of any such Improvements when as-built and constructed, with the Sponsor making no representation, warranty, guarantee, or other undertaking that any Improvement or Improvements, when as-built and constructed, will precisely or strictly conform to or comply with any such Standards, as opposed to conforming and complying using a standard of reasonableness and with allowance for reasonable tolerances (See Page 69).

THE RESERVE ASSOCIATION INC.

INTRODUCTION

Anthony J. Costello & Son (Joseph) Development, LLC, ("Sponsor"), a Nevada limited liability company, is the Sponsor of The Reserve Association Inc. ("Association"). The subject Development, The Reserve on the Erie Canal (the "Development", or "the Reserve") is located off South Clinton Avenue and adjacent to the Erie Canal, in the Town of Brighton, Monroe County, New York. The Sponsor acquired fee title to approximately 62.821 acres of the approximately 64.601 acre site for the Development by deed recorded in the Monroe County Clerk's Office on January 29, 2002, and the Sponsor acquired fee title to the approximately 1.78 acre area comprising the remainder of the Development by deed recorded in the Monroe County Clerk's Office on August 13, 2012.

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

Neither the Sponsor, any affiliated or related entity, nor any principal of the Sponsor, owns, in whole or in part, or has an option to acquire, for purposes of development, any lands adjoining the Development. The area to the west of the Development, between the Development and South Clinton Avenue, is currently owned by Entercom Rochester, LLC and is improved with three (3) transmission towers and a small one (1) story building used in connection with radio and other communications operations. The Development is bordered on the south by lands owned by the State of New York and/or the New York State Canal Corporation, comprised of the Erie Canal and the associated Canal railway. The Development is bordered on the east by lands of the Town of Brighton comprising Meridian Centre Park. The Development is bordered on the north by Interstate 590 and the associated right of way area. The Sponsor is not aware of any discussions or plans relating to proposed development of any such adjacent lands.

The Members of the Association will be comprised of the owners ("Owners") of all housing units ("Units") within the Development, representing three distinct types of single family residences. The current overall concept for the Development is as follows (see **Exhibit "D"**):

- (i) Detached single family dwellings, with each Owner holding fee simple title to a subdivided lot and the newly constructed residence thereon ("Single Family Dwelling Units"). The initial Section I of the Development is planned to include forty (40) of such Units, comprising two (2) phases, the Ft. Plain (21 Units) and Waterford (19 Units) neighborhoods.

The Sponsor currently plans to subsequently progress the Development through a subsequent Section II including a phase comprised of the Brewerton single family neighborhood, with Brewerton currently planned to contain an additional twenty-six (26) such Units.

- (ii) Townhome-style condominiums, constructed in multiple-unit clusters ("Townhome Units"). Section I of the Development is planned to include two (2) offerings of such Units, being (i) a phase comprising an offering of eight (8) buildings containing twenty four (24) Units and representing Glenville Condominium One (the "First Glenville Townhomes Offering"), and (ii) an additional phase comprising a separate offering of two (2) buildings containing a total of six (6) such Units and representing Watermark Brownstones One (the "First Brownstones Offering").

The Sponsor currently plans to subsequently progress the Development through a subsequent Section II including (i) a phase comprising an offering of seven (7) buildings containing a total of twenty two (22) Townhome Units and representing the remainder of the Glenville neighborhood ("Glenville Condominium Two"), (ii) a phase or phases comprising an offering or offerings aggregating five (5) buildings and containing fourteen (14) Townhome Units, representing the remainder of the Watermark Brownstones neighborhood (the "Remaining Brownstones Offering"), and (iii) a phase comprising an offering of one (1) building containing six (6) Townhome Units, comprising the Watermark Townhomes Condominium (the "Watermark Offering").

- (iii) "Stacked cube" condominium units, done in a loft style ("Loft Units", with the Townhome Units and the Loft Units collectively referred to as "Condominium Units"). Section I of the Development is planned to include two (2) Offerings or phases of such Units, with each comprising a five (5) story building containing twenty eight (28) Loft Units, and known, respectively, as the Rexford (the "Rexford Offering") and Frankfort (the "Frankfort Offering") Condominiums.

The Sponsor currently plans to further progress the Development through a subsequent Section II including four (4) phases and additional offerings of Loft Units, each being a five (5) story building, known as the Pendleton Condominium (the "Pendleton Offering"), containing 34 Loft Units, the Kingston Condominium (the "Kingston Offering"), containing 33 Loft Units, the Champlain Condominium (the "Champlain Offering"), containing 33 Loft Units, and the Black Rock Condominium (the "Black Rock Offering"), and containing 35 Loft Units.

Section I of the Development will also include one (1) three (3) story building (the "Clubhouse Building"), title to which Building, and all underlying and certain adjacent lands, areas, and facilities, which include an exterior pool and spa, together with terraces, landscaped areas, green areas with trails and walkways, and private roadway (collectively, the "Clubhouse Building and Property"), will be conveyed to the Association for use as a recreational facility by the members of the Association.

The sequence or order in which the Sponsor will commence and pursue sales and construction of any such phases within Section I, or within any subsequent Section II, is within the Sponsor's sole discretion.

The Sponsor reserves the right to modify the Development concept within any phase or phases in Section I not yet commenced, and if the Sponsor proceeds with Section II of the Development, within any further phase or phases not yet commenced in Section II, to any residential housing permitted and approved by the Town of Brighton, but at the same time provides no assurance, undertaking, warranty, or representation that any such future Section II and Units therein will actually be developed and constructed. In the event the Development proceeds through both contemplated Sections I and II, it is presently contemplated that no less than three hundred twenty four (324) Units, and no more than three hundred twenty seven (327) Units, will be constructed and sold.

A risk exists that the Development will not progress as planned, but will instead cease at a point short of completion and sale of up to three hundred twenty seven (327) Units as contemplated, whether within, or at some point following, Section I. Any such cessation of development within The Reserve could be based upon the Sponsor's business and economic decision not to proceed beyond Section I, or could be the result of construction and sales in the Development ceasing at any point within or following Section I, due to general or specific adverse economic or financial conditions affecting the Sponsor, the Development, or the economy in general.

The Sponsor will convey title to the Clubhouse Building and Property to the Association, which will own and operate the Clubhouse Building and Property for the benefit of the entire Development. The Clubhouse Building, exterior pool/spa, and immediately surrounding grounds, are to be dedicated exclusively to the common recreational, leisure, and social use of Members and their guests, and may also be reserved by Members for private parties. The Clubhouse Building will encompass approximately 19,929 square feet as, displayed in the floor plans within Part II of this Plan, **Exhibit C**. The Clubhouse Building and Property are to be conveyed by the Sponsor to the Association and to become property of the Association. The amenities and facilities within the Clubhouse Building and the immediately surrounding grounds (See Pages 24-25 below, and Part II, **Exhibit C**) include a banquet room, catering kitchen, Harvard Room, men's and women's locker rooms with sauna facilities, conference room and private movie theater, office space for the Association, and outdoor amenities including a pool and spa, and visitor parking. As described in detail below in the Description of Covered Areas and Facilities to be Owned and/or Maintained by the Association (Pages 24-25), the Clubhouse Building and

Property also includes all areas within Lot C-1 of the Development exterior of the Clubhouse Building, which includes the entirety of the private drive segment of the Development's entrance roadway, Reserve View Boulevard, and considerable landscaped areas, green areas, and associated trails (Pages 24-25).

The Clubhouse Building and Property will be completed and conveyed by the Sponsor to the Association no later than two (2) years after execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development (Pages 43 and 45), and with the Sponsor to be entirely responsible, at its sole cost and expense, for all maintenance and upkeep of the Clubhouse Building and Property until said point.

Unit Owners other than the Sponsor will not have the right to rent or lease their Unit, except with approval of the Association's Board of Directors in the limited circumstances set forth in Schedule A-1 to the Association's Declaration (See **Exhibit G, Schedule A-1**). However, the Sponsor reserves the unconditional right and discretion to rent or lease, rather than to sell, any Unsold Units, and is not limiting its right to rent or lease, rather than sell, based on any objective articulable criteria. The Sponsor may from time to time freely rent any Unsold Units without any limitation whatsoever, and without the consent of the Board of Directors or any other Unit Owner. Because Sponsor is not limiting the conditions under which it will rent or lease rather than sell Units, Owner-occupants may never gain effective control and management of the Association. Sponsor makes no representation that it will endeavor in good faith to sell Units rather than to rent or lease Units.

Each Unit of any type will be sold in conjunction with mandatory Association Membership, with the result that the record owners of each Unit will automatically become Members of the Association. Upon the resale or transfer of any Unit, the transferee will also automatically become a member of the Association, with the Membership of the former Unit Owner automatically terminated.

While all forty (40) Single Family Dwelling Units in Section I of the Development (21 Units in the Ft Plain Neighborhood and 19 Units in the Waterford Neighborhood) are being offered only under this Plan, with membership in the Association mandatory for the Owners of all such Single Family Dwelling Units, all Townhome and Loft Units (30 Townhome Units, being 24 Units in Glenville Condominium One and 6 Units in Watermark Brownstones One, and 56 Loft Units, being 28 Units in each of Frankfort and Rexford Condominiums) are simultaneously offered for sale both (i) under this Plan, with membership in the Association by the Owners of all Townhome and Loft Units mandatory, and (ii) under the separate Offering Plan for the subject Condominium. It is particularly important that Purchasers and Owners of both the Townhome and Loft Units take notice and understand that the Budget for the Association (see **Schedule A** hereto) encompasses only a Condominium Unit Owner's Assessment payment responsibility corresponding to each Condominium Unit Owner's capacity as a Member of the Association, representing the payment of expenses only with respect to the Covered Areas owned and/or maintained by the Association. Four (4) separate Offering Plans are also being filed by the Sponsor under 13 NYCRR Part 20 for the aforesaid four (4) Condominium phases

and Offerings within Section I of the Development (ie, the Offerings for Glenville Condominium One, Watermark Brownstones One, and Rexford and Frankfort Condominiums), each of which Offerings will contain a separate budget delineating each Condominium Unit Owner's separate and additional responsibility for the payment of Common Charges to the Condominium Board of Managers under the budget within each said respective Condominium Offering.

The Sponsor will also file a separate such Offering under Part 20 for any subsequent Condominium phase and Offering in Section II (ie, currently planned to be Offerings for Glenville Condominium Two, the Remaining Brownstones Offering, the Watermark Townhome Condominium, and the Pendleton, Kingston, Champlain, and Black Rock Condominiums), each of which will contain such a separate budget for payment of such separate Condominium Common Charges by each Unit Owner therein.

In addition to the central role and function of the Association in owning and operating the Clubhouse Building and Property for the use and benefit of all Members within the entire Development, the Sponsor's primary goals in establishing the Association as an umbrella organization encompassing the entirety of The Reserve are to (1) provide for uniformity in the quality of associated services, maintenance and/or repair throughout the Development, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation. The Association will serve this function with respect to all of the Covered Areas to be owned and/or maintained by it throughout Section I of the Development, and within any remaining Section II to follow; the Covered Areas encompass two (2) basic categories of lands, improvements, and facilities throughout the Development.

First, extensive areas and facilities are to be owned, and/or operated and maintained by the Association for the benefit of all Members, such as (a) the Clubhouse Building and Property to be conveyed by the Sponsor to the Association, which Unit comprises not only the Clubhouse Building, but also all areas within Lot C-1 of the Development exterior of the Clubhouse Building, including the pool/spa and other exterior amenities and grounds surrounding the Clubhouse Building, green areas with walkways, stormwater facilities, and certain private roadways, with such private roadways including the private portion of Reserve View Boulevard, which will be the Development's main roadway, and associated medians and islands (with the initial segment of Reserve View Boulevard, extending from South Clinton Avenue to such private portion of Reserve View Boulevard, to be dedicated to the Town of Brighton), (b) the Development's emergency vehicle access roadway extending to the Erie Canal Pathway, and the associated segment of the Erie Canal Pathway extending westerly and then northerly so as to provide alternative emergency vehicular access to South Clinton Avenue, as well as (c) additional green areas with walkways, and stormwater facilities, outside of the Clubhouse Building and Property and to be owned by the Association in fee simple.

The costs of maintenance and operation of such areas and facilities are budgeted and paid for through equal Assessments payable by each Development Unit Owner to the Association.

Secondly, significant Covered Areas within the Development maintained by the Association are not owned by the Association, and are not maintained by the Association for the

direct benefit of all Unit Owners in the Development, with these areas comprised of (i) the exterior Common Elements within the Rexford and Frankfort Condominiums, (ii) the exterior Limited Common Elements within Glenville Condominium One and Watermark Brownstones One, specifically all lawn and landscaped areas as originally installed therein under the Sponsor's standard Unit landscaping package, and snow removal (but not ice removal) from Unit driveways within said Limited Common Elements and from certain private roadways and sidewalks adjoining the same, as well as, (iii) within all Single Family Dwelling Units within the Ft. Plain neighborhood in Section I (but not the Waterford neighborhood), all lawn and landscaped areas as originally installed therein under the Sponsor's standard Unit landscaping package, and driveway snow (but not ice) removal. So as to take account of the fact all Unit Owners are not benefited, while at the same time and achieving the two (2) goals aforesaid, while the Association will maintain such Covered Areas, the costs thereof will not be universally assessed among Unit Owners (as are, eg., such costs corresponding to the Clubhouse Building and Property), but will instead be allocated amongst different groups of Unit owners through supplemental "Neighborhood Surcharges" in a manner so as to fairly and reasonably distribute costs based upon differing benefit levels. As a result, in addition to the basic or universal Assessments paid to the Association in equal amounts by the Owners of all housing Units of every type within the Development, additional monthly Neighborhood Surcharges will also be payable to the Association dependent upon the type of housing Unit and/or the neighborhood in which the Unit is located (See **Schedule A** below):

a. The Association will provide for (i) snow plowing of all individual Unit driveways within the Ft. Plain Single Family Dwelling Units, and within the limited common elements associated with the Glenville and Brownstones Townhome Units, (ii) snow plowing of all driveway and vehicle ingress/egress areas in the common elements associated with the Rexford and Frankfort Condominiums, together with snow shoveling from all exterior walkways within the exterior common elements of said Condominiums, and (iii) snow plowing of the private roadways comprised of (a) Bretlyn Circle, within the exterior common elements of the Glenville Townhomes Offering, (b) Watermark Landing East, within the exterior common elements of the Brownstones Townhomes Offering, and (c) Watermark Landing West, which comprises in part exterior common elements of the Rexford and Frankfort Offerings and is in part within the Clubhouse Building and Property, together with cleaning of snow from any sidewalks adjoining the private roadway in any such neighborhoods; the costs of all such snowplowing services are allocated via Neighborhood Surcharges.

The Association will in no event be responsible for ice removal or control with respect to or from any surface, to clean snow from the roof of any Unit or Building, or to perform any snow or ice removal or control with respect to any walkway or pathway within the limited common elements of the Townhome Units or within any Single Family Dwelling Unit.

b. The Association will provide for all lawn mowing, and all other lawn, tree, shrubbery, and landscaping care as pertains to all original tree, shrubbery and landscaping installations by the Sponsor, (i) within the bounds of the Ft. Plain Single Family Dwelling Unit yards, (ii) within the limited common elements comprising the exterior yard associated with each

Townhome Unit within the Glenville and Brownstones Condominiums, and (iii) within all exterior common elements associated with the Rexford and Frankfort Condominiums; the costs of such services are allocated via Neighborhood Surcharges.

c. The Covered Areas owned and/or maintained by the Association will include all private roadways within the entire Development. Through associated Neighborhood Surcharges: those Unit Owners within the Glenville Townhomes Offering will bear all repair and maintenance costs pertaining to Bretlyn Circle; the costs of repair and maintenance of the original extent of Watermark Landing East will be allocated amongst the Unit Owners within the First Brownstones Offering; and the costs of repair and maintenance of Watermark Landing West will be allocated amongst the Rexford and Frankfort Unit Owners.

d. The Association will provide for all weekly household refuse and recycling removal services from all Units, and with Neighborhood Surcharges payable accordingly, provided that the costs associated with refuse and recycling removal services from the Clubhouse Building are included within the basic or universal maintenance charges payable to the Association by all Unit Owners.

As per normal expectations, all Single Family Dwelling Unit Owners will enjoy sole and exclusive possession and use of said Unit, including the entirety of the exterior Unit areas, subject to an easement to the Association (other than with respect to Units in the Waterford Neighborhood) to perform the aforesaid upkeep and maintenance therein (excepting Units in the Waterford Neighborhood) with respect to lawns and original landscape installations as aforesaid, as well as driveway snow removal, and with Single Family Dwelling Unit Owners (with the exception of Waterford) to pay Neighborhood Surcharges accordingly.

It should also be noted that, pursuant to the applicable Condominium Offering, the purchaser of each Townhome Unit will enjoy sole and exclusive possession and use of Limited Common Elements comprised of certain defined exterior yard and Unit driveway areas, subject to an easement to the Association to perform all upkeep and maintenance therein with respect to lawns and original landscape installations as aforesaid, as well as driveway snow removal, and with Townhome Unit Owners to pay Neighborhood Surcharges accordingly. The precise location of these Townhome Unit Limited Common Element areas shall be determined following completion of construction of all Townhome Units within a given Offering, with the Sponsor reserving the right to effect modification of all such Limited Common Element lines to reflect such as-built locations.

Within Section I the Sponsor will be dedicating to the Town of Brighton those roadways comprised of (i) the portion of Reserve View Boulevard extending from South Clinton Avenue to Pendleton Hill, at which point Reserve View Boulevard will then become a private roadway, (ii) Pendleton Hill, and (iii) St. Johnsville Trail, and which dedicated roads will thus not be owned by the Association. Accordingly, following such dedication the cost of maintenance and repair of such roads will be the responsibility of the Town of Brighton. Within Section I, the remainder of Reserve View Boulevard extending southerly from Pendleton Hill to the Clubhouse

Building (together with the associated medians and islands), the portion of Bretlyn Circle within Glenville Condominium One, Watermark Landing West (the southerly one-half of which is within the Common Elements for the Rexford and Frankfort Condominiums, and the northerly one-half of which is within the Clubhouse Building and Property, and Watermark Landing East (included within the Common Elements for Watermark Brownstones One), will be private roadways operated and maintained by the Association, and with the costs thereof to be included within the Association's budget.

If and when the Development extends into Section II, under current plans therefor the remaining portion of Bretlyn Circle within Glenville Condominium Two, the private portion of Cos Grand Heights within the Brewerton Single Family Dwelling Neighborhood (with a portion of Cos Grand Heights to be dedicated to the Town of Brighton), and the remainder of Watermark Landing East, will also be private roadways operated and maintained by the Association.

The Sponsor will be required by the Town of Brighton to include the private roadways referenced above within the letters of credit to be provided by the Sponsor to the Town to secure the completion of subdivision infrastructure. However, such private roadways will not be built to Town of Brighton specifications for public roads and will not be considered for any future dedication to the Town of Brighton, as the width and other aspects of the private roadways will not comply with Town specifications for the same. The makeup and specifications for the private roadways are set forth in the Engineer's and Architect's Description appearing as **Exhibit C** in Part II of the Plan, specifically item B.3. therein. The Association will remain liable for the maintenance and replacement of the private roads in perpetuity.

Dependent upon the progress of the Development, and subject to approval by the Town of Brighton, the Sponsor also reserves the right to convert portions of green areas within the Clubhouse Building and Property to additional visitor and common parking, all of which will be operated and maintained by the Association.

Water will be supplied by The Monroe County Water Authority ("MCWA") through dedicated water mains constructed by the Sponsor in accordance with all MCWA specifications, with the MCWA assuming ownership and responsibility for the mains under an easement to be granted by Sponsor. The Sponsor will also construct and install all lateral water service lines in accordance with all MCWA specifications; the Association will maintain the lateral water service lines between the curbbox valve, and (i) the Unit wall for each individual Townhome Unit, or (ii) the building wall for each Loft Condominium building, and the building wall for the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of the maintenance of such lateral lines shall be funded through the Association budget via Neighborhood Surcharges as applicable. The Association will not fund water usage expenses through Assessments, with the exception of water usage in the Clubhouse Building in the Association's capacity as Owner thereof; each Townhome and Single Family Dwelling Unit will be individually metered for the Owner thereof to bear all Unit usage expenses; water usage in Loft Condominium Building Common Elements and Units is separately addressed in the respective Condominium Offering Plan and Budget.

The stormwater sewer system within the street rights of way dedicated to the Town of Brighton, as well as all storm water mains extending therefrom to the stormwater management facilities in the Development, will be constructed by the Sponsor in accordance with all Town specifications, and will also be dedicated to the Town, with the Town thus assuming ownership and responsibility for such portion of the stormwater system. The Association will maintain the storm sewer system throughout the remainder of the Development, including storm water ponds, all of which will also be constructed by the Sponsor in accordance with all Town specifications, with the costs of maintenance to be funded through the Association's budget. The Association will maintain the lateral storm sewer lines extending to (i) the Unit wall for each individual Townhome Unit, or (ii) the building wall for each Loft Condominium building, and the building wall for the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of the maintenance of such lateral lines shall be funded through the Association budget via Neighborhood Surcharges as applicable. Maintenance and repair of sump pumps within Single Family Dwelling and Townhouse Units shall be the individual Owner's sole responsibility.

The main sanitary sewer system within the public and private rights of way will be constructed in accordance with all Town of Brighton specifications and dedicated to the Town of Brighton, with the Town thus assuming ownership and responsibility for the same. While all sanitary sewer laterals will also be constructed by the Sponsor in accordance with all Town specifications, the Association will maintain all sanitary sewer laterals between the street right of way line, and (i) the Unit wall for each Townhome Unit, and (ii) the building wall for each Condominium Building, and the building wall for the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of maintenance of the laterals shall be funded through the Association budget via Neighborhood Surcharges as applicable.

The Sponsor will be providing the Town of Brighton with letter(s) of credit to the extent required by the Town to secure the completion of certain subdivision landscaping, stormwater mitigation, erosion control, and infrastructure, principally roadways, and stormwater and sanitary sewer facilities; no letters of credit will be provided by the Sponsor with respect to the completion of installation of the Development's water main and supply system, for the installation and connection of gas, electric, telephone and other communication facilities, or for the construction of any building or structures.

The Association will be responsible for all lawn mowing and landscaping of all exterior areas within the Development, to the standards as set forth in the Declaration (**Exhibit G**, Section 9.01), with the exception of the (i) Single Family Dwelling Units within the Waterford neighborhood, and (ii) any landscaping installations within either the Ft. Plain Single Family Dwelling Units, any Townhome Unit Limited Common Elements, or any Condominium Common Elements, as were installed above or in addition to the Sponsor's standard landscaping package as available upon original installation, regardless of whether any such upgrades or betterments were installed by the Sponsor or Unit Owners. Those individual Townhome and Single Family Dwelling Unit Owners, or Condominium Boards, who receive such exterior

landscaping services through the Association may, if they desire, plant annual flowers or similar plantings in mulch beds within the respective Townhome Unit Limited Common Elements, Single Family Dwelling Unit yards, or Condominium Common Elements, for which they will be responsible; any flowers so planted may be removed as necessary when the Association maintains the mulch beds.

Snow removal (but not ice removal or control) from the driveway (but not any walkway or other pathway) within each Single Family Dwelling Unit, with the exception of the Waterford Single Family Dwelling Units, and from the driveway (but not any walkway or other pathway) within each Townhome Unit's Limited Common Elements, as well as snow removal (but not ice removal or control) from all driveways and walkways within (i) the exterior Common Elements of each Loft Condominium, and (ii) the exterior areas of the Clubhouse Building and Property, is provided by the Association and funded through the Association's budget via Neighborhood Surcharges, except that such costs incurred with respect to the exterior areas of the Clubhouse Building and Property are funded through the Association's budget in its capacity as Owner of the Clubhouse Building and Property.

The Association shall be an organization composed of all Owners of all Units within the Development, pursuant to a certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, hereinafter referred to as the "Declaration", to be recorded in the Monroe County Clerk's Office prior to the transfer of title to the first Unit within the Development. Upon acceptance of a deed to any Unit, the Unit Owners shall simultaneously and automatically become Association Members. The Association has been formed for the purpose of insuring efficient preservation of the values and amenities of the Development, with a copy of the Association's Certificate of Incorporation attached as **Exhibit H**. The obligation to become a Member of the Association will be set forth in the Purchase Agreement for each Unit (see **Exhibit A**) and in each deed to the same, both of which shall refer to the Declaration. A complete copy of the Declaration for the Association is set forth as **Exhibit G** to this Offering Plan.

The By-Laws of the Association are set forth as **Exhibit I** to this Offering Plan. Members of the Association shall have the right to vote for the Board of Directors of the Association pursuant to the By-laws, and the Board of Directors will conduct the affairs of the Association. There shall be two (2) classes of Membership: all Owners, with the exception of the Sponsor, will be Class A Members, and the Sponsor will be a Class B Member. Until all Unsold Units are transferred by the Sponsor, including any and all additional Units which may be brought within the scheme of the Declaration pursuant to the Sponsor's rights under Article II of the Declaration, or until fifteen (15) years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into Class A Membership, and all Members shall vote equally, i.e., one (1) Member, one (1) vote. At the first annual meeting following the conversion of the Sponsor's Class B Membership to Class A Membership, the Members shall elect a new Board of Directors unrelated to the Sponsor. Upon the Sponsor so relinquishing control, Members of the

Association will have the right to vote annually for the Board of Directors, who will conduct the affairs of the Association.

The Association will be empowered to maintain and administer the use of the Covered Areas within the Development to be owned, operated, and/or maintained by the Association, will administer and enforce the covenants and restrictions and other provisions of the Declaration, including collection of Assessments from all Unit Owners and disbursement of expenses and charges as set forth in the Declaration and Association budget.

In addition, the Association will maintain fire and casualty insurance covering the Association's property comprised of the contents, furnishings, fixtures, and equipment within the Clubhouse Building and Property, and all Development signage.

The Association will hold such reserves for repair and replacements as the Board of Directors deems proper.

The price of each Unit will include the cost of Membership in the Association. Unit prices shall be set by the Sponsor alone, and shall not be subject to review or approval by the New York State Department of Law or by any other government agency. Owners of Units, excluding the Sponsor, are responsible for the payment of monthly Assessments to the Association. The Association may place a lien on Units for unpaid Assessments, which could result in foreclosure. At the time of Purchase of a Unit, Purchasers are advised to obtain a certificate from the Association certifying to the status of payment of Assessments on the Unit.

The Assessments on the Unsold Units owned by the Sponsor shall be limited to an amount equal to the deficiency between (i) the actual Association expenses, but with such expenses to include reserves applicable to completed improvements as provided for in the Association's budget only to the limited extent following, and (ii) the Association's Assessments levied on Owners who have Closed title to their Units. The Sponsor shall pay reserves corresponding to Unsold Units owned by the Sponsor only from and after the issuance of a Certificate of Occupancy for such Unsold Units. See Section 6.01 of the Declaration set forth in Part II of this Plan as **Exhibit G**.

The estimated Assessments for the first full year of the operation of the Association are as set forth in the Budget section of this Offering Plan.

Units may be purchased by any individual twenty one (21) years or older. As specified in **Schedule "A-1"** to the Declaration; Units may be used for residential purposes only, and not for commercial purposes, with the limited exception of Home Office Uses as defined and set forth in said **Schedule A-1**; other than rental or lease by the Sponsor, on which no restriction exists, the Units may only be rented or leased by Unit Owners in limited circumstances and with the prior written approval of the Board of Directors of the Association.

Following Closing, the Purchaser of each Unit may sell or mortgage the Unit to anyone without restriction. Each Unit is separate, and not subject to mortgages on other Units. Owners of Units should be aware that, if they resell their Unit, those who purchase from them will automatically become Members of the Association, assuming all rights and obligations.

This Offering Plan as presented to prospective Purchasers of Units contains all the detailed terms of the transaction as it relates to the Association. Parts A, B and C of the Exhibits delivered to the New York State Department of Law contain all of the documents referred to in the Offering Plan. Copies of the Offering Plan and the Exhibits shall be made available to prospective Purchasers of Units and their attorneys without charge at the offices of the Sponsor, which office is located at Suite, 300, One Airport Way, Rochester, New York 14624.

Exemption from the Interstate Land Sales Full Disclosure Act.

The Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 et seq. (the "Act"), is a Federal statute that requires Sponsors of certain real estate developments to file a disclosure statement or property report with the Bureau of Consumer Financial Protection and provide the report to Purchasers, unless such sales are exempt from the Act. This Offering is exempt from the requirements of the Act pursuant to the provisions of 15 U.S.C. §1702(a)(2), 24 CFR §1710.5, and 12 CFR §1010.5, in that each Purchase Agreement entered into by Sponsor with a Purchaser will comprise a sale of land under a contract obligating the Sponsor to erect the subject building within a period of two (2) years, as more fully set forth in this Plan and each said Purchase Agreement. The New York State Department of Law has not verified or approved the above, or the availability or applicability of such exemption under the Act.

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

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DEFINITIONS

Definitions follow of certain capitalized terms used in this Offering.

"Affiliate" means any Person who is a Family Member, or who controls, is controlled by, or is under common control with, the named Person or a Family Member of the named Person. The terms "control," "controlled", or "controlling", shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or of more than fifty percent (50%) of the beneficial interests of any other entity.

"Amend," "amended" or "amendment" refer to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor, or any Successor Sponsor, or the Board, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator, or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction (including those pertaining to health, safety or the environment), now or hereafter in effect.

"Assessments" means the charges payable to the Board as corresponding to each Unit's equal share of the Common Expenses.

"Association" means The Reserve Association Inc., the homeowners association of which all Unit Owners in the Development will be Members.

"Attorney General" means the Office of the Attorney General of the State of New York.

"BCL" means the Business Corporation Law of the State of New York, as amended from time to time.

"Board of Directors" or "Board" means the governing body of the Association, which will consist of seven (7) persons to be elected by the Unit Owners after the Initial Control Period.

"By-Laws" means the rules of operation of the Association which govern the election of the Board of Directors and the powers delegated to the Board for the Association's operation, a copy of which are found herein at **Exhibit I**.

"Clubhouse Building and Property" means: (i) the Clubhouse Building; and (ii) all areas within the Lot C-1 of the Development which are exterior of the Building.

"Claim" or "Claims" shall include any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.

"Closing," "Closing of title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and a Purchaser under a Purchase Agreement, including the payment to Sponsor of the purchase price and the delivery to such Purchaser of the deed transferring fee simple title to the Unit on the terms set forth in the Agreement.

"Common Expenses" means the costs and expenses incurred or projected in connection with the administration, operation, repair, maintenance, replacement, preservation, and restoration of, and any alteration, addition, or improvement to, the Covered Areas.

"Covered Areas" means those areas described and defined in the Section of this Plan entitled "Description of Covered Areas and Facilities to be Owned and/or Maintained by the Association".

"Declaration" means the Association's Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, the form of which is included in Part II of the Plan, as amended from time to time.

"Department of Law" means the New York State Department of Law.

"Deposit" means the payment or payments required to be paid by Purchaser at the time a Purchase Agreement is tendered to the Sponsor or at the time or times prior to Closing as provided in the Agreement.

"Development" means the Sponsor's residential subdivision development in the Town of Brighton, County of Monroe, State of New York, known as The Reserve on the Erie Canal.

"Escrow Agent" means Stephen E. Hall, Esq.

"Family Members" means with respect to any natural person, such person's spouse, parents, grandparents, children, grandchildren, and siblings (in each case, including by adoption).

"First Closing" means the date fee title to a Unit is first conveyed to a Purchaser within the Development.

"First Year Budget" means the projection of receipts and expenses of the Association for the first twelve (12) months following the projected date of the First Closing, as contained in Schedule A to this Plan.

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"Hazardous Materials" means chemicals, pollutants, contaminants, wastes and toxic substances, including solid or hazardous waste, hazardous substances, toxic substances, insecticides, fungicides, rodenticides, gasoline or any other petroleum product or byproduct, polychlorinated biphenols, asbestos and urea formaldehyde to the extent any such substances are described as hazardous in any federal, state or local laws and regulations relating to pollution or protection of human health or the environment including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Federal Insecticide, Fungicide, and Rodenticide Act, as amended; the Resource Conservation and Recovery Act, as amended; the Superfund Amendments and Reauthorization Act of 1986, as amended; and the Toxic Substances Control Act, as amended.

"Initial Control Period" means the period commencing at the First Closing and ending on the earlier of (i) the date that the Sponsor Closes on the sale of all Units, or (ii) the fifteenth (15th) anniversary of the First Closing.

"Land" means the parcel(s) of land as more fully described in the Declaration.

"Managing Agent" means the Person engaged from time-to-time by the Board to perform the duties of a manager of the Association, and initially will mean AJ Costello & Son Reserve Management LLC, an affiliate of the Sponsor having an office at Suite 300, One Airport Way, Rochester, New York, 14624.

"Offering" means the Sponsor's offer to sell to the public the Units and which offer is contained in this Amended and Restated Offering Plan as the same may be amended from time to time.

"Offering Plan" or "Plan" means the documents prepared by Sponsor setting forth all of the information regarding the Offering, as amended from time to time.

"Permit" or "Permits" means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, certificate of occupancy, right or license, building notices, alteration applications or other form of legally required permission, of or from a Governmental Authority, including any zoning, environmental protection, pollution,

sanitation, safety, site or building permit that is necessary to operate and maintain the Property or any Building Systems or to perform any Work on any part of the Property.

"Person" means any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, limited liability company, organization, government or any department or agency thereof, or any other entity.

"Purchase Agreement" means a contract signed by Sponsor and a purchaser for the purchase and sale of a Unit.

"Purchaser" means a Person or Persons buying a Unit under a fully executed Agreement.

"Special Assessments" means charges in addition to regular budgeted Assessments allocated and assessed against one or more of the Units by the Board, and payable by the Unit Owners in accordance with the Declaration and By-Laws on such terms as are specified by the Board, whether equal or on such other basis as such Board shall reasonably determine.

"Sponsor" means Anthony J. Costello & Son (Joseph) Development, LLC.

"Sponsor's Two Year Completion Obligation" is as described and defined in the Section of this Plan entitled "Rights and Obligations of the Sponsor".

"Unit Buyer" means the Person or Persons who have entered into a Purchase Agreement with Sponsor to purchase a Unit but to whom title to the Unit has not yet passed.

"Unit Owner" means the Person or Persons owning a Unit in fee simple absolute.

"Unsold Unit" means Unit or Units owned at the time in question by Sponsor or any successor Sponsor. Any Unsold Unit shall retain its status and character as an Unsold Unit until: (i) it is no longer owned by Sponsor or any Successor Sponsor; or (ii) it is occupied by a Unit Owner or Family Member of a Unit Owner; or (iii) it is conveyed to a bona fide Purchaser for occupancy by the Purchaser or by a Family Member of the Purchaser. Further, a Unit that is conveyed to Sponsor by a Purchaser who has elected to rescind the purchase of the Unit shall thereupon once again become an Unsold Unit.

DESCRIPTION OF COVERED AREAS AND FACILITIES
TO BE OWNED AND/OR MAINTAINED BY THE ASSOCIATION

The Development will be improved, and all buildings and Units, and Covered Areas and amenities therein, will be constructed in accordance with all applicable zoning and building laws, rules, and regulations of the Town of Brighton, County of Monroe, and State of New York.

The areas within the Development to be owned and/or maintained by the Association are referred to in this Offering Plan, the Declaration, and the By-Laws, as "Covered Areas", rather than being described using the more frequently applied term "Common Areas". The distinction is significant, in that the Covered Areas include not only (i) lands and improvements which are in fact freely available for use and access by all Owners, together with their guests and invitees, such as the Clubhouse Building and Property and all trailways and private roadways in the Development, in line with the expectations usually associated with the term "Common Areas", but with the Covered Areas including as well (ii) the exterior Common Elements of the Rexford and Frankfort Condominiums, and (iii) lands and improvements subject to exclusive use and possession by designated Single Family Dwelling and Townhome Unit Owners, notwithstanding the right and obligation of the Association to undertake specified maintenance and upkeep therein. As more fully set forth below, Covered Areas which are nevertheless subject to exclusive use and possession by a designated Unit Owner comprise certain exterior Limited Common Elements associated with the Glenville Condominium One and Watermark Brownstones One Townhome Units, and areas within each Ft. Plain Single Family Dwelling Unit exterior of the dwelling itself.

It is expected that the first Purchase Agreement entered into by the Sponsor for the construction and sale of a Unit within Section I of the Development and to close will be either (i) a single family dwelling within either the Ft. Plain or Waterford Neighborhoods, or (ii) a Townhome Unit within Glenville Condominium One or Watermark Brownstones One, and with sale thereof to the Unit Buyer Closed on or about June 1, 2014 (but with the terms of the separate Offering Plans for Glenville Condominium One and Watermark Brownstones One to control with respect to all issues regarding the date of the First Closing thereunder). The approximate, nonbinding date by which the Sponsor will determine whether to proceed with all remaining contemplated Condominium Offering phases within Section I of the Development (and with each such Condominium Offering being subject to a separate effectiveness requirement as provided for in such Offering and the Attorney General's regulations), as well as to proceed with development of and sales within both the Ft. Plain and/or Waterford Single Family Dwelling Unit neighborhoods, if development and sales within either such Single Family Dwelling Unit neighborhood has not previously commenced, is between December 1, 2015 and December 1, 2016. The Sponsor's said determination at any point in time as to whether to so proceed further in Section I of the Development will depend upon the success and profitability of sales to such point, and general economic and market conditions. Dependent upon the preceding and market

conditions, it is projected that all one hundred twenty six (126) Units for sale in Section I will be completed and closed within approximately five (5) years, i.e., by December 1, 2018.

The approximate, nonbinding date by which the Sponsor will determine whether to proceed with the remaining contemplated Condominium Offering phases planned to comprise Section II of the Development, being Glenville Condominium Two, the Remaining Brownstones Offering, the Watermark Townhomes Condominium Offering, the Pendleton Offering, the Kingston Offering, the Champlain Offering, and the Black Rock Offering (and with each such Condominium Offering being subject to a separate effectiveness requirement as provided for in such Condominium Offering and the Attorney General's regulations), as well as to proceed with development of and sales within the Brewerton Single Family Dwelling Unit neighborhood, is between December 1, 2016 and December 1, 2017, dependent upon progress within Section I of the Development. The Sponsor's determination at any point in time as to whether to proceed with Section II of the Development or any further Condominium Offering or Single Family Dwelling Unit phase being offered for sale therein will depend upon the success and profitability of sales to such point, and general economic and market conditions. If and when the Sponsor proceeds with Section II of the Development, with no obligation to do so: (i) it is projected that the first Unit within Section II of the Development will be completed and sale thereof to the Unit buyer closed in 2018; and (ii) dependent upon market conditions, it is projected that all two hundred one (201) units projected to be for sale in Section II will be completed and closed within a period of approximately ten (10) years, i.e., by December 1, 2023.

Because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as market acceptance of the Development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that any minimum number of Units within the Development will be completed. The Sponsor will construct Units as and when Purchasers enter into binding Purchase Agreements; the Sponsor has not established a fixed or predetermined timetable, with the above being no more than estimates, and with the Sponsor providing absolutely no guarantee, warranty, or assurance thereof. In the event the Development proceeds through both Sections I and II, a maximum of between three hundred twenty four (324) and three hundred twenty seven (327) Units will be constructed and sold.

The Sponsor has substantially completed construction of the improvements within the Development listed under (a) and (b) below:

(a) construction of the full extent of Reserve View Boulevard, both the section thereof to provide ingress and egress to South Clinton Avenue and which will be dedicated to the Town, and the remaining extent thereof to comprise a private roadway and to be a Covered Area maintained by the Association (see Declaration, **Exhibit G**), provided that the top courses of both said portions of Reserve View Boulevard will not be installed until substantial completion of the Development, in accordance with standard construction and development practices; and

(b) construction of the full extent of the private roadway to be known as Watermark Landing West, and the emergency vehicle ingress and egress drive and related improvements to a segment of the Erie Canal Pathway, which together provide alternative emergency vehicle ingress and egress to South Clinton Avenue, also to be a Covered Area maintained by the Association, provided that the top courses will not be installed until substantial completion of the Development in accordance with standard construction and development practices.

With the exception of a limited number of "model" homes or Units to be completed and furnished by the Sponsor in locations within the Development as the Sponsor determines in its sole discretion, the Sponsor does not presently intend to complete any Units on speculation, ie without contracts of sale with Purchasers. The Sponsor currently has under construction, to serve as models, one (1) single family dwelling Unit within the Ft. Plain Neighborhood, and two (2) Townhome Units within Glenville Condominium One.

The Covered Areas to be owned and/or maintained by the Association will specifically be as follows:

1. The Sponsor will convey to the Association fee simple title to the following areas in Section I of the Development, with the Association to own, operate, and maintain the same:

a. the Clubhouse Building and Property, the completion of which Sponsor estimates will occur in or about October 2015, but in any event no later than the expiration of the period of two (2) years commencing upon execution by the Purchaser of the first Purchase Agreement for construction and sale of a Unit within the Development. The Clubhouse Building and Property includes:

(i) all interior areas, facilities, fixtures, equipment, and furnishings within the Clubhouse Building, as referenced and described in the Description of Property and Specifications in Part II of this Offering. All such fixtures, equipment, and furnishings as comprise personalty will be conveyed from the Sponsor to the Association by bill of sale. The interior amenities and facilities are comprised of the following:

1. Sauna. Electric stainless steel sauna oven with lava rocks, wall and ceiling paneling, cedar benches, and quarry floor tile; room capacity is approximately 6 persons at one time.
2. Steam bath. Electric steam unit in separate closet next to steam bath, cold water shower fixture, ceramic tile on all walls, built in benches, and porcelain floor tile; room capacity is approximately 6 persons at one time.
3. Spa/Lounge Area with 10' diameter Whirlpool, top flush to floor with steps down and ADA compliant lift, mosaic tile throughout on floor and wall, suspended acoustical tile ceiling; connected is a massage room, with

plastic laminate cabinetry and counter. Room capacity is approximately 12 persons at one time.

4. Gentlemen's Locker Room. 20 individual wood lockers, (2) shower compartments, (1) toilet, (1) urinal, and dressing area with benches. Porcelain floor tile throughout and ceramic tile on walls throughout and ceramic tile on shower ceilings, and suspended acoustical tile ceiling elsewhere. Room capacity is approximately 15 persons at one time.
5. Ladies Locker Room. 20 individual wood lockers, (2) shower compartments, (2) toilets, and dressing area with benches. Porcelain floor tile throughout and ceramic tile on walls throughout, ceramic tile on shower ceilings, suspended acoustical tile ceiling elsewhere. Room capacity is approx. 15 persons at one time.
6. Fitness Room. Aerobic and strength training equipment, athletic rubber flooring, with a connected Pilates Room with a full length mirror wall, athletic rubber flooring. Capacity is approximately 20 persons at one time.
7. Movie Theater. Fixed fabric seating for approximately 28 persons, 8'x12' screen, carpet, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling.
8. Banquet Room. Carpet, wood base, wood chair rail, painted walls, and drywall soffits with raised suspended acoustical tile ceiling, with tables and chairs. Room capacity is approx. 50 persons at one time.
9. Harvard room. Hardwood flooring, wood fireplace with stone hearth and surround, wood panel wainscot, painted walls, drywall soffits with raised suspended acoustical tile ceiling, with chairs and card table. Room capacity is approximately 30 persons at one time.
10. Board room. Carpet, wood wainscot, wood cabinetry, granite counter, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling, with conference table and chairs. Room capacity is approximately 18-30 persons.
11. Offices. Carpet, carpet base, painted walls, suspended acoustical tile ceiling. Room capacity is approximately 5 persons each.
12. Caterer's kitchen. Quarry floor tile, FRP as a typical wall finish, food storage and preparation equipment is stainless steel- commercial grade. Equipment will include a refrigerator, freezer, oven, stove, ice maker, sinks and prep tables.
13. Ladies Toilet Room. (2) toilets, granite counter with (2) sinks and full length mirror behind, vinyl wall covering, drywall soffits with raised suspended acoustical tile ceiling.
14. Gentlemen's Toilet Room. (1) toilet and (1) urinal, granite counter with (2) sinks and full length mirror behind, vinyl wall covering, drywall soffits with raised suspended acoustical tile ceiling.

15. Main floor Lobby. Porcelain floor tile with "Reserve" logo in center, marble base, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling. Reception desk to be finished in wood with a granite top.

16. Lower floor Lobby. Porcelain floor tile and base, vinyl wall covering, and drywall soffits with raised suspended acoustical tile.

17. Offices for the Association on the Building's upper floor. Carpet, carpet base, painted walls, suspended acoustical tile ceiling; two (2) receptionist's desks, lobby chairs for visitors, meeting room conference table and chairs, and office desks and chairs.

(ii) all areas within Lot C-1 of the Development which are exterior of the Clubhouse Building, as shown on **Exhibit D**, being comprised of (a) all exterior amenities located within the grounds immediately surrounding the Clubhouse Building, including the exterior pool and spa with surrounding terraces, pool and deck furniture, fire pit, grill/bar area, and planter landscaping installations, together with walkways, drive-lanes, front entrance driveway portico shelter, lawn area and all landscaping, and any fencing, walls, and gates, (b) the private roadways comprising the entirety of the private drive segment of Reserve View Boulevard and associated sidewalk, medians and islands, and a portion of Watermark Landing West and associated sidewalks, and all on-street parking spaces contained therein and (c) the emergency vehicle access drive for the Development extending from the southerly terminus of Watermark Landing West to the southerly boundary line of the Development, and (d) landscaped areas, green areas and associated trails, and stormwater facilities and areas.

The exterior swimming pool will be located outside the south side of the Clubhouse Building at approximately the same elevation as the lower level of the Building. The spa will be positioned in the northeastern portion of the pool deck, adjacent to the shallow end of the pool. The pool will be approximately 24 feet wide and 42 feet long. It will range in depth from approximately 3 feet in the shallow end to approximately 5 feet in the deep end. The pool will accommodate approximately 58 patrons assuming about 880 square feet of shallow water area; this count is based on New York State Health Department regulations that require 15 square feet of shallow water (5ft. deep or less) per patron. The spa will be approximately 9 feet wide and 12 feet long, with a maximum depth of approximately 3 feet. The basic surface finish of the pool and spa will be marcite plaster or an equally durable pool finish material. The

pool will have ceramic tile installed at the waterline, on the leading edge of steps and elsewhere as required by code. The spa will also include tile at the waterline, on bench seating, the leading edge of steps, and elsewhere as required by code. The pool deck will be constructed of scored concrete pavement with accents of ornamental pavers. Ornamental metal fencing and/or masonry walls will fully enclose the entire pool area in accordance with all applicable codes. The enclosure will be a minimum of 48 inches high. Access gates will be self-closing and self-latching.

- b. The entirety of the area within the Development designated as HOA-4, and that portion of the area within Section I of the Development designated as HOA-1, as shown on **Exhibit D**, comprising additional landscaped areas, green areas and associated trails, and stormwater facilities and areas.
- c. all Development signage and lighting thereof ("Development Signage"), to be conveyed via bill of sale from the Sponsor to the Association.
- d. any irrigation systems, together with associated piping and components, as installed by the Sponsor in the initial construction or improvement of any areas throughout the Development.

The Sponsor will proceed with completion of the build-out, finishing, and equipping of the Clubhouse Building and Property, and will complete such improvements no later than the expiration of the period of two (2) years commencing upon the execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development, and with the Sponsor reserving the right (but having no obligation) to commence the construction of any or all of such improvements, or any other improvements within the Development, prior to the execution of such first Purchase Agreement. The Sponsor reserves the right to convey any or all of the areas and facilities to the Association prior to the completion of the Clubhouse Building, or the completion of improvements within or to such areas.

2. While the Association will not acquire ownership of the same, so as to provide, as aforesaid, for (1) uniformity in the quality of associated services, maintenance, and/or repair throughout the Development, (2) to obtain economies of scale in contractor and vendor costs, and (3) to avoid fragmented or conflicted administration and operation, the Sponsor will also be responsible for operation, maintenance, repair, and replacement of the following areas, facilities, and amenities and indicated:

- a. Within Lot L1 of the Development as shown on **Exhibit D**, all Common Elements within Rexford Condominium which are exterior of such

Condominium building, being comprised of (i) all exterior sidewalks, drives, lawn areas and landscaping (as limited to that originally installed by the Sponsor), and any fencing, walls, and gates, and (ii) the private roadway comprising a portion of Watermark Landing West and all on-street parking spaces contained therein.

b. Within Lot L2 of the Development as shown on **Exhibit D**, all Common Elements within Frankfort Condominium which are exterior of such Condominium building, being comprised of (i) all exterior sidewalks, drives, lawn areas and landscaping (as limited to that originally installed by the Sponsor), and any fencing, walls, and gates, and (ii) the private roadway comprising a portion of Watermark Landing West and all on-street parking spaces contained therein.

c. That portion of the Common Elements and Limited Common Elements associated with Glenville Condominium One which are exterior of the Townhome Buildings and are comprised of (i) all Unit Limited Common Elements comprised of exterior yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing thereof, and (ii) the private roadway comprising the segment of Bretlyn Circle within Glenville Condominium One.

d. That portion of the Common Elements and Limited Common Elements associated with the Watermark Brownstones One which are exterior of the Townhome Buildings, and are comprised of (i) all Unit Limited Common Elements comprised of exterior yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing, and (ii) the private roadway comprising the segment of Watermark Landing East within Watermark Brownstones One and all on-street parking spaces contained therein.

e. within the Ft. Plain Single Family Dwelling Units, all areas within each Unit exterior of the dwelling and comprised of yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing.

f. to the extent not owned or maintained by the Town of Brighton or any utility company or provider, all water, storm sewer, and sanitary laterals as extend to outer surface of the foundation walls of each Townhome Unit or

building, and as extend to the outer surface of foundation walls of each Loft Condominium building, and to the outer surface of the foundation wall of the Clubhouse Building.

g. the emergency vehicle access drive for the Development as extends southerly from the southerly boundary of Lot C-1 within the Development, to the Erie Canal trailway, and then proceeding westerly along the trailway under South Clinton Avenue, and then further along an extension of said trailway heading northerly and easterly to intersection with the bounds of South Clinton Avenue (County Road # 100), together with a new canal access public parking area to be installed by the Sponsor along the easterly side of said trailway between Interstate Route 390 and South Clinton Avenue, including the obligation for repair, maintenance, and snowplowing thereof (but not ice removal or ice control), together with all access rights over all such areas exterior of the Development which the Sponsor and Association will hold for such emergency vehicle access, ingress, and egress.

h. any landscaping buffer and plantings to be newly installed by the Sponsor in the area within the Town's adjoining property to the east comprising Meridian Centre Park.

i. all lawn and landscaped areas within the right of way of the portion of Reserve View Boulevard to be dedicated to the Town of Brighton, or within the rights of way of St. Johnsville Trail or Pendleton Hill to be dedicated to the Town of Brighton, but specifically excluding any sidewalks or any other areas or improvements within said rights of way.

j. The boat dock along the northerly side of the Erie Canal, as located in the southeastern corner of the bounds of the Brighton Reserve Park District, together with the canal boat put-in on the northerly side of the Erie Canal in the southwestern corner of the Brighton Reserve Park District.

k. All existing seating areas and trails as are improved or upgraded by the Sponsor, and all seating areas and trails as are newly installed by the Sponsor, within the Town property comprising Meridian Centre Park, or within the aforesaid New York State Canal Corporation property, including that segment of the Erie Canal trailway to be improved by the Sponsor and to form a portion of the emergency vehicle access drive referenced in subsection g. above.

Except to the limited extent the same comprises a Covered Area as set forth above, individual Unit Owners are responsible, at their sole cost and expense, for the maintenance,

repair, and replacement of their Unit and any Limited Common Elements appurtenant to the same.

The portion of Reserve View Boulevard extending from South Clinton Avenue to commencement of the private road portion of Reserve View Boulevard within Lot C-1 as aforesaid, together with St. Johnsville Trail and Pendleton Hill in the Ft. Plain and Waterford Single Family Dwelling Unit neighborhoods, are all to be constructed by the Sponsor, together with all associated curbing and any associated sidewalks, and will be dedicated to the Town of Brighton. The aforesaid private portion of Reserve View Boulevard, together with Watermark Landing West, the portion of Watermark Landing East in Section I of the Development, and the emergency vehicle access drive extending from the southerly terminus of Watermark Landing West to the southerly boundary line of the Development, are also to be constructed by the Sponsor, together with associated curbing and any associated sidewalks, but will not be built to Town of Brighton specifications as required for dedication to the Town, specifically in that (without limitation thereto) the private drive widths will not be in compliance with such Town specifications; such roadways thus will not be capable of or considered for dedication to the Town, and the Association will be responsible for repair and maintenance thereof in perpetuity.

The Sponsor will be required by the Town of Brighton to include the private roadways referenced above within the letters of credit to be provided by the Sponsor to the Town to secure the completion of subdivision infrastructure. The makeup and specifications for the private roadways are set forth in the Engineer's and Architect's Description appearing as **Exhibit C** in Part II of the Plan, specifically item B.3. therein. The Association will remain liable for the maintenance and replacement of the private roads in perpetuity.

All Units within the Development will either front on a publicly dedicated road (ie, Pendleton Hill or St. Johnsville Trail in Section I), or, will front on one of the aforesaid private roadways which in turn provide access, either directly, or via the private drive section of Reserve View Boulevard, to the dedicated portion of Reserve View Boulevard, which dedicated road will in turn lead out of the Development so as to provide access to South Clinton Avenue, an existing dedicated County roadway.

Electricity, natural gas, and telephone and cable services will be located underground (with the exception of above-ground transformers and service boxes) in easements granted for such utilities. The following companies will initially own and maintain all related utility facilities and provide such services accordingly:

Electricity and Gas - Rochester Gas & Electric Corporation

Telephone – Time Warner

Cable Television – Time Warner

Cable television will be available for Unit Owners on an individual subscription basis at rates comparable to those generally available for residences in the area of the Development.

Water will be supplied by The Monroe County Water Authority ("MCWA") through dedicated water mains constructed by the Sponsor in accordance with all MCWA specifications, with the MCWA assuming ownership and responsibility for the mains under an easement to be granted by Sponsor. A 6", 8", or 12" water main will provide fire protection and domestic water to the buildings. Hydrant spacing will be 500' maximum for Single Family Dwelling Units, and 300' maximum for multi-Unit structures. The Sponsor will also construct and install all lateral water service lines in accordance with all MCWA specifications; the Association will maintain the lateral water service lines between the curbbox valve, and (i) the Unit wall for each individual Townhome Unit, or (ii) the building wall for each Loft Condominium building, and the building wall for the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of the maintenance of such lateral lines shall be funded through the Association budget via Neighborhood Surcharges as applicable. The Association will not fund water usage expenses through Assessments, with the exception of water usage in the Clubhouse Building and Property in the Association's capacity as Owner thereof; each Townhome and Single Family Dwelling Unit will be individually metered for the Owner thereof to bear all Unit usage expenses; water usage in Loft Condominium Building Common Elements and Units is separately addressed in the respective Condominium Offering Plan and Budget. The water distribution system is in accordance with Monroe County Health Department standards, possessing a minimum water pressure of 35 psi at each house side meter, with the minimum water pressure standard of 20 psi within all watermains at all times during fire flow also met.

The stormwater sewer system within the street rights of way dedicated to the Town of Brighton, as well as all storm water mains extending therefrom to the stormwater management facilities in the Development, will be constructed by the Sponsor in accordance with all Town specifications, and will also be dedicated to the Town, with the Town thus assuming ownership and responsibility for such portion of the stormwater system. The Association will maintain the storm sewer system throughout the remainder of the Development, including storm water ponds, fountains, culverts, channels, and other stormwater facilities throughout the entirety of the Development, whether located within areas conveyed by the Sponsor to the Association, or within the exterior Common Elements or Limited Common Elements of any Condominium Offering within the Development, all of which will also be constructed by the Sponsor in accordance with all Town specifications, with the costs of maintenance to be funded through the Association's budget; the Town of Brighton will have an easement allowing it access to all such stormwater and drainage facilities upon any failure of the Association to do so. The Association will maintain the lateral storm sewer lines extending to (i) the Unit wall for each individual Townhome Unit, or (ii) the building wall for each Loft Condominium building, and the building wall for the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of the maintenance of such lateral lines shall be funded through the Association budget via Neighborhood Surcharges as applicable. Maintenance and repair of sump pumps within Single Family Dwelling and Townhouse Units shall be the individual Owner's sole responsibility. Catch basins shall be placed at all low areas or changes of direction in the storm

sewer system as indicated in the plans, and all low areas in yards will be drained by concrete drainage structures; water shall be conveyed to the storm water management facility.

The main sanitary sewer system within the public and private rights of way will be constructed in accordance with all Town of Brighton specifications and dedicated to the Town of Brighton, with the Town thus assuming ownership and responsibility for the same. While all sanitary sewer laterals will also be constructed by the Sponsor in accordance with all Town specifications, the Association will maintain all sanitary sewer laterals between the street right of way line, and (i) the Unit wall for each Townhome Unit, and (ii) the building wall for each Condominium Building, and the building wall for the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of maintenance of the laterals shall be funded through the Association budget via Neighborhood Surcharges as applicable.

The Association will arrange for household refuse and recyclables pickup and disposal from all Townhome and Single Family Dwelling Units in the Development, through pickup from each Unit Owner's garbage tote and recyclables bins as left by the Unit Owner at locations specified by the Association. The Association will also arrange for household residential refuse and recyclables disposal from all Loft Units, via locations and logistics as more fully set forth in the respective Condominium Offering Plan, and from the Clubhouse Building.

Other than the Association's responsibility, in its capacity as Owner of the Clubhouse Building and Property, for all operation, maintenance, repair, and replacement of the Clubhouse Building, the Association shall not have or undertake any responsibilities for any building operation, repair, maintenance, replacement or preservation, interior or exterior, with the same being (i) the sole responsibility of the Unit Owners of all Detached Single Family Dwelling Units, and (ii) the responsibility of the Board of Managers or Unit Owners under each Condominium Offering for the Townhome and Loft Condominiums, all as more fully set forth in the respective Condominium Offering Plan. With the exception of the responsibility of the Association for snowplowing of (but not ice removal from) Unit driveways within the Ft. Plain Single Family Dwelling Units and the Townhome Unit Limited Common Elements, the Association has no responsibility for the maintenance, repair, resealing, resurfacing, or repair of any such Unit driveway. The Association may nevertheless perform deferred maintenance or restoration of a Unit not performed by the Unit Owner, at the Unit Owner's expense; the cost of said maintenance or restoration will be Assessed against the defaulting Unit Owner and shall be deemed to be a lien against the Unit and collectable as such.

LOCATION AND AREA INFORMATION

The Development is located in the Town of Brighton, Monroe County, New York. It is bounded by the Erie Canal to the South, Route 590 to the North, South Clinton Avenue and lands now owned by Entercom of Rochester to the West, and the Town of Brighton's Meridian Centre Park to the East. The site was most recently farmland, but has since undergone a zoning change to accommodate the Development.

The Reserve is situated within approximately 2 miles of the University of Rochester, The University of Rochester Medical Center, Clinton Crossings Medical Campus, The Jewish Home, and a number of other educational and professional office sites.

The Reserve is also in close proximity to the Jefferson Road regional retail center; Marketplace Mall, Home Depot, Lowe's, and Target are a few of the shopping destinations and "big box" retailers that are within easy commute of the Development. Additionally, many major chain restaurants and local restaurants are located within a five mile radius of the Development.

Among the nearby public parks are Buckland Park, Meridian Centre Park, Genesee Valley Park, and the Erie Canal portion of the National Erie Canalway National Heritage Corridor. All of those parks are within walking distance of the Reserve, and a number are accessible via the Erie Canal bike and walkway path.

The Reserve is less than four miles from the Greater Rochester International Airport, making access and use of the same a convenient feature of the Reserve; the Rochester Amtrak station is only a 20 minute commute. The Regional Transit bus service will also operate in the general vicinity, as well as a number of private taxi and limousine services.

Culturally, several art galleries and related facilities are within a 20 minute drive, including The Memorial Art Gallery, The Rochester Museum of Science, Artisan Works private gallery, and Village Gate, which is a popular studio/gallery location for many area artists.

Many and varied religious organizations are easily accessible from The Development.

The public educational system servicing the Reserve is the highly rated Brighton Central School District; a number of private schools are nearby as well, offering education from pre-school and up. The University of Rochester, Rochester Institute of Technology, Colgate Divinity School, Nazareth College, St. John Fisher, SUNY Geneseo, and Monroe Community College, are all institutions of higher learning that are an easy commute from The Reserve.

Recreation in the area of the Reserve is wide and varied, including downhill skiing 30 miles to the south at Bristol Hills, cross county trails in Mendon Ponds Park, and baseball and soccer fields at nearby Buckland and Meridian Centre Parks. There are also many golf courses, both public and private, in close proximity to the Reserve.

The Sponsor makes no representation as to the preservation of the status quo as to any of the above information regarding location, area, and services, other than of course the actual location of the Development.

SCHEDULE A

ESTIMATE OF OPERATING EXPENSES AND RESERVES FOR THE FIRST YEAR OF HOA OPERATION COMMENCING APPROXIMATELY JUNE 1, 2014; AND ENDING APPROXIMATELY MAY 31, 2015.

This estimate is prepared as of June 1, 2014, which date is a reasonable projection of when the First Closing of sale of a Unit by the Sponsor is to occur. This estimate of operating expenses, reserves, and income, has been made based upon quotations obtained by Sponsor and its consultant, Richard K. Aikens of Kenrick Corporation. This estimate cannot be construed as an assurance of actual expenses and is based merely upon information available to the Sponsor at the time of preparation.

The estimates of projected real estate taxes and assessments contained in **Schedule A** have been prepared by a consultant engaged by the Sponsor, Kevin L. Bruckner, MAI, CCIM of Bruckner, Tillett, Rossi, Cahill & Associates; these estimates cannot be construed or taken as an assurance of the accuracy or completeness as to the final amounts of such taxes and assessments by any taxing authority, but are merely estimates based upon information reasonably available at this time. A nominal provision has been made for real estate taxes on property to be owned by the Association, based upon the value of the Clubhouse Building and Property and other such property being reflected in the tax assessments of the Units. Should there be a higher assessment placed on the Clubhouse Building and Property, Assessments upon Unit Owner will necessarily be increased to fund the resulting tax burden.

The portion of the Budget in this Plan for the cost of natural gas and electricity is not intended as a reliable forecast of energy costs. Energy prices are volatile and energy consumption depends on unpredictable variations in the outside weather conditions and the environment, and on general and individual levels of consumption. Accordingly, it is not possible to predict whether the budgeted figures in **Schedule A** for natural gas and electricity will reflect the actual costs, with nothing in this Offering intended a warranty or guarantee of the amount of such costs.

After Association Assessments have been levied on one or more Owners who have Closed title to their Units, and until after the Initial Control Period (as defined below), the Sponsor's obligation for Association charges for Unsold Units shall be an amount as calculated in accordance with the following paragraph.

The Sponsor shall be obligated only for the difference ("Deficiency Contribution") between (i) actual Association expenses, but with such expenses to include reserves applicable to completed improvements as provided for in the Association's budget only to the limited extent following, and (ii) the total of all Association Assessments levied on Owners who have Closed on purchase of their Units, as projected in **Schedule A** to this Offering Plan and payable to the

Association on a monthly basis. The Sponsor shall pay reserves corresponding to Unsold Units only from and after the issuance of a Certificate of Occupancy for said Units.

Assessments will commence on the first day of the month immediately following the First Closing. Assessments will be assessed yearly and payable monthly, and will be prorated and adjusted in the month of Closing.

Section I of the Development will include a substantial portion of the Covered Areas to be owned and/or maintained by the Association for the benefit and use of Owners of all three (3) types of housing Units within the entire Development as currently planned, including the Clubhouse Building, with adjacent outdoor pool/spa and other exterior amenities. As a result, upon completion of such facilities and areas, the Association will then commence incurring relatively significant costs and expenses attendant to owning and/or maintaining the same. Beginning with the First Closing of sale of a Unit in the Development, the portion of the Assessment payable by each Unit Owner to the Association, as corresponds to the expenses of the Association relating to owning and/or maintaining such areas and facilities, will be allocated and calculated based only upon the one hundred twenty six (126) Units planned to be included within Section I, and will thus be at a level substantially higher than the ultimate Assessment amounts corresponding to such expenses as estimated to exist upon completion and sale of the maximum of three hundred twenty seven (327) Units currently contemplated to comprise both Sections of the Development. If and when the Development progresses into and through Section II as now contemplated, the portion of the Assessment corresponding to such expenses will be allocated and calculated based upon the increased number of Units encompassed by the Association, and with the per Unit share of such Assessment expected to decrease accordingly. A risk nonetheless remains that the Development will not progress as planned, but will instead cease at a point short of completion and sale of up to three hundred twenty seven (327) Units as contemplated, whether within, or at some point following, Section I. Any such cessation of development within The Reserve could be based upon the Sponsor's business and economic decision not to proceed beyond Section I, or could be the result of construction and sales in the Development ceasing at any point within or following Section I, due to general or specific adverse economic or financial conditions affecting the Sponsor, the Development, or the economy in general. In any such case, those Unit Owners who have Closed upon the sale of Units will on a permanent basis continue to pay monthly and annual Assessments to the Association, and/or to pay Special Assessments to the Association, based upon the resultant sharing of the costs and expenses of owning and/or maintaining such areas and facilities by a pool of Unit Owners ultimately comprising the Development that is much smaller in number than as originally envisioned.

INDEX TO SCHEDULE A
THE RESERVE ASSOCIATION INC.
BUDGET FOR THE FIRST YEAR OF HOA OPERATION
June 1, 2014 to May 31, 2015

Schedule A comprises the Budget for the First Year of HOA Operation, projected to extend from June 1, 2014 to May 31, 2015, and Footnotes. The HOA Budget for said first year provides for the payment to the HOA by each Unit Owner in the Development of monthly Assessments having two components, being (i) universal maintenance charges paid by each Unit Owner in equal amounts, regardless of the Unit type, in the initial estimated sum of \$119.26 per month per Unit, during the interim period before the Clubhouse Building (hereinafter referred to as the "Clubhouse" is opened for use by Members, and (ii) Neighborhood Surcharges of varying amounts, dependent upon the type of housing Unit, and the neighborhood in the Development where the Unit is located.

It should be noted in particular that after the Clubhouse is opened for use by Members, the expenses of the Association's ownership and operation of the Clubhouse are included within the Budget.

Schedules A1, A2, and A3, as referenced below, are budget projections extending substantially into the future, offered solely for informational purposes, and do not form any part of the above-referenced Schedule A, the Budget for the First Year of HOA Operation. Schedules A1, A2, and A3 may not to any extent be relied upon by any Purchaser or prospective Purchaser as establishing or purporting to establish, warrant, or guarantee the actual level of costs and expenses as may be incurred by the Association in its actual operations within the time periods cited in said Schedules or otherwise, and/or the amount or level of Assessments actually to be paid by Unit Owners to the Association within the cited time period.

1. Schedule A1 is a Budget Projection with Footnotes for the Second Year of HOA Operation, projected to extend from the projected date of opening of the Clubhouse Unit, June 1, 2015, to May 31, 2016. The Budget Projection for said second year provides for the payment to the HOA by each Unit Owner in the Development of monthly Assessments having two components, being (i) universal maintenance charges paid by each Unit Owner in equal amounts, regardless of the Unit type, in the estimated sum of \$283.68 per month per Unit, based upon the Clubhouse Unit having been opened for use by Members, and (ii) Neighborhood Surcharges of varying amounts, dependent upon the type of housing Unit, and the neighborhood in the Development where the Unit is located.

2. Schedule A2 is a Budget Projection with Footnotes for the HOA based upon the Sponsor continuing the Development after Section I is completed, specifically being a Budget projection at the point comprising completion of Sections I and a portion of section II of the Development, with a projected Budget year extending from December 1, 2020 to November 30, 2021. The said Budget Projection provides for the payment to the HOA by each Unit Owner in the Development of monthly Assessments having two components, being (i) universal maintenance charges paid by each Unit Owner in equal amounts, regardless of the Unit type, in the estimated sum of \$144.24 per month per Unit, and (ii) Neighborhood Surcharges of varying amounts, dependent upon the type of housing Unit, and the neighborhood in the Development where the Unit is located.

3. Schedule A3 is a Budget Projection with Footnotes for the HOA based upon the Sponsor continuing the Development through completion of Sections I and II, with a projected Budget year extending from December 1, 2022 to November 30, 2023. The said Budget Projection provides for the payment to the HOA by each Unit Owner in the Development of monthly Assessments having two components, being (i) universal maintenance charges paid by each Unit Owner in equal amounts, regardless of the Unit type, in the estimated sum of \$120.93 per month per Unit, and (ii) Neighborhood Surcharges of varying amounts, dependent upon the type of housing Unit, and the neighborhood in the Development where the Unit is located.

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SCHEDULE A
THE RESERVE ASSOCIATION INC.
BUDGET PROJECTION FOR FIRST YEAR OF HOA OPERATION
June 1, 2014 – May 31, 2015
126 Homes or Units
Pre Clubhouse Opening, and Excluding Expenses for the Clubhouse

Projected Income	Notes	
A. Universal Maintenance Charges \$1,431.21 per home per year, payable \$119.26 monthly based on 126 homes	1	\$180,332.37
B. Neighborhood Surcharges Separate amounts are payable per year and monthly for Units in each of Ft. Plain and Waterford single family neighborhoods, as itemized in Footnote 2.	2	\$ 44,112.00
Total		\$224,444.37

Projected Expenses	Notes	
A. Expenses Corresponding to Universal Maintenance Charges		
Labor	9	\$ 79,886.00
Clubhouse Heating and Cooling	14	\$ 00.00
Clubhouse Electricity	13	\$ 00.00
Clubhouse Water	12	\$ 00.00
Repairs, Maintenance and Supplies		
Clubhouse Repair	16	\$ 00.00
Clubhouse HVAC Maintenance	15	\$ 00.00
Clubhouse Pool Maintenance	18	\$ 00.00
Landscaping	4	\$ 49,664.00
Clubhouse Cleaning	11	\$ 00.00
Irrigation Maintenance	5	\$ 1,470.00
Road Maintenance	8	\$ 2,300.00
Snow Removal		
Snow Plowing	6	\$ 1,200.00
Snow Shoveling of Sidewalks	7	\$ 4,680.00
Clubhouse Rubbish Removal/Recycling	17	\$ 00.00
Insurance	20	\$ 4,500.00
Management Fees	21	\$ 24,192.00
Legal Fees	23	\$ 500.00
Accounting Fees	22	\$ 950.00
Taxes		
Real Estates Taxes	24	\$ 113.37
Income Taxes	25	\$ 50.00
Reserves	26	\$ 2,809.00

	Other			
	Office Costs	19	\$	250.00
	Security Automobile	10	\$	7,768.00
Subtotal				\$180,332.37
B.	Expenses Corresponding to Neighborhood Surcharges			
	Landscaping	27	\$	30,781.00
	Snow Removal	28	\$	5,240.00
	Rubbish Removal/Recycling	29	\$	4,406.00
	Contingency	30	\$	409.00
	Management	31	\$	3,276.00
Subtotal			\$	44,112.00
Total				\$224,444.37

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The Reserve Association Inc.

Footnotes to Schedule A

1. Projected Income - Universal Maintenance Charges. This figure comprises the equal monthly Assessments in the amount of \$119.26 to be paid to the Association by each Unit Owner, and the annual total thereof, before the Clubhouse is opened for use by Members, with such total Projected Income in turn equal to item A, Expenses Corresponding to Universal Maintenance Charges, under Projected Expenses below (See Note 3). Such monthly Assessment is estimated to be set at said amount of \$119.26 per Unit for the first year of HOA operations, before the Clubhouse is opened for use by Members; upon and following opening of the Clubhouse, which is expected to occur on or about June 1, 2015, the commencement of the second year of HOA operations, such Assessments are expected to increase to the sum of \$283.68 monthly per Unit, as set forth in the Budget Projection comprising Schedule A1 following, which Schedule A1 includes expenses for operation and maintenance of the Clubhouse.
2. Projected Income – Neighborhood Surcharges – To (1) provide for uniformity in the quality of associated services, maintenance and/or repair, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation, the Association is furnishing certain services throughout all or varying portions of the entire Development, but with the costs thereof being allocated amongst different groups of Unit Owners in a manner so as to fairly and reasonably distribute expenses based upon differing benefit levels. As a result, in addition to the universal maintenance charges explained under Footnote 1 above and paid to the Association in equal monthly amounts by the Owners of all Units of every type within the Development, an additional monthly neighborhood surcharge (“Neighborhood Surcharges”) will also be payable to the Association by the Owners of all Units, with the Neighborhood Surcharge varying dependent upon the type of Unit and/or the neighborhood in which the Unit is located. Upon commencement of the first year of HOA operation, as projected to occur on June 1, 2014, Neighborhood Surcharges as follow are projected to be payable by the Owners of Units in the Ft. Plain and Waterford neighborhoods, comprised of Single Family Dwelling Units, with Units expected to Close in said neighborhoods as of commencement of the first year of the HOA operation, or to Close during such first year of HOA operation:

Ft. Plain Single Family Homes	
\$1,992.00 per home per	
year, payable \$166.00	
monthly based on 21 homes	\$ 41,832.00 annual subtotal
Waterford Single Family Homes	
\$120.00 per home per	
year, payable \$10.00	
monthly based on 19 homes	\$ 2,280.00 annual subtotal
Total	\$44,112.00

Consistent with the Sponsor's undertaking and obligation to pay only the Deficiency Contribution, as referenced on page 42 of this Offering, ie, the difference between actual Association expenses, and the total of all Association Assessments levied on Owners who have

closed on purchase of their Units, the Sponsor will not pay Assessments on any Unsold Units, whether universal maintenance charges or Neighborhood Surcharges, including Unsold Units in neighborhoods not yet offered for sale, or in which a Unit has not yet Closed; in contrast, under each Condominium Offering the Sponsor is to pay Common Charges on all Unsold Units within the Offering after the First Closing thereunder.

3. **Projected Expenses** – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, which is composed of an itemization of all expenses which Members in turn pay through the equal monthly Assessments to the Association under Projected Income, category A, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 29 through 33 itemize, on a neighborhood-by-neighborhood basis, all expenses which Members in turn pay through the monthly Assessments to the Association which comprise the applicable Neighborhood Surcharge set forth under Projected Income, category B, and Footnote 2 above.
4. **Landscaping** – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$413/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,593; Weed, Edge with Mulch installed at \$59.40/cu yd: \$6,574; Second Edging: \$1,221; Bi-weekly weeding, 19 trips: \$7,900; Shrub trimming/cleanup, up to 3 trips: \$14,580; Mechanical edge twice (at roads): \$2,042; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,004. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary – \$8,941. These services include the perpetual landscape maintenance obligations undertaken by the Association (i) within the easterly boundary area of the Development, and (i) within the adjoining Town of Brighton lands comprising a westerly segment of Meridian Centre Park pursuant to a limited license to be conveyed by the Town to the Association for that purpose, all pursuant to formation of the Brighton Reserve Park District as described in the Location and Area Information Section of this Plan. All quotes in this and the following notes include sales tax whenever applicable.
5. **Irrigation Maintenance** – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.
6. **Snow Plowing** – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt. Prior to the opening of the Clubhouse the amount of said expense will be lower, based upon the fact at such point an increased amount of such work will be performed in the area immediately surrounding the Clubhouse.
7. **Snow Shoveling of Sidewalks** – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections. Prior to the opening of the Clubhouse the amount of said expense will be lower, based upon the fact at such point an increased amount of such work will be performed in area immediately surrounding the Clubhouse.
8. **Road Maintenance** – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote dated April 17, 2012 from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 26 below).

9. Labor – Two full-time positions for security and light maintenance at annual wages of \$30,000 each. These personnel will be employees of the management firm, AJ Costello & Son Reserve Management, LLC (See Note 22 below), with the Association to reimburse the management firm for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions @ \$30,000.00 each) \$60,000.00

Taxes and Benefits

FICA and Medicare @ 7.65%	\$4,590.00
Health Insurance	\$7,986.00
State Long Term Disability	\$87.00
Worker's Comp	\$2,100.00
Unemployment Insurance (NYS)	\$1,008.00
Unemployment Insurance (Federal)	\$102.00
Life Insurance	\$97.00
Employee Assistance Program	\$916.00

Fee, 5% of wages, inclusive of payroll processing costs \$3,000.00

Total \$79,866.00

All such projections are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor, and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. Security Automobile – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. Clubhouse Cleaning –No such expense will be incurred prior to opening of the Clubhouse.
12. Clubhouse Water –No such expense will be incurred prior to opening of the Clubhouse.
13. Clubhouse Electricity –No such expense will be incurred prior to opening of the Clubhouse.
14. Clubhouse Heating and Cooling –No such expense will be incurred prior to opening of the Clubhouse.
15. Clubhouse HVAC Maintenance –No such expense will be incurred prior to opening of the Clubhouse.
16. Clubhouse Repair –No such expense will be incurred prior to opening of the Clubhouse.
17. Clubhouse Rubbish Removal/Recycling –No such expense will be incurred prior to opening of the Clubhouse.
18. Clubhouse Pool Maintenance –No such expense will be incurred prior to opening of the Clubhouse.

19. Office Costs – Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. Insurance – The estimate of \$4,500.00 is based upon a quote dated 16 December 2011, provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost casualty insurance on all Development signage, which casualty insurance will be sufficient to cover any reasonably expected structural replacements in the event of total loss with respect to the Development signage, with no co-insurance provision in the event of partial loss, and with a deductible of One Thousand Dollars (\$1,000.00). The casualty and general liability insurance is on terms that provides: (i) that each Member is an additional insured party; (ii) there will be no cancellation without notice to the Association's Board of Directors; (iii) a waiver of subrogation; and (iv) a waiver of invalidity because of acts of the insured and members, and (v) a waiver of prorata reduction if Unit Owners obtain additional coverage. Coverage for water damage, boiler and machinery, or auto liability, is not included in the quotation and may be available at extra cost. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The coverage is as follows:

Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

21. Management – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of the Sponsor; the budget amount is based on a Management Agreement with said entity, attached as Exhibit Q to the Plan, which Agreement will be assumed by the Board of Directors at the first closing of any Unit, and with the services of such entity to commence at such time. This figure is comparable to market rates, as attested by Richard K. Aikens, President, Kenrick Corporation, managing thirty plus properties in the Rochester, NY area.
22. Audit – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$950.00.
23. Legal Fees– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$500.00.
24. Real Estate Taxes – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided in the attached letter from Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes,

applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30, yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49, yields a total annual tax bill of \$24.49 per tax parcel.

25. **Income Tax: New York State Franchise Tax** – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. **Federal Income Tax** – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. **Reserves:** Reserves are established for a limited number of items as listed on the appended spreadsheet. Reserve for said items as listed in the spreadsheet are initially to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$2,809.00. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners, and are also estimated, both in terms of cost and useful life, on the appended spreadsheet; this includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I. Actual work may be adjusted for timing and cost, dependent on future inspections of these items. Subsequent to the opening of the Clubhouse the amount of said reserve contributions will be increased, based upon the fact corresponding facilities or components within the Clubhouse are placed in operation.
27. **Landscaping (Neighborhood Surcharges):** The total of \$30,781.00 is itemized as follows:

Fort Plain Landscaping: \$30,781.00 – The following services are quoted by Pin Oak Lawn and Landscape: Grass cutting/trimming: \$448/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,620; Weed, Edge with Mulch installed at \$59.40/cu yd: \$4,366; Bi-weekly weeding, 19 trips: \$3,591; Second edging: \$378; Shrub trimming/cleanup, up to 3 trips: \$2,430; mechanical edge (at road) twice: \$486. Miscellaneous labor @ \$32/hr: 35 hours budgeted: \$1,210. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: horticultural oil application and three site inspections with treatments as necessary: \$3,255. All quotes include sales tax.
28. **Snow Removal (Neighborhood Surcharges):** The total of \$5,240.00 is itemized as follows:

Fort Plain Snow plowing: \$5,240.00– The following service for plowing of driveways is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$4,990 with \$250 estimated for salt.
29. **Rubbish Removal/Recycling (Neighborhood Surcharges):** The total of \$4,406.00 is itemized as follows:

Fort Plain Rubbish Removal/Recycling: \$2,313.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Waterford Rubbish Removal/Recycling: \$2,093.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96

gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

30. Contingency (Neighborhood Surcharges): The total of \$409.00 is itemized as follows:

Fort Plain Contingency: \$222.00– The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187.00– The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

31. Fort Plain Management (Neighborhood Surcharges): \$3,276.00– Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President, Kenrick Corporation (see Note #21 above).

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING PROJECTED BUDGET PROJECTION MAY ~~BE~~ MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

IN THE OPINION OF THE SPONSOR THE FOREGOING ESTIMATED ASSESSMENTS AND SURCHARGES ARE SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE ASSOCIATION'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING ON JUNE 1, 2014 AND ENDING ON MAY 31, 2015, WITH THE BUDGET PROJECTING MONTHLY ASSESSMENTS AND SURCHARGES AS SET FORTH ABOVE PER UNIT FOR SAID FIRST FULL YEAR OF OPERATION. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES, FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION WILL BE PRECISELY AS SET FORTH IN THIS BUDGET. THE ACTUAL COSTS FOR THE FIRST FULL YEAR OF OPERATION MAY EXCEED BUDGETED COSTS, BASED ON MARKET FLUCTUATIONS AND DEPENDING ON WHEN THE FIRST FULL YEAR OF OPERATION ACTUALLY OCCURS. IF THE ACTUAL DATE OF COMMENCEMENT OF ASSOCIATION OPERATIONS, REPRESENTED BY THE FIRST CLOSING OF ANY UNIT IN THE DEVELOPMENT, IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED ABOVE, THE PLAN MUST BE AMENDED TO INCLUDE A REVISED BUDGET FOR THE FIRST YEAR OF OPERATION DISCLOSING CURRENT PROJECTIONS. WITHOUT PREJUDICE TO AND CUMULATIVE OF ANY RIGHT OR REMEDIES ACCRUING TO ANY PURCHASER TO THE EXTENT ANY SUCH DELAY RESULTS IN OR COMPRISES A BREACH OF THE SPONSOR'S TWO YEAR COMPLETION OBLIGATION, IF SUCH AMENDED PROJECTIONS FOR THE FIRST YEAR OF OPERATION EXCEED IN THE AGGREGATE THE ORIGINAL PROJECTIONS FOR THE FIRST YEAR OF OPERATION BY TWENTY-FIVE PERCENT (25%) PERCENT OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN FIFTEEN (15) DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THE RIGHT, WITHOUT PREJUDICE TO AND CUMULATIVE OF ANY RIGHT OR REMEDIES ACCRUING TO ANY PURCHASER TO THE EXTENT ANY SUCH DELAY RESULTS IN OR COMPRISES A BREACH OF THE SPONSOR'S TWO YEAR COMPLETION OBLIGATION. THE SPONSOR MUST IN SUCH EVENT RETURN ANY DEPOSIT OR DOWNPAYMENT WITHIN A REASONABLE PERIOD OF TIME TO

Said

PURCHASERS WHO RESCIND. THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE BUDGETED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET AND FOOTNOTES THERETO.

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The Reserve Association, Inc.

Reserve Fund Calculations

Common Area

Element	Cost	Useful Life	Contribution p/year
Common Area			
Asphalt – Sealing 97,549 sf @ \$.08/sf	\$7,804	3	\$2,601
Sidewalk – Replacement 17,808 sf @ \$6.00/sf	\$106,848	60	\$1,781
Driveway – Sealing 46,324 sf @ \$.08/sf	\$3,706	3	\$1,235
Clubhouse			
Roof	\$113,000	40	\$2,825
HVAC	\$120,000	25	\$4,800
Elevator	\$75,000	60	\$1,250
Pool Plaster	\$11,500	20	\$ 575
Equipment	\$28,000	15	\$1,867
Flooring	\$44,860	20	\$2,243
Deck	\$16,800	25	\$ 672
Total			\$14,232

SCHEDULE A1
THE RESERVE ASSOCIATION INC.
BUDGET PROJECTION FOR SECOND YEAR OF HOA OPERATION
June 1, 2015 – May 31, 2015
126 Homes or Units
Post Clubhouse Opening, and Including Expenses for the Clubhouse

Projected Income		<u>Notes</u>	
A.	Universal Maintenance Charges \$3404.12 per home per year, payable \$283.68 monthly based on 126 homes	1	\$428,919.37
B.	Neighborhood Surcharges Separate amounts are payable per year and monthly for Units in Glenville Condominium One, and in the Ft. Plain and Waterford single family neighborhoods, as itemized in Footnote 2.	2	\$ 68,846.00
Total			\$497,765.37

Projected Expenses		<u>Notes</u>	
A.	Expenses Corresponding to Universal Maintenance Charges		
	Labor	9	\$ 185,189.00
	Clubhouse Heating and Cooling	14	\$ 9,494.00
	Clubhouse Electricity	13	\$ 16,963.00
	Clubhouse Water	12	\$ 389.00
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	16	\$ 5,000.00
	Clubhouse HVAC Maintenance	15	\$ 1,850.00
	Clubhouse Pool Maintenance	18	\$ 4,000.00
	Landscaping	4	\$ 56,263.00
	Clubhouse Cleaning	11	\$ 27,096.00
	Irrigation Maintenance	5	\$ 1,470.00
	Road Maintenance	8	\$ 2,300.00
	Snow Removal		
	Snow Plowing	6	\$ 1,940.00
	Snow Shoveling of Sidewalks	7	\$ 5,198.00
	Clubhouse Rubbish Removal/Recycling	17	\$ 1,104.00
	Insurance	20	\$ 25,000.00
	Management Fees	21	\$ 26,112.00
	Legal Fees	23	\$ 1,000.00
	Accounting Fees	22	\$ 1,700.00
	Taxes		
	Real Estates Taxes	24	\$ 113.37
	Income Taxes	25	\$ 100.00
	Reserves	27	\$ 20,370.00

	Other			
	Office Costs	19	\$	1,000.00
	Clubhouse Contingency	26	\$	27,500.00
	Security Automobile	10	\$	7,768.00
Subtotal				\$428,919.37
B.	Expenses Corresponding to Neighborhood Surcharges			
	Landscaping	28	\$	44,631.00
	Snow Removal	29	\$	11,920.00
	Road Maintenance	30	\$	1,560.00
	Rubbish Removal/Recycling	31	\$	7,050.00
	Contingency	32	\$	409.00
	Management	33	\$	3,276.00
Subtotal			\$	68,846.00
Total				\$ 497,765.37

The Reserve Association Inc.

Footnotes to Schedule A1

1. Projected Income - Universal Maintenance Charges. This figure comprises the equal monthly Assessments in the amount of \$283.68 to be paid to the Association by each Unit Owner, and the annual total thereof, after the Clubhouse is opened for use by Members, and thus including the expenses for operation and maintenance of the Clubhouse; such total Projected Income is in turn equal to item A, Expenses Corresponding to Universal Maintenance Charges, under Projected Expenses below (See Note 3). Per Schedule A, the amount of such monthly Assessment is estimated to be set at \$119.25 per Unit for the first year of HOA operations, before the Clubhouse is opened for use by Members; upon and following opening of the Clubhouse, which is expected to occur on or about June 1, 2015, the commencement of the Second Year of HOA operations, such Assessment amount is expected to increase to the sum of \$283.68 monthly per Unit, as set forth in this Schedule A1. If the Sponsor does not continue the Development beyond Section I, the amount of the monthly universal maintenance charges are expected to permanently remain at such estimated level of \$283.68 monthly; however, if the Sponsor continues the Development after Section I is completed, the amount of the monthly universal maintenance charge is expected to decrease, as set forth in the Budget Projections attached as Schedules A2 and A3 following, which Projections show estimates for Projected Income and Projected Expenses following completion of (a) Sections I and a portion of section II, and (b) Sections I and II of the Development, respectively, if such occurs.
2. Projected Income – Neighborhood Surcharges – To (1) provide for uniformity in the quality of associated services, maintenance and/or repair, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation, the Association is furnishing certain services throughout all or varying portions of the entire Development, but with the costs thereof being allocated amongst different groups of Unit Owners in a manner so as to fairly and reasonably distribute expenses based upon differing benefit levels. As a result, in addition to the universal maintenance charges explained under Footnote 1 above and paid to the Association in equal monthly amounts by the Owners of all Units of every type within the Development, an additional monthly neighborhood surcharge ("Neighborhood Surcharges") will also be payable to the Association for the Units as are set forth below, with the Neighborhood Surcharge varying dependent upon the type of Unit and/or the neighborhood in which the Unit is located. Upon commencement of the second year of HOA operation, as projected to occur on June 1, 2015, Neighborhood Surcharges as follow are projected to be payable by the Owners of Units in the Ft. Plain and Waterford neighborhoods, comprised of Single Family Dwelling Units, and by the Owners of Townhome Condominium Units in Glenville Condominium One, with Units expected to Close in said neighborhoods either prior to or during such second year of HOA operation.

SALS

Glenville Condominium One

\$1,030.58 per home per
year, payable \$85.88
monthly based on 24 homes \$ 24,734.00 annual subtotal

Ft. Plain Single Family Homes
\$1,992.00 per home per
year, payable \$166.00
monthly based on 21 homes \$ 41,832.00 annual subtotal

Waterford Single Family Homes
\$120.00 per home per
year, payable \$10.00
monthly based on 19 homes \$ 2,280.00 annual subtotal

Total \$68,846.00

Consistent with the Sponsor's undertaking and obligation to pay only the Deficiency Contribution, as referenced on page 42 of this Offering, ie, the difference between actual Association expenses, and the total of all Association Assessments levied on Owners who have closed on purchase of their Units, the Sponsor will not pay Assessments on any Unsold Units, whether universal maintenance charges or Neighborhood Surcharges, including Unsold Units in neighborhoods not yet offered for sale, or in which a Unit has not yet Closed.

3. Projected Expenses – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, which is composed of an itemization of all expenses which Members in turn pay through the equal monthly Assessments to the Association under Projected Income, category A, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 29 through 34 itemize, on a neighborhood-by-neighborhood basis, all expenses which Members in turn pay through the monthly Assessments to the Association which comprise the applicable Neighborhood Surcharge set forth under Projected Income, category B, and Footnote 2 above.
4. Landscaping – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$413/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,593; Weed, Edge with Mulch installed at \$59.40/cu yd: \$6,574; Second Edging: \$1,221; Bi-weekly weeding, 19 trips: \$7,900; Shrub trimming/cleanup, up to 3 trips: \$14,580; Mechanical edge twice (at roads): \$2,042; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,004. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary – \$8,941. These services include the perpetual landscape maintenance obligations undertaken by the Association (i) within the easterly boundary area of the Development, and (i) within the adjoining Town of Brighton lands comprising a westerly segment of Meridian Centre Park pursuant to a limited license to be conveyed by the Town to the Association for that purpose, all pursuant to formation of the Brighton Reserve Park District as described in the Location and Area Information Section of this Plan. All quotes in this and the following notes include sales tax whenever applicable.

5. Irrigation Maintenance – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.
6. Snow plowing – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt. After the opening of the Clubhouse the amount of said expense will increase, based upon the fact at such point an increased amount of such work will be performed in the area immediately surrounding the Clubhouse.
7. Snow Shoveling of Sidewalks – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections. After the opening of the Clubhouse the amount of said expense will increase, based upon the fact at such point an increased amount of such work will be performed in the area immediately surrounding the Clubhouse.
8. Road Maintenance – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote dated April 17, 2012 from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 27 below).
9. Labor – a. Two full-time positions for security and light maintenance at annual wages of \$30,000 each; b. Four part-time positions for Clubhouse concierge and trainer (30 hours/week each, wages of \$22,500 each annually). These personnel will be employees of the management firm, AJ Costello & Son Reserve Management, LLC (See Note 21 below), with the Association to reimburse the management firm for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions @ \$30,000.00 each)	\$60,000.00
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Taxes and Benefits

FICA and Medicare @ 7.65%	\$4,590.00
Health Insurance	\$7,986.00
State Long Term Disability	\$87.00
Worker's Comp	\$2,100.00
Unemployment Insurance (NYS)	\$1,008.00
Unemployment Insurance (Federal)	\$102.00
Life Insurance	\$97.00
Employee Assistance Program	\$916.00

Fee, 5% of wages, inclusive of payroll processing costs	\$3,000.00
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Total	\$79,866.00
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Wages (4 part time positions @ \$22,500.00 each) \$90,000.00

Taxes and Benefits

FICA and Medicare @7.65% \$6,885.00

Worker's Comp \$1,800.00

Unemployment Insurance (NYS) \$2,016.00

Unemployment Insurance (Federal) \$102.00

Fee, 5% of wages, inclusive of payroll
processing costs \$4,500.00

Total \$105,303.00

All such projections are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor, and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

After opening of the Clubhouse, such labor expenses will increase from \$79,886.00 to the sum of \$185,189.00, comprising the continuing costs of the two (2) full-time positions for security and light maintenance, plus the addition of four (4) part time positions for Clubhouse concierge and trainer.

10. Security Automobile – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. Clubhouse Cleaning – Quote from McNair Building Services, Inc., PO Box 26253, Rochester NY: \$2,258 per month for service 5 days per week. This expense will be incurred subsequent to opening of the Clubhouse.
12. Clubhouse Water – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY: 20,246 cubic feet of water at \$0.0192/cubic foot. This expense will be incurred subsequent to opening of the Clubhouse.
13. Clubhouse Electricity – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY: Lighting and equipment usage: 121,167 kilowatt-hours per year at \$0.14/kilowatt-hour. The unit cost of \$0.14/kilowatt-hour is based upon Rochester Gas & Electric's average 2011 cost per kwh plus a ten percent increase. This expense will be incurred subsequent to opening of the Clubhouse.
14. Clubhouse Heating and Cooling – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY. Gas for heating: 4,097 therms/year at \$1.69/therm; the cost of \$1.69/therm is based upon Rochester Gas & Electric's average 2011 cost per kwh, plus a ten percent increase. Electricity for cooling: 18,357 kilowatt-hours at \$0.14/kilowatt-hour; the unit cost of \$0.14/kilowatt-hour is based upon Rochester Gas & Electric's average 2011 cost per kwh, plus a ten percent increase. This expense will be incurred subsequent to opening of the Clubhouse.

15. Clubhouse HVAC Maintenance – Estimate based on similar experience of Sponsor in building management. This expense will be incurred subsequent to opening of the Clubhouse.
16. Clubhouse Repair – Estimate by Kenrick Corporation, 3495 Winton Place, D-4, Rochester, NY 14623 for routine repairs. This expense will be incurred subsequent to opening of the Clubhouse.
17. Clubhouse Rubbish Removal/Recycling – Weekly rubbish and recyclables pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 96 gallon wheeled toters; the quote is \$92.00 per month. This expense will be incurred subsequent to opening of the Clubhouse.
18. Clubhouse Pool Maintenance – Based on quote from Beauty Pools, Inc., 2000 Commerce Parkway, Lancaster NY for weekly service (cleaning and maintenance) for a 15-week season, includes estimate for supplies. This expense will be incurred subsequent to opening of the Clubhouse.
19. Office Costs – Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. Insurance – The estimate of \$25,000 dated 27 September, 2013, is a quote provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost fire/casualty insurance on and with respect to the Clubhouse, and all equipment, furniture, furnishings and other contents therein, as well as replacement cost casualty insurance on the pool/spa and all Development signage, which casualty insurance will be sufficient to cover any reasonably expected structural replacements in the event of total loss with respect to the Clubhouse pool/spa or Development signage, with no co-insurance provision in the event of partial loss, and with a deductible of Two Thousand Five Hundred Dollars (\$2,500). The casualty and general liability insurance is on terms that provides: (i) that each Member is an additional insured party; (ii) there will be no cancellation without notice to the Association's Board of Directors; (iii) a waiver of subrogation; and (iv) a waiver of invalidity because of acts of the insured and members, and (v) a waiver of prorata reduction if Unit Owners obtain additional coverage. Coverage for water damage, boiler and machinery, or auto liability, is not included in the quotation and may be available at extra cost. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The coverage is as follows:

Building	\$2,441,140
Business Personal Property	\$ 662,000
Pool	\$ 150,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

Subsequent to the opening of the Clubhouse the amount of said expense will increase from that as set forth in Schedule A, based upon higher insurance premium costs as will be incurred.

21. Management – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of the Sponsor; the budget amount is based on a Management Agreement with said entity, attached as Exhibit Q to the Plan, which Agreement will be assumed by the Board of Directors at the first closing of any Unit, and with the services of such entity to commence at such time. This figure is comparable to market rates, as attested by Richard K. Aikens, President of Kenrick Corporation, managing agent for thirty plus properties in the Rochester, NY area.
22. Audit – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$1,700. Subsequent to the opening of the Clubhouse the amount of said expense will be higher, based upon a larger scope of work.
23. Legal Fees– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$1,000. Subsequent to the opening of the Clubhouse the amount of said expense will be higher, based upon a larger scope of work.
24. Real Estate Taxes – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided in the attached letter from Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30, yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49, yields a total annual tax bill of \$24.49 per tax parcel.

25. Income Tax: New York State Franchise Tax – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. Federal Income Tax – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. Clubhouse Contingency – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses. A higher expense will be incurred subsequent to the opening of the Clubhouse.
27. Reserves: Reserves are established for a limited number of items as listed on the appended spreadsheet. Reserve for said items as listed in the spreadsheet are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$20,370.00, requiring contributions of \$12.48 per unit per month for Section I, which include a figure of \$1.72/unit/month for sealing private roads every 3 years. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners, and are also estimated, both in terms of cost and useful life, on the appended spreadsheet; this includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I. Actual work may be adjusted for timing and cost, dependent on future inspections of these items. Subsequent to the opening of the Clubhouse the amount of said reserve contributions will be increased, based upon the fact corresponding facilities or components within the Clubhouse are placed in operation.

28. Landscaping (Neighborhood Surcharges): The total of \$44,631.00 is itemized as follows:

Glenville Condominium One Landscaping: \$13,850.00 – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$135/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$378; Weed, Edge with Mulch installed at \$59.40/cu yd: \$3,564; Second Edging: \$216; Weed bi-weekly, 19 trips: \$1,231; Mechanical edge (at road) twice: \$146; Shrub trimming/cleanup, up to 3 trips: \$467; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,382.00. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$2,400. All quotes in this and the following notes include sales tax whenever applicable.

Fort Plain Landscaping: \$30,781.00 – The following services are quoted by Pin Oak Lawn and Landscape: Grass cutting/trimming: \$448/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,620; Weed, Edge with Mulch installed at \$59.40/cu yd: \$4,366; Bi-weekly weeding, 19 trips: \$3,591; Second edging: \$378; Shrub trimming/cleanup, up to 3 trips: \$2,430; mechanical edge (at road) twice: \$486. Miscellaneous labor @ \$32/hr: 35 hours budgeted: \$1,210. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: horticultural oil application and three site inspections with treatments as necessary: \$3,255. All quotes include sales tax.

29. Snow Removal (Neighborhood Surcharges): The total of \$11,920.00 is itemized as follows:

Glenville Condominium One Snow plowing: \$6,680.00 – The following service for driveways and the private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$6,480 with \$500 estimated for application of salt.

Fort Plain Snow plowing: \$5,240.00 – The following service for plowing of driveways is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$4,990 with \$250 estimated for salt.

30. Road Maintenance (Neighborhood Surcharges): The total of \$1,560.00 is itemized as follows:

Glenville Condominium One Road Maintenance: \$1,560.00 – Routine repair of the private road asphalt (filling potholes) is estimated at \$1,560 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

31. Rubbish Removal/Recycling (Neighborhood Surcharges): The total of \$7,050.00 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$2,644.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Fort Plain Rubbish Removal/Recycling: \$2,313.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Waterford Rubbish Removal/Recycling: \$2,093.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

32. Contingency (Neighborhood Surcharges): The total of \$409.00 is itemized as follows:

Fort Plain Contingency: \$222.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

33. Fort Plain Management (Neighborhood Surcharges): \$3,276.00 – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President Kenrick Corporation (see Note #21 above).

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

THE FOREGOING BUDGET PROJECTION IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES, FOR THE SECOND OR ANY SUBSEQUENT YEAR OF OPERATION OF THE ASSOCIATION, WILL BE AS SET FORTH IN SAID PROJECTION. ANY OR ALL OF THE ACTUAL COSTS FOR THE SECOND FULL YEAR OF OPERATION MAY SUBSTANTIALLY EXCEED ANY OR ALL OF SAID PROJECTED COSTS, BASED ON MARKET AND ECONOMIC FLUCTUATIONS AND DEPENDING ON WHEN THE SECOND FULL YEAR OF OPERATION ACTUALLY OCCURS; IN PARTICULAR, BUT WITHOUT LIMITATION AS TO THE FACTORS AND VARIABLES WHICH MAY RESULT IN ANY OR ALL OF THE ACTUAL COSTS INCURRED BEING SUBSTANTIALLY HIGHER THAN THE FIGURES WITHIN SAID BUDGET PROJECTION, NONE OF SUCH FIGURES CONTAIN ANY ADJUSTMENT FOR OR OTHER CONSIDERATION FOR INFLATION OR ANY OTHER GENERAL OR SPECIFIC MARKET FACTORS OR PRESSURES RESULTING IN COST INCREASES OVER THE PASSAGE OF TIME. FURTHER, THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE INDICATED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET PROJECTION AND FOOTNOTES THERETO.

SCHEDULE A2
THE RESERVE ASSOCIATION INC.
BUDGET PROJECTION FOR HOA OPERATION FOR
YEAR EXTENDING FROM DECEMBER 1, 2020 – NOVEMBER 30, 2021
266 Homes or Units
Post Clubhouse Opening, and Including Expenses for the Clubhouse

Projected Income		<u>Notes</u>	
A.	Universal Maintenance Charges \$1730.84 per home per year, payable \$144.24 monthly based on 266 homes	1	\$460,405.37
B.	Neighborhood Surcharges Separate amounts are payable per year and monthly for Units in each of Glenville Condominium One, Glenville Condominium Two, Frankfort Condominium, Rexford Condominium, Pendleton Condominium, Kingston Condominium, Watermark Brownstones One, Watermark Brownstones Two, Watermark Townhomes Condominium, and in the Ft. Plain, Waterford, and Brewerton single family neighborhoods, as itemized in Footnote 2.	2	\$226,284.00
Total			\$686,389.37

Projected Expenses		<u>Notes</u>	
A.	Expenses Corresponding to Universal Maintenance Charges		
	Labor	9	\$ 185,189.00
	Clubhouse Heating and Cooling	14	\$ 9,494.00
	Clubhouse Electricity	13	\$ 16,963.00
	Clubhouse Water	12	\$ 389.00
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	16	\$ 5,000.00
	Clubhouse HVAC Maintenance	15	\$ 1,850.00
	Clubhouse Pool Maintenance	18	\$ 4,000.00
	Landscaping	4	\$ 56,263.00
	Clubhouse Cleaning	11	\$ 27,096.00
	Irrigation Maintenance	5	\$ 1,470.00
	Road Maintenance	8	\$ 2,300.00
	Snow Removal		
	Snow Plowing	6	\$ 1,940.00
	Snow Shoveling of Sidewalks	7	\$ 9,198.00
	Clubhouse Rubbish Removal/Recycling	17	\$ 1,104.00
	Insurance	20	\$ 25,000.00
	Management Fees	21	\$ 51,072.00
	Legal Fees	23	\$ 1,200.00

	Accounting Fees	22	\$	1,700.00
	Taxes			
	Real Estates Taxes	24	\$	113.37
	Income Taxes	25	\$	100.00
	Reserves	27	\$	22,196.00
	Other			
	Office Costs	19	\$	1,500.00
	Clubhouse Contingency	26	\$	27,500.00
	Security Automobile	10	\$	7,768.00
Subtotal				\$460,405.37
B.	Expenses Corresponding to Neighborhood			
	Surcharges			
	Landscaping	28	\$	152,410.00
	Snow Removal	29	\$	34,412.00
	Road Maintenance	30	\$	6,920.00
	Rubbish Removal/Recycling	31	\$	24,526.00
	Contingency	32	\$	684.00
	Management	33	\$	7,332.00
Subtotal			\$	226,284.00
Total				\$686,689.37

The Reserve Association Inc.

Footnotes to Schedule A2

1. **Projected Income - Universal Maintenance Charges.** If the Sponsor continues the Development after Section I, and in fact completes the construction and sale of all Units in Sections I and II, the equal monthly Assessment to be paid to the Association by each Unit Owner is projected to be the sum of \$144.24, with the annual total thereof under Projected Income in turn equal to item A, Expenses Corresponding to Universal Maintenance Charges, under Projected Expenses below (See Note 3). Per Schedule A, the amount of such monthly Assessment is estimated to be set at \$119.26 per Unit for the first year of HOA operations, before the Clubhouse is opened for use by Members; upon and following opening of the Clubhouse, the projected date for which is June 1, 2015, such Assessment amount is expected to increase to the sum of \$283.68 monthly per Unit, as set forth in Schedule A1. If the Sponsor does not continue the Development beyond Section I, the amount of the monthly universal maintenance charges are expected to permanently remain at such estimated level of \$283.68 monthly per Unit; however, if the Sponsor continues the Development after Section I is completed, the amount of the monthly universal maintenance charge is expected to decrease, as set forth in this Budget Projection, which Projection shows estimates for Projected Income and Projected Expenses following such completion of Sections I and all Units in Section II, except for the Champlain and the Black Rock Condominium offerings.
2. **Projected Income – Neighborhood Surcharges –** To (1) provide for uniformity in the quality of associated services, maintenance and/or repair, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation, the Association is furnishing certain services throughout all or varying portions of the entire Development, but with the costs thereof being allocated amongst different groups of Unit Owners in a manner so as to fairly and reasonably distribute expenses based upon differing benefit levels. As a result, in addition to the universal maintenance charges explained under Footnote 1 above and paid to the Association in equal monthly amounts by the Owners of all Units of every type within the Development, an additional monthly Neighborhood Surcharge will also be payable to the Association for the Units as are set forth below (“Neighborhood Surcharges”), with the Neighborhood Surcharge varying dependent upon the type of Unit and/or the neighborhood in which the Unit is located. Upon commencement of the year of HOA operations as projected to extend from 12/1/20 through 11/30/21, Neighborhood Surcharges as follow are projected to be payable by the Owners of Units in the Ft. Plain, Waterford, and Brewerton neighborhoods, comprised of Single Family Dwelling Units, by the Owners of Townhome Condominium Units in Glenville Condominium One, Glenville Condominium Two, Watermark Brownstones One, Watermark Brownstones Two, and Watermark Townhome Condominium, and by the Owners of Loft Condominium Units in the Frankfort Condominium, Rexford Condominium, Pendleton Condominium, and Kingston Condominium, with Units expected to Close in said neighborhoods either prior to or during such year of HOA operations.

Glenville Condominium One \$1,030.58 per home per year, payable \$85.88 monthly based on 24 homes	\$ 24,734.00 annual subtotal
Glenville Condominium Two \$1,039.59 per home per year, payable \$86.63 monthly based on 22 homes	\$ 22,871.00 annual subtotal
Frankfort Condominium \$376.21 per home per year, payable \$31.35 monthly based on 28 homes	\$ 10,534.00 annual subtotal
Rexford Condominium \$376.21 per home per year, payable \$31.35 monthly based on 28 homes	\$ 10,534.00 annual subtotal
Pendleton Condominium \$316.71 per home per year, payable \$26.39 monthly based on 34 homes	\$ 10,768.00 annual subtotal
Kingston Condominium \$326.30 per home per year, payable \$27.19 monthly based on 33 homes	\$ 10,768.00 annual subtotal
Watermark Brownstones One \$1,527.50 per home per year, payable \$127.29 monthly based on 6 homes	\$ 9,165.00 annual subtotal
Watermark Brownstones Two \$1,527.07 per home per year, payable \$127.26 monthly based on 14 homes	\$ 21,379.00 annual subtotal
Watermark Townhome Condominium \$1,527.50 per home per year, payable \$127.29 monthly based on 6 homes	\$ 9,165.00 annual subtotal
Ft. Plain Single Family Homes \$1,992.00 per home per year, payable \$166.00 monthly based on 21 homes	\$ 41,833.00 annual subtotal

Brewerton Single Family Homes	
\$2,009.73 per home per	
year, payable \$167.48	
monthly based on 26 homes	\$ 52,253.00 annual subtotal
Waterford Single Family Homes	
\$120.00 per home per	
year, payable \$10.00	
monthly based on 19 homes	\$ 2,280.00 annual subtotal
Total	\$226,284.00

Consistent with the Sponsor's undertaking and obligation to pay only the Deficiency Contribution, as referenced on page 42 of this Offering, ie, the difference between actual Association expenses, and the total of all Association Assessments levied on Owners who have closed on purchase of their Units, the Sponsor will not pay Assessments on any Unsold Units, whether universal maintenance charges or Neighborhood Surcharges, including Unsold Units in neighborhoods not yet offered for sale, or in which a Unit has not yet closed.

3. **Projected Expenses** – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, which is composed of an itemization of all expenses which Members in turn pay through the equal monthly Assessments to the Association under Projected Income, category A, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 29 through 34 itemize, on a neighborhood-by-neighborhood basis, all expenses which Members in turn pay through the monthly Assessments to the Association which comprise the applicable Neighborhood Surcharge set forth under Projected Income, category B, and Footnote 2 above.
4. **Landscaping** – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$413/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,593; Weed, Edge with Mulch installed at \$59.40/cu yd: \$6,574; Second Edging: \$1,221; Bi-weekly weeding, 19 trips: \$7,900; Shrub trimming/cleanup, up to 3 trips: \$14,580; Mechanical edge twice (at roads): \$2,042; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,004. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary – \$8,941. These services include the perpetual landscape maintenance obligations undertaken by the Association (i) within the easterly boundary area of the Development, and (i) within the adjoining Town of Brighton lands comprising a westerly segment of Meridian Centre Park pursuant to a limited license to be conveyed by the Town to the Association for that purpose, all pursuant to formation of the Brighton Reserve Park District as described in the Location and Area Information Section of this Plan. All quotes in this and the following notes include sales tax whenever applicable.

5. Irrigation Maintenance – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.
6. Snow plowing – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt.
7. Snow Shoveling of Sidewalks – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections.
8. Road Maintenance – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote dated April 17, 2012 from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 27 below).
9. Labor – a. Two full-time positions for security and light maintenance at annual wages of \$30,000 each; b. Four part-time positions for Clubhouse concierge and trainer (30 hours/week each, wages of \$22,500 each annually). These personnel will be employees of the management firm, AJ Costello & Son Reserve Management, LLC (See Note 21 below), with the Association to reimburse the management firm for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions @ \$30,000.00 each) \$60,000.00

Taxes and Benefits

FICA and Medicare @ 7.65%	\$4,590.00
Health Insurance	\$7,986.00
State Long Term Disability	\$87.00
Worker's Comp	\$2,100.00
Unemployment Insurance (NYS)	\$1,008.00
Unemployment Insurance (Federal)	\$102.00
Life Insurance	\$97.00
Employee Assistance Program	\$916.00
Fee, 5% of wages, inclusive of payroll processing costs	\$3,000.00

Total \$79,866.00

Wages (4 part time positions @ \$22,500.00 each) \$90,000.00

Taxes and Benefits

FICA and Medicare @ 7.65%	\$6,885.00
Worker's Comp	\$1,800.00
Unemployment Insurance (NYS)	\$2,016.00
Unemployment Insurance (Federal)	\$102.00
Fee, 5% of wages, inclusive of payroll processing costs	\$4,500.00

Total \$105,303.00

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All such projections are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor, and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. Security Automobile – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. Clubhouse Cleaning – Quote from McNair Building Services, Inc., PO Box 26253, Rochester NY: \$2,258 per month for service 5 days per week.
12. Clubhouse Water – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY.: 20,246 cubic feet of water at \$0.0192/cubic foot.
13. Clubhouse Electricity – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY: Lighting and equipment usage: 121,167 kilowatt-hours per year at \$0.14/kilowatt-hour. The unit cost of \$0.14/kilowatt-hour is based upon Rochester Gas & Electric's average 2011 cost per kwh plus a ten percent increase.
14. Clubhouse Heating and Cooling – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY. Gas for heating: 4,097 therms/year at \$1.69/therm; the cost of \$1.69/therm is based upon Rochester Gas & Electric's average 2011 cost per kwh, plus a ten percent increase. Electricity for cooling: 18,357 kilowatt-hours at \$0.14/kilowatt-hour; the unit cost of \$0.14/kilowatt-hour is based upon Rochester Gas & Electric's average 2011 cost per kwh, plus a ten percent increase.
15. Clubhouse HVAC Maintenance – Estimate based on similar experience of Sponsor in building management.
16. Clubhouse Repair – Estimate by Kenrick Corporation, 3495 Winton Place, D-4, Rochester, NY 14623 for routine repairs.
17. Clubhouse Rubbish Removal/Recycling – Weekly rubbish and recyclables pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 96 gallon wheeled toters; the quote is \$94.94 per month.
18. Clubhouse Pool Maintenance – Based on quote from Beauty Pools, Inc., 2000 Commerce Parkway, Lancaster NY for weekly service (cleaning and maintenance) for a 15-week season, includes estimate for supplies.
19. Office Costs – Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.

20. Insurance – The estimate of 25,000 dated 27 September, 2013, is a quote provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost fire/casualty insurance on and with respect to the Clubhouse, and all equipment, furniture, furnishings and other contents therein, as well as replacement cost casualty insurance on the pool/spa and all Development signage, which casualty insurance will be sufficient to cover any reasonably expected structural replacements in the event of total loss with respect to the Clubhouse pool/spa or Development signage, with no co-insurance provision in the event of partial loss, and with a deductible of Two Thousand Five Hundred Dollars (\$2,500). The casualty and general liability insurance is on terms that provides: (i) that each Member is an additional insured party; (ii) there will be no cancellation without notice to the Association's Board of Directors; (iii) a waiver of subrogation; and (iv) a waiver of invalidity because of acts of the insured and members, and (v) a waiver of prorata reduction if Unit Owners obtain additional coverage. Coverage for water damage, boiler and machinery, or auto liability, is not included in the quotation and may be available at extra cost. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The coverage is as follows:

Building	\$2,441,140
Business Personal Property	\$ 662,000
Pool	\$ 150,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

Subsequent to the opening of the Clubhouse the amount of said expense will increase from that as set forth in Schedule A, based upon higher insurance premium costs as will be incurred.

21. Management – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of the Sponsor; the budget amount is based on a Management Agreement with said entity, attached as Exhibit Q to the Plan, which Agreement will be assumed by the Board of Directors at the first closing of any Unit, and with the services of such entity to commence at such time. This figure is comparable to market rates, as attested by Richard K. Aikens, President of Kenrick Corporation, managing agent for thirty plus properties in the Rochester, NY area.
22. Audit – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$1,700.
23. Legal Fees– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$1,200.

24. Real Estate Taxes – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided in the attached letter from Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30, yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49, yields a total annual tax bill of \$24.49 per tax parcel.
25. Income Tax: New York State Franchise Tax – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. Federal Income Tax – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. Clubhouse Contingency – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.
27. Reserves: Reserves are established for a limited number of items as listed on the appended spreadsheet. Reserve for said items as listed in the spreadsheet are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$20,370.00, requiring contributions of \$12.48 per unit per month for Section I, which include a figure of \$1.72/unit/month for sealing private roads every 3 years. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners, and are also estimated, both in terms of cost and useful life, on the appended spreadsheet; this includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I. Actual work may be adjusted for timing and cost, dependent on future inspections of these items. Subsequent to the opening of the Clubhouse the amount of said reserve contributions will be increased, based upon the fact corresponding facilities or components within the Clubhouse are placed in operation.
28. Landscaping (Neighborhood Surcharges): The total of \$152,410.00 is itemized as follows:
- Glenville Condominium One Landscaping: \$13,850.00 – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$135/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$378; Weed, Edge with Mulch installed at \$59.40/cu yd: \$3,564; Second Edging: \$216; Weed bi-weekly, 19 trips: \$1,231; Mechanical edge (at road) twice: \$146; Shrub trimming/cleanup, up to 3 trips: \$467; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,382.00. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$2,400. All quotes in this and the following notes include sales tax whenever applicable.

Glenville Condominium Two Landscaping: \$12,742.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Glenville Condominium One above, with a proportionate reduction based upon the total of 22 Units in Glenville Condominium Two, in comparison to the 24 Units in Glenville Condominium One.

Frankfort Condominium Landscaping: \$7,490.00 - The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$23/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$81; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,663; Second Edging: \$194; Weed bi-weekly, 19 trips: \$1,539; Shrub trimming/cleanup, up to 3 trips: \$632; Mechanical edge twice (at road): \$97; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$864. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,739. All quotes in this and the following notes include sales tax whenever applicable.

Rexford Condominium Landscaping: \$7,490.00 - The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$23/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$81; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,663; Second Edging: \$194; Weed bi-weekly, 19 trips: \$1,539; Shrub trimming/cleanup, up to 3 trips: \$632; Mechanical edge twice (at road): \$97; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$864. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,739. All quotes in this and the following notes include sales tax whenever applicable.

Pendleton Condominium Landscaping: \$7,490.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to each of the Frankfort and Rexford Condominiums above.

Kingston Condominium Landscaping: \$7,490.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to each of the Frankfort and Rexford Condominiums above.

Watermark Brownstones One Landscaping: \$6,209.00 - The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$45/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$216; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,247; Second Edging: \$162; Weed bi-weekly, 19 trips: \$718; Shrub trimming/cleanup, up to 3 trips: \$486; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$518. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,500. All quotes in this and the following notes include sales tax whenever applicable.

Watermark Brownstones Two Landscaping: \$14,488.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Watermark Brownstones One above, with a proportionate increase based upon the total of 14 units in Watermark Brownstones Two, in comparison to the six (6) units in Watermark Brownstones One.

Fort Plain Landscaping: \$30,782.00 – The following services are quoted by Pin Oak Lawn and Landscape: Grass cutting/trimming: \$448/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,620; Weed, Edge with Mulch installed at \$59.40/cu yd: \$4,366; Bi-weekly weeding, 19 trips: \$3,591; Second edging: \$378; Shrub trimming/cleanup, up to 3 trips: \$2,430; mechanical edge (at road) twice: \$486. Miscellaneous labor @ \$32/hr: 35 hours budgeted: \$1,210. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: horticultural oil application and three site inspections with treatments as necessary: \$3,255. All quotes include sales tax.

Brewerton Landscaping: \$38,170.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to the Ft. Plain neighborhood above, with a proportionate increase based upon the total of 26 units in Brewerton, in comparison to the 21 units in Ft. Plain.

Watermark Townhome Condominium Landscaping: \$6,209.00 – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$45/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$216; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,247; Second Edging: \$162; Weed bi-weekly, 19 trips: \$718; Shrub trimming/cleanup, up to 3 trips: \$486; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$518. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,500. All quotes in this and the following notes include sales tax whenever applicable.

29. Snow Removal (Neighborhood Surcharges): The total of \$34,412.00 is itemized as follows:

Glenville Condominium One Snow plowing: \$6,680.00 – The following service for driveways and private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$6,480 with \$500 estimated for application of salt.

Glenville Condominium Two Snow plowing: \$6,145.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Glenville Condominium One above, with a proportionate reduction based upon the total of 22 units in Glenville Condominium Two, in comparison to the 24 units in Glenville Condominium One.

Frankfort Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Rexford Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Pendleton Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever

snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Kingston Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Watermark Brownstones One Snow plowing: \$1,695.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,620 with \$75 estimated for application of salt.

Watermark Brownstones Two Snow plowing: \$3,949.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Watermark Brownstones One above, with a proportionate increase based upon the total of 14 units in Watermark Brownstones Two, in comparison to the six (6) units in Watermark Brownstones One.

Fort Plain Snow plowing: \$5,240.00 – The following service for plowing of driveways is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$4,990 with \$250 estimated for salt.

Brewerton Snow plowing: \$6,488.00 – This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to the Ft. Plain neighborhood above, with a proportionate increase based upon the total of 26 units in Brewerton, in comparison to the 21 units in Ft. Plain.

Watermark Townhome Condominium Snow plowing: \$1,695.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,620 with \$75 estimated for application of salt.

30. Road Maintenance (Neighborhood Surcharges): The total of \$6,920.00 is itemized as follows:

Glenville Condominium One Road Maintenance: \$1,560.00 – Routine repair of the private road asphalt (filling potholes) is estimated at \$1,560 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Glenville Condominium Two Road Maintenance: \$1,560.00 – Routine repair of the private road asphalt (filling potholes) is estimated at \$1,560 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Frankfort Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Rexford Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Pendleton Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Kingston Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Watermark Brownstones One Road Maintenance: \$600.00 – Routine repair of the private road asphalt is estimated at \$600 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Watermark Brownstones Two Road Maintenance: 1,400.00 – Routine repair of the private road asphalt is estimated at \$1,400 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Brewerton Road Maintenance: \$400.00 – Routine repair of the private road asphalt is estimated at \$400 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Watermark Townhome Condominium Road Maintenance: \$600.00 – Routine repair of the private road asphalt is estimated at \$600 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

31. Rubbish Removal/Recycling (Neighborhood Surcharges): The total of \$24,526.00 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$2,644.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Glenville Condominium Two Rubbish Removal/Recycling: \$2,424.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Frankfort Condominium Rubbish Removal/Recycling: \$2,214.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$184.50 per month.

Rexford Condominium Rubbish Removal/Recycling: \$2,214.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$184.50 per month.

Pendleton Condominium Rubbish Removal/Recycling: \$2,448.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$204.00 per month.

Kingston Condominium Rubbish Removal/Recycling: \$2,448.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$204.00 per month.

Watermark Brownstones One Rubbish Removal/Recycling: \$661.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Watermark Brownstones Two Rubbish Removal/Recycling: \$1,542.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Fort Plain Rubbish Removal/Recycling: \$2,313.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Waterford Rubbish Removal/Recycling: \$2,093.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Brewerton Rubbish Removal/Recycling: \$2,864.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Watermark Townhome Condominium Rubbish Removal/Recycling: \$661.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

32. Contingency (Neighborhood Surcharges): The total of \$684.00 is itemized as follows:

Fort Plain Contingency: \$222.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Brewerton Contingency: \$275.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

33. Fort Plain Management (Neighborhood Surcharges): \$3,276.00 – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President Kenrick Corporation (see Note #21 above).

Brewerton (Neighborhood Surcharges): \$4,056.00– Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President Kenrick Corporation (see Note #21 above).

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING PROJECTED BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

THE FOREGOING BUDGET PROJECTION IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES, FOR SUCH YEAR OF OPERATION OF THE ASSOCIATION, WILL BE AS SET FORTH IN SAID PROJECTION. ANY OR ALL OF THE ACTUAL COSTS FOR SUCH YEAR OF OPERATION MAY SUBSTANTIALLY EXCEED ANY OR ALL OF SAID PROJECTED COSTS, BASED ON MARKET AND ECONOMIC FLUCTUATIONS AND OTHER FACTORS; IN PARTICULAR, BUT WITHOUT LIMITATION AS TO THE FACTORS AND VARIABLES WHICH MAY RESULT IN ANY OR ALL OF THE ACTUAL COSTS INCURRED BEING SUBSTANTIALLY HIGHER THAN THE FIGURES WITHIN SAID BUDGET PROJECTION, NONE OF SUCH FIGURES CONTAIN ANY ADJUSTMENT FOR OR OTHER CONSIDERATION FOR INFLATION OR ANY OTHER GENERAL OR SPECIFIC MARKET FACTORS OR PRESSURES RESULTING IN COST INCREASES OVER THE PASSAGE OF A SUBSTANTIAL PERIOD OF TIME. FURTHER, THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE INDICATED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET PROJECTION AND FOOTNOTES THERETO.

SCHEDULE A3
THE RESERVE ASSOCIATION INC.
BUDGET PROJECTION FOR HOA OPERATION FOR
YEAR EXTENDING FROM DECEMBER 1, 2022 – NOVEMBER 30, 2023

~~327~~ Units
291

Projected Income		Notes	
A.	Universal Maintenance Charges \$1,451.13 per home per year, payable \$120.93 monthly based on 327 homes	1	\$474,519.37
B.	Neighborhood Surcharges Separate amounts are payable per year and monthly for Units in each of Glenville Condominium One, Glenville Condominium Two, Frankfort Condominium, Rexford Condominium, Pendleton Condominium, Kingston Condominium, Champlain Condominium, Black Rock Condominium, Watermark Brownstones One, Watermark Brownstones Two, Watermark Townhomes Condominium, and in the Ft. Plain, Waterford, and Brewerton single family neighborhoods, as itemized in Footnote 2.	2	\$247,748.00
Total			\$722,267.37

Projected Expenses		Notes	
A.	Expenses Corresponding to Universal Maintenance Charges		
	Labor	9	\$ 185,189.00
	Clubhouse Heating and Cooling	14	\$ 9,494.00
	Clubhouse Electricity	13	\$ 16,963.00
	Clubhouse Water	12	\$ 389.00
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	16	\$ 5,000.00
	Clubhouse HVAC Maintenance	15	\$ 1,850.00
	Clubhouse Pool Maintenance	18	\$ 4,000.00
	Landscaping	4	\$ 56,263.00
	Clubhouse Cleaning	11	\$ 27,096.00
	Irrigation Maintenance	5	\$ 1,470.00
	Road Maintenance	8	\$ 2,300.00
	Snow Removal		
	Snow Plowing	6	\$ 1,940.00
	Snow Shoveling of Sidewalks	7	\$ 10,800.00
	Clubhouse Rubbish Removal/Recycling	17	\$ 1,104.00
	Insurance	20	\$ 25,000.00
	Management Fees	21	\$ 62,784.00

	Legal Fees	23	\$	1,500.00
	Accounting Fees	22	\$	1,700.00
	Taxes			
	Real Estates Taxes	24	\$	113.37
	Income Taxes	25	\$	100.00
	Reserves	27	\$	22,196.00
	Other			
	Office Costs	19	\$	2,000.00
	Clubhouse Contingency	26	\$	27,500.00
	Security Automobile	10	\$	7,768.00
Subtotal				\$474,519.37
B.	Expenses Corresponding to Neighborhood			
	Surcharges			
	Landscaping	28	\$	167,390.00
	Snow Removal	29	\$	35,672.00
	Road Maintenance	30	\$	7,320.00
	Rubbish Removal/Recycling	31	\$	29,350.00
	Contingency	32	\$	684.00
	Management	33	\$	7,332.00
Subtotal			\$	247,748.00
Total				\$722,267.37

The Reserve Association Inc.

Footnotes to Schedule A3

1. **Projected Income - Universal Maintenance Charges.** If the Sponsor continues the Development through the construction and sale of all Units in Sections I, and II the equal monthly Assessment to be paid to the Association by each Unit Owner is projected to be the sum of \$120.93, with the annual total thereof under Projected Income in turn equal to item A, Expenses Corresponding to Universal Maintenance Charges, under Projected Expenses below (See Note 3). Per Schedule A, the amount of such monthly Assessment is estimated to be set at \$119.26 per Unit for the first year of HOA operations, before the Clubhouse is opened for use by Members; upon and following opening of the Clubhouse, the projected date for which is June 1, 2014, such Assessment amount is expected to increase to the sum of \$283.68 monthly per Unit, as set forth in Schedule A1. If the Sponsor does not continue the Development beyond Section I, the amount of the monthly universal maintenance charges are expected to permanently remain at such estimated level of \$283.68 monthly per Unit; however, if the Sponsor continues the Development after Sections I and I are completed, the amount of the monthly universal maintenance charge is expected to decrease, as set forth in this Budget Projection, which Projection shows estimates for Projected Income and Projected Expenses following such completion of Sections I and II.
2. **Projected Income – Neighborhood Surcharges –** To (1) provide for uniformity in the quality of associated services, maintenance and/or repair, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation, the Association is furnishing certain services throughout all or varying portions of the entire Development, but with the costs thereof being allocated amongst different groups of Unit Owners in a manner so as to fairly and reasonably distribute expenses based upon differing benefit levels. As a result, in addition to the universal maintenance charges explained under Footnote 1 above and paid to the Association in equal monthly amounts by the Owners of all Units of every type within the Development, an additional monthly Neighborhood Surcharge will also be payable to the Association for the Units as are set forth below (“Neighborhood Surcharges”), with the Neighborhood Surcharge varying dependent upon the type of Unit and/or the neighborhood in which the Unit is located. Upon commencement of the year of HOA operations as projected to extend from 12/1/22 through 11/30/23, Neighborhood Surcharges as follow are projected to be payable by the Owners of Units in the Ft. Plain, Waterford, and Brewerton neighborhoods, comprised of Single Family Dwelling Units, by the Owners of Townhome Condominium Units in Glenville Condominium One, Glenville Condominium Two, Watermark Brownstones One, Watermark Brownstones Two, and Watermark Townhome Condominium, and by the Owners of Loft Condominium Units in the Frankfort Condominium, Rexford Condominium, Pendleton Condominium, Kingston Condominium, Champlain Condominium, and Black Rock Condominium, with Units expected to Close in said neighborhoods either prior to or during such year of HOA operations.

Glenville Condominium One
\$1,030.58 per home per
year, payable \$85.88
monthly based on 24 homes

\$ 24,734.00 annual subtotal

Glenville Condominium Two
\$1,039.59 per home per
year, payable \$86.63
monthly based on 22 homes

\$ 22,871.00 annual subtotal

Frankfort Condominium
\$376.21 per home per
year, payable \$31.35
monthly based on 28 homes

\$ 10,534.00 annual subtotal

Rexford Condominium
376.21 per home per
year, payable \$31.35
monthly based on 28 homes

\$ 10,534.00 annual subtotal

Pendleton Condominium
\$316.71 per home per
year, payable \$26.39
monthly based on 33 homes

\$ 10,768.00 annual subtotal

Kingston Condominium
\$326.30 per home per
year, payable \$27.19
monthly based on 33 homes

\$ 10,768.00 annual subtotal

Champlain Condominium
\$324.12 per home per
year, payable \$27.01
monthly based on 33 homes

\$ 10,696.00 annual subtotal

Black Rock Condominium
\$307.66 per home per
year, payable \$25.64
monthly based on 35 homes

\$ 10,768.00 annual subtotal

Watermark Brownstones One
\$1,527.59 per home per
year, payable \$127.29
monthly based on 6 homes

\$ 9,165.00 annual subtotal

Watermark Brownstones Two	
\$1,527.07 per home per	
year, payable \$127.26	
monthly based on 14 homes	\$ 21,379.00 annual subtotal
Watermark Townhome Condominium	
\$1,527.50 per home per	
year, payable \$127.29	
monthly based on 6 homes	\$ 9,165.00 annual
Ft. Plain Single Family Homes	
\$1,992.00 per home per	
year, payable \$166.00	
monthly based on 21 homes	\$ 41,833.00 annual subtotal
Brewerton Single Family Homes	
\$2,009.73 per home per	
year, payable \$167.48	
monthly based on 26 homes	\$ 52,253.00 annual subtotal
Waterford Single Family Homes	
\$120.00 per home per	
year, payable \$10.00	
monthly based on 19 homes	\$ 2,280.00 annual subtotal
Total	\$ 247,748.00

Consistent with the Sponsor's undertaking and obligation to pay only the Deficiency Contribution, as referenced on page 42 of this Offering, ie, the difference between actual Association expenses, and the total of all Association Assessments levied on Owners who have closed on purchase of their Units, the Sponsor will not pay Assessments on any Unsold Units, whether universal maintenance charges or Neighborhood Surcharges, including Unsold Units in neighborhoods not yet offered for sale, or in which a Unit has not yet Closed.

3. Projected Expenses – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, which is composed of an itemization of all expenses which Members in turn pay through the equal monthly Assessments to the Association under Projected Income, category A, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 29 through 34 itemize, on a neighborhood-by-neighborhood basis, all expenses which Members in turn pay through the monthly Assessments to the Association which comprise the applicable Neighborhood Surcharge set forth under Projected Income, category B, and Footnote 2 above.
4. Landscaping – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$413/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,593; Weed, Edge with Mulch installed at \$59.40/cu yd: \$6,574; Second Edging: \$1,221; Bi-weekly weeding, 19 trips: \$7,900; Shrub trimming/cleanup, up to 3 trips: \$14,580; Mechanical edge twice (at roads): \$2,042; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,004. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub

care: one horticultural oil application and three site inspections with treatments as necessary – \$8,941. These services include the perpetual landscape maintenance obligations undertaken by the Association (i) within the easterly boundary area of the Development, and (i) within the adjoining Town of Brighton lands comprising a westerly segment of Meridian Centre Park pursuant to a limited license to be conveyed by the Town to the Association for that purpose, all pursuant to formation of the Brighton Reserve Park District as described in the Location and Area Information Section of this Plan. All quotes in this and the following notes include sales tax whenever applicable.

5. Irrigation Maintenance – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.
6. Snow plowing – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt.
7. Snow Shoveling of Sidewalks – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections.
8. Road Maintenance – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote dated April 17, 2012 from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 27 below).
9. Labor – a. Two full-time positions for security and light maintenance at annual wages of \$30,000 each; b. Four part-time positions for Clubhouse concierge and trainer (30 hours/week each, wages of \$22,500 each annually). These personnel will be employees of the management firm, AJ Costello & Son Reserve Management, LLC (See Note 21 below), with the Association to reimburse the management firm for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions @ \$30,000.00 each)	\$60,000.00
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Taxes and Benefits

FICA and Medicare @ 7.65%	\$4,590.00
Health Insurance	\$7,986.00
State Long Term Disability	\$87.00
Worker's Comp	\$2,100.00
Unemployment Insurance (NYS)	\$1,008.00
Unemployment Insurance (Federal)	\$102.00
Life Insurance	\$97.00
Employee Assistance Program	\$916.00

Fee, 5% of wages, inclusive of payroll processing costs	\$3,000.00
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Total	\$79,866.00
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Wages (4 part time positions @ \$22,500.00 each) \$90,000.00

Taxes and Benefits

FICA and Medicare @7.65% \$6,885.00

Worker's Comp \$1,800.00

Unemployment Insurance (NYS) \$2,016.00

Unemployment Insurance (Federal) \$102.00

Fee, 5% of wages, inclusive of payroll processing costs \$4,500.00

Total \$105,303.00

All such projections are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor, and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. Security Automobile – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. Clubhouse Cleaning – Quote from McNair Building Services, Inc., PO Box 26253, Rochester NY: \$2,258 per month for service 5 days per week.
12. Clubhouse Water – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY.: 20,246 cubic feet of water at \$0.0192/cubic foot.
13. Clubhouse Electricity – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY: Lighting and equipment usage: 121,167 kilowatt-hours per year at \$0.14/kilowatt-hour. The unit cost of \$0.14/kilowatt-hour is based upon Rochester Gas & Electric's average 2011 cost per kwh plus a ten percent increase.
14. Clubhouse Heating and Cooling – Based on attached estimates from DJC Architecture, PLLC, 99 Garnsey Road, Pittsford NY. Gas for heating: 4,097 therms/year at \$1.69/therm; the cost of \$1.69/therm is based upon Rochester Gas & Electric's average 2011 cost per kwh, plus a ten percent increase. Electricity for cooling: 18,357 kilowatt-hours at \$0.14/kilowatt-hour; the unit cost of \$0.14/kilowatt-hour is based upon Rochester Gas & Electric's average 2011 cost per kwh, plus a ten percent increase.
15. Clubhouse HVAC Maintenance – Estimate based on similar experience of Sponsor in building management.
16. Clubhouse Repair – Estimate by Kenrick Corporation, 3495 Winton Place, D-4, Rochester, NY 14623 for routine repairs.
17. Clubhouse Rubbish Removal/Recycling – Weekly rubbish and recyclables pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 96 gallon wheeled toters; the quote is \$94.94 per month.

18. Clubhouse Pool Maintenance – Based on quote from Beauty Pools, Inc., 2000 Commerce Parkway, Lancaster NY for weekly service (cleaning and maintenance) for a 15-week season, includes estimate for supplies.
19. Office Costs – Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. Insurance – The estimate of \$25,000 dated 27 September, 2013, is a quote provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost fire/casualty insurance on and with respect to the Clubhouse, and all equipment, furniture, furnishings and other contents therein, as well as replacement cost casualty insurance on the pool/spa and all Development signage, which casualty insurance will be sufficient to cover any reasonably expected structural replacements in the event of total loss with respect to the Clubhouse pool/spa or Development signage, with no co-insurance provision in the event of partial loss, and with a deductible of Two Thousand Five Hundred Dollars (\$2,500). The casualty and general liability insurance is on terms that provides: (i) that each Member is an additional insured party; (ii) there will be no cancellation without notice to the Association's Board of Directors; (iii) a waiver of subrogation; and (iv) a waiver of invalidity because of acts of the insured and members, and (v) a waiver of prorata reduction if Unit Owners obtain additional coverage. Coverage for water damage, boiler and machinery, or auto liability, is not included in the quotation and may be available at extra cost. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The coverage is as follows:

Building	\$2,441,140
Business Personal Property	\$ 662,000
Pool	\$ 150,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

Subsequent to the opening of the Clubhouse the amount of said expense will increase from that as set forth in Schedule A, based upon higher insurance premium costs as will be incurred.

21. Management – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of the Sponsor; the budget amount is based on a Management Agreement with said entity, attached as Exhibit Q to the Plan, which Agreement will be assumed by the Board of Directors at the first closing of any Unit, and with the services of such entity to

commence at such time. This figure is comparable to market rates, as attested by Richard K. Aikens, President of Kenrick Corporation, managing thirty plus properties in the Rochester, NY area.

22. Audit – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$1,700.
23. Legal Fees– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$1,500.
24. Real Estate Taxes – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided in the attached letter from Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30, yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49, yields a total annual tax bill of \$24.49 per tax parcel.
25. Income Tax: New York State Franchise Tax – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. Federal Income Tax – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. Clubhouse Contingency – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.
27. Reserves: Reserves are established for a limited number of items as listed on the appended spreadsheet. Reserve for said items as listed in the spreadsheet are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$20,370.00, requiring contributions of \$12.48 per unit per month for Section I, which include a figure of \$1.72/unit/month for sealing private roads every 3 years. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners, and are also estimated, both in terms of cost and useful life, on the appended spreadsheet; this includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I. Actual work may be adjusted for timing and cost, dependent on future inspections of these items. Subsequent to the opening of the Clubhouse the amount of said reserve contributions will be increased, based upon the fact corresponding facilities or components within the Clubhouse are placed in operation.
28. Landscaping (Neighborhood Surcharges): The total of \$167,390.00 is itemized as follows:

Glenville Condominium One Landscaping: \$13,850.00 – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$135/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$378; Weed, Edge with Mulch installed at

\$59.40/cu yd: \$3,564; Second Edging: \$216; Weed bi-weekly, 19 trips: \$1,231; Mechanical edge (at road) twice: \$146; Shrub trimming/cleanup, up to 3 trips: \$467; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,382.00. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$2,400. All quotes in this and the following notes include sales tax whenever applicable.

Glenville Condominium Two Landscaping: \$12,742.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Glenville Condominium One above, with a proportionate reduction based upon the total of 22 Units in Glenville Condominium Two, in comparison to the 24 Units in Glenville Condominium One.

Frankfort Condominium Landscaping: \$7,490.00 - The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$23/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$81; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,663; Second Edging: \$194; Weed bi-weekly, 19 trips: \$1,539; Shrub trimming/cleanup, up to 3 trips: \$632; Mechanical edge twice (at road): \$97; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$864. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,739. All quotes in this and the following notes include sales tax whenever applicable.

Rexford Condominium Landscaping: \$7,490.00 - The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$23/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$81; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,663; Second Edging: \$194; Weed bi-weekly, 19 trips: \$1,539; Shrub trimming/cleanup, up to 3 trips: \$632; Mechanical edge twice (at road): \$97; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$864. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,739. All quotes in this and the following notes include sales tax whenever applicable.

Pendleton Condominium Landscaping: \$7,490.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to each of the Frankfort and Rexford Condominiums above.

Kingston Condominium Landscaping: \$7,490.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to each of the Frankfort and Rexford Condominiums above.

Champlain Condominium Landscaping: \$7,490.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to each of the Frankfort and Rexford Condominiums above.

Black Rock Condominium Landscaping: \$7,490.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to each of the Frankfort and Rexford Condominiums above.

Watermark Brownstones One Landscaping: \$6,209.00 – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$45/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$216; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,247; Second Edging: \$162; Weed bi-weekly, 19 trips: \$718; Shrub trimming/cleanup, up to 3 trips: \$486; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$518. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,500. All quotes in this and the following notes include sales tax whenever applicable.

Watermark Brownstones Two Landscaping: \$14,488.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Watermark Brownstones One above, with a proportionate increase based upon the total of 14 units in Watermark Brownstones Two, in comparison to the six(6) units in Watermark Brownstones One.

Fort Plain Landscaping: \$30,782.00 – The following services are quoted by Pin Oak Lawn and Landscape: Grass cutting/trimming: \$448/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,620; Weed, Edge with Mulch installed at \$59.40/cu yd: \$4,366; Bi-weekly weeding, 19 trips: \$3,591; Second edging: \$378; Shrub trimming/cleanup, up to 3 trips: \$2,430; mechanical edge (at road) twice: \$486. Miscellaneous labor @ \$32/hr: 35 hours budgeted: \$1,210. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: horticultural oil application and three site inspections with treatments as necessary: \$3,255. All quotes include sales tax.

Brewerton Landscaping: \$38,170.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to the Ft. Plain neighborhood above, with a proportionate increase based upon the total of 26 units in Brewerton, in comparison to the 21 units in Ft. Plain.

Watermark Townhome Condominium Landscaping: \$6,209.00 – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$45/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$216; Weed, Edge with Mulch installed at \$59.40/cu yd: \$1,247; Second Edging: \$162; Weed bi-weekly, 19 trips: \$718; Shrub trimming/cleanup, up to 3 trips: \$486; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$518. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary: \$1,500. All quotes in this and the following notes include sales tax whenever applicable.

29. Snow Removal (Neighborhood Surcharges): The total of \$35,672.00 is itemized as follows:

Glenville Condominium One Snow plowing: \$6,680.00 – The following service for driveways and private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$6,480 with \$500 estimated for application of salt.

Glenville Condominium Two Snow plowing: \$6,145.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Glenville Condominium One above, with a proportionate reduction based upon the total of 22 units in Glenville Condominium Two, in comparison to the 24 units in Glenville Condominium One.

Frankfort Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Rexford Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Pendleton Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Kingston Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Champlain Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Black Rock Condominium Snow plowing: \$630.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$480 with \$150 estimated for application of salt.

Watermark Brownstones One Snow plowing: \$1,695.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,620 with \$75 estimated for application of salt.

Watermark Brownstones Two Snow plowing: \$3,949.00 - This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to Watermark Brownstones One above, with a proportionate increase based upon the total of 14 units in Watermark Brownstones Two, in comparison to the six (6) units in Watermark Brownstones One.

Fort Plain Snow plowing: \$5,240.00 – The following service for plowing of driveways is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$4,990 with \$250 estimated for salt.

Brewerton Snow plowing: \$6,488.00 – This figure is based upon the same services as quoted by Pin Oak Lawn and Landscape with respect to the Ft. Plain neighborhood above, with a proportionate increase based upon the total of 26 units in Brewerton, in comparison to the 21 units in Ft. Plain.

Watermark Townhome Condominium Snow plowing: \$1,695.00 – The following service for private portion of entrance road is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,620 with \$75 estimated for application of salt.

30. Road Maintenance (Neighborhood Surcharges): The total of \$7,320.00 is itemized as follows:

Glenville Condominium One Road Maintenance: \$1,560.00 – Routine repair of the private road asphalt (filling potholes) is estimated at \$1,560 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Glenville Condominium Two Road Maintenance: \$1,560.00– Routine repair of the private road asphalt (filling potholes) is estimated at \$1,560 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Frankfort Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Rexford Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Pendleton Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Kingston Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Champlain Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Black Rock Condominium Road Maintenance: \$200.00 – Routine repair of the private road asphalt is estimated at \$200 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt.

Watermark Brownstones One Road Maintenance: \$600.00 – Routine repair of the private road asphalt is estimated at \$600 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Watermark Brownstones Two Road Maintenance: 1,400.00 – Routine repair of the private road asphalt is estimated at \$1,400 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Brewerton Road Maintenance: \$400.00 – Routine repair of the private road asphalt is estimated at \$400 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Watermark Townhome Condominium Road Maintenance: \$600.00 – Routine repair of the private road asphalt is estimated at \$600 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

31. Rubbish Removal/Recycling (Neighborhood Surcharges): The total of \$29,350.00 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$2,644.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Glenville Condominium Two Rubbish Removal/Recycling: \$2,424.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Frankfort Condominium Rubbish Removal/Recycling: \$2,214.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$184.50 per month.

Rexford Condominium Rubbish Removal/Recycling: \$2,214.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$184.50 per month.

Pendleton Condominium Rubbish Removal/Recycling: \$2,448.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$204.00 per month.

Kingston Condominium Rubbish Removal/Recycling: \$2,448.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$204.00 per month.

Champlain Condominium Rubbish Removal/Recycling: \$2,376.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$198.00 per month.

Black Rock Condominium Rubbish Removal/Recycling: \$2,448.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will empty a 2-yard dumpster and four (4) 96 gallon toters for recycling. The quote is \$204.00 per month.

Watermark Brownstones One Rubbish Removal/Recycling: \$661.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Watermark Brownstones Two Rubbish Removal/Recycling: \$1,542.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Fort Plain Rubbish Removal/Recycling: \$2,313.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Waterford Rubbish Removal/Recycling: \$2,093.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Brewerton Rubbish Removal/Recycling: \$2,864.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Watermark Townhome Condominium Rubbish Removal/Recycling: \$661.00 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

32. Contingency (Neighborhood Surcharges): The total of \$684.00 is itemized as follows:

Fort Plain Contingency: \$222.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Brewerton Contingency: \$275.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187.00 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

33. Fort Plain Management (Neighborhood Surcharges): \$3,276.00 – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President Kenrick Corporation (see Note #21 above).

Brewerton (Neighborhood Surcharges): \$4,056.00 – Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President Kenrick Corporation (see Note #21 above).

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING PROJECTED BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

THE FOREGOING BUDGET PROJECTION IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES, FOR SUCH YEAR OF OPERATION OF THE ASSOCIATION, WILL BE AS SET FORTH IN SAID PROJECTION. ANY OR ALL OF THE ACTUAL COSTS FOR SUCH YEAR OF OPERATION MAY SUBSTANTIALLY EXCEED ANY OR ALL OF SAID PROJECTED COSTS, BASED ON MARKET AND ECONOMIC FLUCTUATIONS AND OTHER FACTORS; IN PARTICULAR, BUT WITHOUT LIMITATION AS TO THE FACTORS AND VARIABLES WHICH MAY RESULT IN ANY OR ALL OF THE ACTUAL COSTS INCURRED BEING SUBSTANTIALLY HIGHER THAN THE FIGURES WITHIN SAID BUDGET PROJECTION, NONE OF SUCH FIGURES CONTAIN ANY ADJUSTMENT FOR OR OTHER CONSIDERATION FOR INFLATION OR ANY OTHER GENERAL OR SPECIFIC MARKET FACTORS OR PRESSURES RESULTING IN COST INCREASES OVER THE PASSAGE OF A SUBSTANTIAL PERIOD OF TIME. FURTHER, THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE INDICATED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET PROJECTION AND FOOTNOTES THERETO.

LEASING

Sponsor reserves the right to rent or lease, rather than sell, any Units and is not limiting its right to rent or lease, rather than sell, based on any objective articulable criteria. Sponsor may from time to time freely lease or rent any Unsold Units without restriction or limitation whatsoever and without the consent of the Board of Directors of the Association or any other Unit Owner. Because Sponsor is not limiting the conditions under which it will rent or lease rather than sell Units, there is no commitment to sell any minimum number of Units, and Owner-occupants may never gain effective control and management of the Association. Sponsor makes no representation that it will endeavor in good faith to sell Units rather than to rent.

Unsold Units may be leased to Purchasers and non-Purchasers at any time, both before and after the First Closing. However, once a Purchase Agreement is executed with respect to the Purchase of a vacant Unit, and for so long as such Agreement is in effect, such Unit may only be leased to the Purchaser thereof pursuant to a lease (an "Interim Lease") on the terms set forth in this Section.

An Interim Lease shall be prepared on a form of lease that will be available for inspection at the office of Sponsor, and shall contain the default provisions described below, including failure of the Purchaser as tenant to comply with its obligations. The term of each such Interim Lease shall expire on the earliest to occur of (i) the date of Closing of title to the Unit covered by such Interim Lease, (ii) the date fixed in the Interim Lease for the expiration of the term, or (iii) the date upon which the Interim Lease is terminated due to the tenant's default. The rent payable under the Interim Lease shall be negotiated by the parties.

An uncured default by the Purchaser-tenant under the Purchase Agreement will constitute a default under the Interim Lease, and an uncured default by the Purchaser-tenant under the Interim Lease will constitute a default under the terms of the Purchase Agreement and will permit Sponsor to cancel the Purchase Agreement in accordance with its terms. Upon any such cancellation of a Purchase Agreement, The Purchaser-tenant will be required to vacate the Unit within thirty (30) days after notice is sent of Sponsor's cancellation thereof, provided that the Purchaser-tenant has failed to cure any such default within any applicable grace period. Before a default under any Interim Lease may be declared to also constitute a default under the Purchase Agreement, either: (i) Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant, or (ii) the Purchaser-tenant must have vacated the Unit.

In the event that any Purchaser-tenant should exercise any right to terminate or rescind the Purchase Agreement, such termination or rescission will be contingent upon the Purchaser-tenant surrendering possession of the Unit and leaving the same vacant, broom clean, and in good condition within thirty (30) days after the Purchaser-tenant elects to terminate or rescind. The Purchaser-tenant must also pay any rent then due and payable under the Interim

Lease. Nothing contained herein shall relieve any Purchaser of liability for damage to the Unit or of any other liability under the Agreement or Interim Lease.

In no event will any portion of the rental paid under an Interim Lease be credited towards the Unit's Purchase Price.

PROCEDURE TO PURCHASE

The following provisions of this Procedure to Purchase Section govern the purchase of Single Family Dwelling Units within the Development, with the sale of Loft and Townhome Condominium Units subject to the Procedure to Purchase section of the respective Offering Plan therefor.

A copy of the form of Purchase Agreement between the Sponsor and each Purchaser of a Unit is attached hereto as **Exhibit A**. However, the form of the Purchase Agreement for purchase of any specific Unit is subject to any modification as may be agreed upon between the Sponsor and the Purchaser of such Unit, so long as any modification is not inconsistent with this Offering Plan, or Applicable Law. Upon signature by the Purchaser and the Sponsor, the Purchase Agreement shall be delivered to the Sponsor together with the deposit as provided for in the Agreement.

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

(i) Not fewer than seven (7) days after delivery to the Sponsor of an executed Purchase Agreement together with the required deposit, to rescind the Purchase Agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor within such seven (7) day period, or mail the notice of rescission to the Sponsor and have the mailing postmarked within such seven (7) day period; or

(ii) Not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement.

Within seven (7) business days after a Purchaser delivers to the Sponsor an executed Purchase Agreement together with any required deposit, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser, or reject the Purchase Agreement and refund the full deposit previously tendered. If the Sponsor takes no action within said time period, the Sponsor will be deemed to have rejected the Purchase Agreement, and must refund the full deposit previously tendered.

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

The Escrow Agent:

Stephen E. Hall, Esq., with an address at Suite 400, 36 West Main Street, Rochester, New York 14614, telephone number (585) 546-3770, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Stephen E. Hall, Esq. The designated signatory is admitted to practice law in the State

of New York. Neither the Escrow Agent nor the authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit.

All Deposits received from Purchaser shall be in the form of checks, and, with the exception of Extras Charges as described and defined below, shall be made payable to or endorsed by the Purchaser to the order of Stephen E. Hall Esq., as Escrow Agent.

The account does not bear interest for the Purchaser, as the Sponsor has elected to place the funds in a separate Interest on Lawyers Account ("IOLA") pursuant to Judiciary Law Section 497. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Escrow Agreement:

The Escrow Agreement is attached hereto as **Exhibit J** in Part II of the Plan. The Escrow Agreement must be executed by the Sponsor, Purchaser, and Escrow Agent.

Notification to Purchaser:

Within ten (10) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Escrow Agent shall notify the Purchaser that such funds have been placed in the Bank by providing written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

All Deposits, except for Extras Charges as described and defined below, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

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

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

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

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

Waiver Void:

Any provision in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds.

An explanation of § 71-a(3) of the New York Lien Law is included within the forms of Contract of Sale attached as **Exhibit A**.

Notwithstanding anything else in this Offering, in the event a Purchaser reaches agreement with the Sponsor as to upgrades, or special or custom finishes, or other special work with respect to a Unit over and above the basic finish, fixture, and appliance package offered by Sponsor with respect to the Unit (collectively, "Extras"), the negotiated price to be paid by the Purchaser for all Extras ("Extras Charges"), over and above the amount of all deposits, downpayments, or advances placed in the escrow account, will be paid directly from the Purchaser to the Sponsor, upon the earlier of (i) the making of a contractual commitment by the Sponsor to any third party contractor, supplier, or other vendor, for the purchase by the Sponsor of labor and/or materials corresponding to any Extra so ordered by a Unit Purchaser, or (ii) remittal of payment by the Sponsor to any third party contractor, supplier, or other vendor for labor and/or materials corresponding to any Extra so ordered by a Unit Purchaser. Except in the event of default by Sponsor under the Purchase Agreement for a Unit, Extras Charges paid by a Purchaser shall in no event be refundable by the Sponsor, but will be retained by the Sponsor upon any termination or cancellation of such Purchase Agreement.

There shall be no forfeiture of any deposit unless all contingencies have been satisfied, the Closing date set forth in the Purchase Agreement has passed and Sponsor has made a written demand that Closing take place and the balance owed be paid no sooner than thirty (30) days after the date of the written demand.

Notwithstanding anything else in this Offering Plan, the Sponsor has an absolute and unconditional obligation (the "Sponsor's Two Year Completion Obligation") (i) to complete each Single Family Dwelling Unit in accordance with the Purchase Agreement and the Unit Plans as referenced in the Purchase Agreement, and to obtain a certificate of occupancy for the Unit from the Town of Brighton, no later than the second annual anniversary of the date of execution by the Purchaser of the subject Purchase Agreement for the Unit, and (ii) to complete

the Clubhouse Building in accordance with this Offering and to obtain a certificate of occupancy for the Clubhouse Building from the Town of Brighton, no later than the second annual anniversary of the date of execution by the Purchaser of the first Purchase Agreement for construction and sale of a Unit within the Development. The Sponsor's Two Year Completion Obligation is subject only to the defense of impossibility of performance. An individual Purchase Agreement for construction and sale of a Unit may nevertheless contain a date for completion of and Closing of the Unit ("Interim Contract Completion Date") in advance of the date represented by the second annual anniversary of the date of Purchaser's signature of the Purchase Agreement, which second annual anniversary, a later date, marks the Sponsor's Two Year Completion Obligation. Any obligation of the Sponsor to effect completion of, procure issuance of a certificate of occupancy for, and/or to Close on any such Unit, on or before any such Interim Contract Completion Date, is subject not only to impossibility of performance, but also to extension(s) corresponding to reasonable periods of delay resulting from force majeure, weather, material shortages, strikes, labor disputes, delays in inspections and reports thereon, Acts of God, war and/or terrorism, governmental actions, rulings or regulations, or any other cause of delay beyond the Sponsor's reasonable control; at the same time, as distinct from any such Interim Contract Completion Date, the Sponsor's Two Year Completion Obligation is not and will not be conditioned on, subject to, or in any way affected thereby, and is absolute and unconditional, excepting only impossibility of performance.

If before Closing thereof, a Unit is damaged by fire or other casualty, the Sponsor must repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, and as otherwise necessary to proceed with Closing, and the Agreement shall continue in full force and effect. The Purchaser shall not have the right to terminate the Purchase Agreement as a result of such casualty, or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement, provided that the Sponsor must complete the same so as to comply with the Sponsor's Two Year Completion Obligation.

This Plan does not contain any arrangements for Purchasers to finance the purchase of a Unit. Prospective Purchasers who are interested in such financing should and must independently contact lending institutions of their choice, such as commercial banks, savings banks, and savings and loan associations. Any applications by prospective Purchasers for such financing with lending institutions must be done on an individual basis solely by prospective Purchasers, and will involve negotiations exclusively between the lending institution and such prospective Purchasers as loan applicants. The Sponsor does not offer and cannot be construed as offering any such financing hereunder, or representing the availability or terms of any such financing. No representation is made by the Sponsor as to whether any Purchaser will qualify for financing, or as to the terms, cost, or availability of such financing.

It is also noted that lenders may require that a specified minimum percentage or number of units within the Development must have previously been sold to Purchasers or Closed for owner-occupancy as a loan prerequisite. The Sponsor cannot and does not represent, assure, or guarantee the percentage or number of Units that will be Closed and sold,

or subject to a Purchase Agreement for sale at any given time, or that such percentage or number will meet the requirements of any one or more lenders at any time as necessary for any Purchaser to succeed in arranging such financing.

It is completely within the Sponsor's discretion as to whether a particular Purchaser's obligation to Close on purchase a Unit will be contingent upon (i) the Purchaser obtaining financing for Closing of purchase, or (ii) the Purchaser's sale of any other property. Each individual Purchase Agreement is subject to negotiation on the existence and terms of any such contingencies, on the Purchaser's obligations, including the time within which the Purchaser must notify Sponsor of any inability of the Purchaser to obtain financing or a commitment for financing, or to accomplish any such sale; any contingency or contingencies to which the Sponsor may agree will be a contingency only upon the Purchaser's obligations, and is in no way a condition or contingency to the Sponsor's Two Year Completion Obligation. The Sponsor is under no obligation to offer such a contingency with respect to a specific Purchase Agreement and Unit; the criteria for receiving such a contingency are essentially dictated by market conditions, including the demand for Units by non-contingent Purchasers at any given point in time. If a Purchase Agreement does contain a financing contingency or sale contingency on the Purchaser's obligations, the time within which such Purchaser must notify the Sponsor of any inability of the Purchaser to obtain financing or a commitment, or to effect any such sale, will be dependent upon market conditions and the specific terms of the Purchase Agreement. Dependent upon market conditions and the terms of a specific commitment for financing procured by a Purchaser, substantial risks may exist that prior to Closing a financing commitment may expire, or that the terms of the commitment may change. If a Purchaser's obligation to Close upon purchase of a Unit is contingent upon the Purchaser obtaining a financing commitment, and any such financing commitment obtained by a Purchaser lapses or expires prior to Closing for reasons other than the Purchaser's delay or fault, if the Purchaser has made a good faith effort to extend the commitment then, while Purchaser may of course proceed with the transaction, and with Sponsor's Two year Completion Obligation remaining in effect, Sponsor will grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right.

If Purchaser elects not to make the Purchaser's obligations under the Purchase Agreement contingent on financing or the sale of other property and is unable to complete the Closing, or if the Purchaser's financing commitment contains conditions which Purchaser has accepted but is unable to meet, the Purchaser may be in default under the Purchase Agreement and may forfeit the deposit.

If Purchaser delays Closing beyond the agreed upon Closing Date set forth in the Purchase Agreement, the Sponsor may, at its option, demand a late fee computed at the rate of one and one-half percent of the unpaid balance per month.

In the event of default by a Purchaser under its Purchase Agreement for a Unit, in addition to and cumulative of all other rights and remedies of the Sponsor upon any such default, the Sponsor shall have the right to retain (i) the full amount of all deposits paid by the Purchaser under said Purchase Agreement, whether or not such sums aggregate to an amount in excess of ten percent (10%) of the purchase price for the Unit, plus (ii) all Extras Charges. In

addition, the Sponsor shall have the right to seek specific performance by Purchasers under any Purchase Agreement for a Unit, and the Sponsor may collect a late fee of one and one-half percent per month for failure of a Purchaser to close a Unit on the date set for Closing in the Purchase Agreement.

Any Unit Purchaser who defaults under its Purchase Agreement must be given written notice thereof and the opportunity to cure such default within thirty (30) days from the sending of such notice, with time being of the essence. If a defaulting Unit Purchaser does not remedy the default within such thirty (30) day grace period, with time being of the essence, Sponsor will have the right to cancel such defaulting Unit Purchaser's Agreement. If the Purchase Agreement is so cancelled based upon the Purchaser's default, Sponsor has the right to sell the Unit to others as if the Purchase Agreement had never been made, without accounting to the Unit Purchaser for the proceeds of such sale.

Any conflict between the Offering Plan and the Purchase Agreement will be resolved according to the terms of the Offering Plan.

Neither the Purchase Agreement or the Offering Plan may contain, or be modified to contain, any provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

Pursuant to the Housing Merchant Implied Warranty statute of the State of New York, the Sponsor is offering the statutory limited warranty in connection with the sale of Units in the Condominium, pursuant to General Business Law Article 36-B (the "Statutory Warranty"). A copy of the Statutory Warranty is set forth as **Exhibit F** hereto. Notwithstanding the above, per General Business Law Section 777-b(4)(e)(i), the Sponsor is obligated to construct the Units in accordance with all applicable codes, and filed plans and specifications, and local accepted building practices for items which are not covered by codes.

Sponsor anticipates that the First Closing of a Unit will occur on or about June 1, 2014, and that the same will be either (i) a single family dwelling within either the Ft. Plain or Waterford Neighborhoods, or (ii) a Townhome Unit within Glenville Condominium One or Watermark Brownstones One. Each Purchaser is advised that the construction of the Unit subject to the respective Purchase Agreement may be substantially complete earlier or later than such date, subject to and without extension of or other effect upon the Sponsor's Two Year Completion Obligation, and the Purchaser will be required to Close title to such Unit in accordance with the Purchase Agreement and the procedures set forth in this Plan, subject to and without extension of or other effect upon the Sponsor's Two Year Completion Obligation. If the date of the First Closing shall be delayed by more than twelve (12) months after June 1, 2014, (i) any Purchaser under a Purchase Agreement with respect to which the Sponsor has thereby breached the Sponsor's Two Year Completion Obligation shall have all rights and remedies under law and equity, without limitation or restriction, including, but not limited to, the right of specific performance, in addition to and cumulative of the Purchaser's rights under (ii) following, and (ii) even with respect to Purchase Agreements under which the Sponsor has not thereby breached the Sponsor's Two Year Completion Obligation, each Purchaser will be

offered a right to rescind the Purchase Agreement and have the deposit returned to the Purchaser, regardless of any negotiated dates within individual Purchase Agreements.

Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the Closing of a Purchaser's Unit, as set forth above.

Title to each Unit and its Appurtenant Interest will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those described in this Plan and the proposed deed to the Unit. Title exceptions that will affect the Unit after Closing include easements set forth in the title commitment included as **Exhibit P**, which will not interfere with the use and enjoyment of the Unit, and any state of facts as shown on the as-built survey for the Unit, provided such state of facts do not render title to the Unit unmarketable.

At the Closing of title to the Unit, each Unit Buyer will be required to pay all applicable New York State Real Estate Transfer Tax, including any "mansion tax", as well as any water meter or related fees, Town of Brighton recreation and related fees, and Unit survey costs, as are charged to or incurred by the Sponsor in connection with the construction and sale of the Unit.

At the time of the First Closing, each mortgagee will either: (1) consent to the recording of the Declaration and acknowledge that its mortgage lien will be limited to Unsold Units; (2) subordinate the lien of its mortgage to the Declaration; or (3) release its lien on the Unit being conveyed and its interest in the Covered Areas.

No Purchaser may assign a Purchase Agreement with respect to the purchase of a Unit without first obtaining the written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. Any applications for assignment of an Agreement will be considered by Sponsor on an objective and non-discriminatory basis. Notwithstanding any consent to an assignment of the Agreement agreed to by Sponsor, no Purchaser shall be released from any liability under his Agreement by reason of such assignment.

Unit Reservation Agreements

Without any obligation to do so, prior to entry into a Purchase Agreement the Sponsor may first engage in discussions with a prospective Purchaser as to entry by the Sponsor and the prospective Purchaser into a Unit Reservation Agreement substantially in the form attached hereto as **Exhibit S**. Any Unit Reservation Agreement entered into between the Sponsor and a prospective Purchaser will not constitute any offer to sell or purchase any Unit, any purchase agreement with respect thereto, nor will the same create any option or right of first refusal with respect to any Unit; such Agreement will comprise only a mutual accommodation between the prospective Purchaser and Sponsor, under which they will discuss and negotiate pricing, plans, and other terms for potential entry into a Purchase Agreement; upon entry by the prospective Purchaser and Sponsor into a Unit Reservation Agreement, neither party will have any obligation to proceed with entry into a Purchase Agreement.

Under the terms of the Unit Reservation Agreement, until termination thereof, the Sponsor agrees not to enter into any Purchase Agreement with respect to the Unit with any party other than a prospective Purchaser, but with the Sponsor nevertheless reserving all rights and powers, as owner of the Unit, to engage, without restriction or interruption, in all advertising, promotion, listing, and other marketing of the Unit for sale. Upon execution of a Unit Reservation Agreement, the prospective Purchaser will be required to deposit with the Sponsor funds in an agreed amount to comprise the Unit Reservation Deposit, which Unit Reservation Deposit will be paid to and held by the Escrow Agent in the Escrow Account for the Plan. Within seven (7) business days after the prospective Purchaser delivers to the Sponsor a Unit Reservation Agreement as executed by the prospective Purchaser with the check for the Unit Reservation Deposit, the Sponsor must either accept such Agreement and return a fully executed counterpart to the prospective Purchaser, or reject the Agreement and refund the entirety of said Unit Reservation Deposit as previously tendered. If the Sponsor takes no action within said time period, the Sponsor will be deemed to have rejected the Unit Reservation Agreement, and must refund the entirety of said Unit Reservation Deposit previously tendered.

All time periods set forth for return of the Unit Reservation Deposit to a prospective Purchaser are subject to the clearing of any check furnished by the prospective Purchaser for the Unit Reservation Deposit after deposit in the Escrow Agent's Escrow Account.

The Unit Reservation Deposit will be fully refundable to the prospective Purchaser upon termination of the Unit Reservation Agreement for any reason and in all events and circumstances whatsoever, and the Sponsor will in no event have any right, title, or interest to the Unit Reservation Deposit, nor will the Sponsor have any right, in any circumstances whatsoever, to retain any portion of the Unit Reservation Deposit.

At any time of the prospective Purchaser's choosing, the prospective Purchaser will have the right to terminate any Unit Reservation Agreement by written notice to the Sponsor, for any reason or for no reason at all, following which notice of termination the Sponsor must return the Unit Reservation Deposit to the prospective Purchaser in full within five (5) business days following such notice of termination.

The Sponsor will have the right to provide notice to the prospective Purchaser, at any time after execution of a Unit Reservation Agreement, that unless the Sponsor and prospective Purchaser execute a Purchase Agreement with respect to the Unit within a period of three (3) calendar days following such notice from Sponsor, the Sponsor will then have the right to terminate any such Unit Reservation Agreement by written notice to the prospective Purchaser, with the Unit Reservation Deposit to be refunded and paid in full to the prospective Purchaser within five (5) business days following such notice of termination.

Further, upon any execution of a Purchase Agreement with respect to the Unit between the prospective Purchaser and Sponsor, if any such Unit Reservation Agreement has not previously terminated, then it will be deemed terminated upon or by execution of said Purchase Agreement. The prospective Purchaser, as the Purchaser under such Purchase Agreement, may at its sole option then either (i) obtain return in full of the Unit Reservation Deposit, and separately

pay to Sponsor the Deposit as required under the Purchase Agreement, or (ii) apply the Unit Reservation Deposit in such Escrow Account against the Purchaser's obligation to pay the Deposit under the Purchase Agreement, and with any portion of the Unit Reservation Deposit in excess of the amount of the Deposit to be paid and refunded to the Purchaser within five (5) business days after Purchaser's execution of the Purchase Agreement; in the event the amount of the Unit Reservation Deposit is less than the amount of the Deposit under the Purchase Agreement, the Purchaser will be required to pay such amount upon its execution of the Purchase Agreement, so as to comprise the full Deposit required under the Purchase Agreement, when added to the amount of the Unit Reservation Deposit already held by the Escrow Agent in such Account.

The above is set forth as a summary of certain terms of such Unit Reservation Agreement attached hereto as **Exhibit S**, and with reference made to such **Exhibit S** for the full content and terms thereof.

WITH RESPECT TO UNIT RESERVATION AGREEMENTS, PURCHASERS AND PROSPECTIVE PURCHASERS MUST ALSO TAKE NOTICE OF THE FOLLOWING:

A. As to any requirement by a Purchaser's mortgage lender that a minimum percentage of Units in the Development must have previously been sold to Purchasers or Closed for owner-occupancy as a loan prerequisite, the execution of any number of such Unit Reservation Agreements by Sponsor with prospective Purchasers will not be counted or applied by any lender to satisfaction of any such loan requirement.

B. The amount of the Unit Reservation Deposit, and the initial time frame of any Unit Reservation Agreement entered into by a prospective Purchaser with the Sponsor, will be set and established separately in individual negotiations between the Sponsor and any such prospective Purchaser with whom a Unit Reservation Agreement is executed.

TERMS OF SALE

All areas to be owned by the Association in fee simple will be conveyed by the Sponsor to the Association by warranty deed, with the form of such deed from the Sponsor to the Association attached hereto as **Exhibit B**.

The Sponsor is obligated to repair any damage from a casualty or other cause to the Association property that occurs before the conveyance and transfer of title to such property to the Association. After such transfer of title the Sponsor will make periodic checks of the property conveyed to the Association and correct any defect in construction due to improper workmanship or material substantially at variance with this Offering Plan, provided the Sponsor is notified of or otherwise becomes aware of any such defect within one (1) year from the date of completion of such construction, or twelve (12) months from the date of transfer of title to the first Unit, whichever is later. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. However, in no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements within the Covered Areas, except as required under any letter of credit provided to the Town for maintenance and restoration of buffers and other plantings.

Title to the property conveyed by the Sponsor to the Association will be transferred free and clear of all liens, encumbrances, and title exceptions other than (i) any state of facts shown on the subdivision and site plans attached hereto as **Exhibit D**, including all easements existing or to be conveyed as shown thereon, (ii) those described in the title commitment attached hereto as **Exhibit P**, and in the proposed deed of such property from the Sponsor to the Association attached hereto as **Exhibit B** ("Permitted Encumbrances"), which include a description of any liens, encumbrances, and title exceptions that may affect the Association property after such conveyance.

The Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens and such other documents as required by law will be recorded in the Monroe County Clerk's Office prior to the First Closing in accordance with the disclosures contained herein.

The Plan, as well as all amendments thereto duly filed by Sponsor, are incorporated into each Agreement by reference. Any conflict between the Agreement and the Plan will be resolved in favor of the Plan. The execution and submission of an Agreement constitutes the Purchaser's acceptance of the Plan and Purchaser's agreement to be bound by the terms of the Plan, including all duly filed amendments thereto. Subject to the following, any such amendments shall not excuse the Purchaser from performing the Purchaser's obligations, nor shall they entitle the Purchaser to any offset or credit against the performance of the Purchaser's obligations, nor shall they entitle the Purchaser to any offset of credit against the purchase price for the Unit. Any such amendments may be made by Sponsor without the Purchaser's consent or approval. However, Sponsor may not revise the Plan so as to adversely affect the Sponsor's Two Year Completion Obligation as pertains to an outstanding Purchase Agreement for a Unit.

All substantive or material revisions will be contained in a duly filed amendment to the Plan. In the case of a material revision adversely affecting in any material respect the rights, obligations or liabilities of Sponsor, in addition to and cumulative of specific performance and all other rights and remedies to which a Purchaser may be entitled with respect to any breach of the Sponsor's Two Year Completion Obligation, such Purchasers will be given the right to rescind their Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after the presentation of the amendment.

Nothing contained in the Plan, the Agreement, or any modifications thereto, shall be deemed to constitute a waiver of the Purchaser's rights or an abrogation of Sponsor's obligations under Article 23-A of the GBL.

In no event will the Sponsor be responsible for any condition represented by or resulting from any of the following which is not covered by the Statutory Warranty or the subject Purchase Agreement, or which Applicable Law does not require the Sponsor to address or correct: (i) normal wear and tear or natural deterioration, or the normal settling or shifting of the Building; (ii) defects of an insubstantial nature, such as, without limitation thereto, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, or bath and kitchen tile grouting, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Unit; (iv) variations in any floor levels; (v) ceiling imperfections; (vi) minor painting defects; (vii) air infiltration from windows; (viii) normal plumbing system, heating system and air conditioning system noises; (ix) normal floor noises and creaking; (x) carpet or floor discoloring or stretching, (xi) variations in width, length or tone of wood floor strips, and/or normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring; (xiii) cracks or variations in tone, finish or color of any marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate surfaces; (xiv) salting or color variation in exterior colored mortar and deep colored brick; (xv) ponding or controlled drainage on the roof surface; or (xvi) cracks in any pressure treated wood or redwood used or intended for use outside of the Unit. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces.

Each Purchaser is responsible for maintaining all appliances, equipment, fixtures, floors, walls, doors and windows, materials and finishes in the Unit in accordance with the manufacturer's or contractor's recommendations or specifications (whether or not the

manufacturer or contractor has warranted its work and materials) and in accordance with any conditions to a warranty by the manufacturer or contractor, and Sponsor shall have no liability after the Closing of sale of a Unit for any defects in appliances, equipment, fixtures, floors, walls, doors and windows, materials and finishes that result from the failure of the Purchaser to so maintain any appliances, equipment, fixtures, floors, walls, doors and windows, materials and finishes.

Each Purchaser of a Unit that is not occupied by such Purchaser shall be given reasonable access to such Unit prior to the Closing for the limited purpose of inspection and taking measurements. Any Purchaser permitted such access shall release Sponsor and its employees, agents, contractors, subcontractors, and materialmen from any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from any injuries or death sustained by any person, or damage to any property resulting from such access, except to the limited extent such injury, death or damage results from the negligence of Sponsor, its employees, agents, contractors, subcontractors, or materialmen. In addition, any such Purchaser shall defend, indemnify and hold Sponsor and its agents, employees, contractors, subcontractors, and materialmen harmless from and against any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from such access, including without limitation reasonable attorneys' fees and expenses.

Each Unit and the appliances, equipment, fixtures and personal property contained therein is being sold and delivered in accordance with the terms described in the Purchase Agreement and Plan, at the time of Closing of title to such Unit, unless Sponsor and the Purchaser of a Unit otherwise agree with respect to such Unit. Sponsor will maintain each Unit, and the fixtures and personalty contained therein, up to the time of the Closing of the Unit in question to the Purchaser, and with respect to the Clubhouse Building, up to the time of conveyance of the Clubhouse Building to the Association.

If before Closing thereof, a Unit is damaged by fire or other casualty, the Sponsor must repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, and as otherwise necessary to proceed with Closing, and the Agreement shall continue in full force and effect. The Purchaser shall not have the right to terminate the Purchase Agreement as a result of such casualty, or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement, provided that the Sponsor must complete the same so as to comply with the Sponsor's Two Year Completion Obligation.

Purchasers are prohibited from listing their Units for resale or otherwise advertising, promoting or publicizing the availability of their Units for sale from the time they sign the Agreement until the Closing of title to the Unit. Any such listing, advertising, promoting or publicizing shall constitute a default under the Agreement.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The following are certain rights and obligations of the Sponsor with respect to this Offering Plan and with respect to the Association. Disclaimer or limitations of liability on the part of the Sponsor or its principals for failure to perform obligations set forth in the Offering Plan are not permitted.

The Sponsor will defend any suits or proceedings arising out of Sponsor's acts or omissions and will indemnify the Association's Board of Directors and all Unit owners against any such acts or omissions.

All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date of sale of any Unit, will survive delivery of the deed of such unit to the purchaser.

The Sponsor is not obligated to build or sell any specific minimum number of Units within the Development, other than the fifteen percent (15%) minimum of Units under each Condominium Offering Plan as required to declare each such Condominium Offering Plan effective.

The Sponsor has commenced construction of the improvements within the Development listed under (a) and (b) below, and will subsequently commence construction of the improvements within the Development listed under (c) below; the Sponsor estimates that it will complete such improvements within the corresponding time frames set forth below, and will in any event complete such improvements no later than the expiration of the period of two (2) years commencing upon the execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development:

(a) construction of the full extent of Reserve View Boulevard, both the section thereof to provide ingress and egress to South Clinton Avenue and which will be dedicated to the Town, and the remaining extent thereof to comprise a private roadway and to be a Covered Area maintained by the Association (See Association's Declaration, **Exhibit G**), provided that the top courses of both said portions of Reserve View Boulevard will not be installed until substantial completion of the Development, in accordance with standard construction and development practices; and

(b) construction of the full extent of the private roadway to be known as Watermark Landing West, and the emergency vehicle ingress and egress drive and related improvements to a segment of the Erie Canal Pathway, which together provide alternative emergency vehicle ingress and egress to South Clinton Avenue, also to be a Covered Area maintained by the Association, provided that the top courses will not be installed until substantial completion of the Development, in accordance with standard construction and development practices (See Association's Declaration, **Exhibit G**); and

(c) completion of the build-out, finishing and equipping of the Clubhouse Building, and procuring of a Certificate of Occupancy therefor from the Town of Brighton.

The Sponsor has subsequently completed construction of the initial roadways and related improvements described in (a) and (b) immediately preceding. The Sponsor also currently plans to commence construction of the Clubhouse Building, in November 2013, and to complete the build-out, finishing, and equipping of the Clubhouse Building, and to obtain a Certificate of Occupancy therefor from the Town of Brighton, by the projected date of October 2015, but in any event no later than the expiration of the period of two (2) years commencing upon the execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development.

With respect to construction of the remaining roadways within Section I of the Development, the Sponsor's obligations are as follows:

(i) Prior to the Closing of the first Unit within Glenville Condominium One, the Sponsor will complete construction of that portion within Section I of the private roadway to be known as Bretlyn Circle, and any associated curbing, medians and islands.

(ii) Prior to the Closing of the first Unit within the Ft. Plain Single Family Dwelling Unit Neighborhood, the Sponsor will complete construction (but not dedication) of the roadway to be dedicated to the Town and to be known as St. Johnsville Trail, and any associated curbing, medians and islands.

(iii) Prior to the Closing of the first Unit within the Waterford Single Family Dwelling Unit Neighborhood, the Sponsor will complete construction (but not dedication) of the roadway to be dedicated to the Town and known as Pendleton Circle, and any associated curbing, medians and islands.

(iv) Prior to the closing of sale of the first Unit within Watermark Brownstones One, the Sponsor will complete construction of that portion within Section I of the private roadway to be known as Watermark Landing East, and any associated curbing, medians and islands.

However, in accordance with good and customary construction practices, the above roadways to be known as Bretlyn Circle, St. Johnsville Trail, Pendleton Circle, and Watermark Landing East, will not have the top paving course applied thereto until the construction and sale of all Units within the associated and adjoining neighborhood(s) is substantially complete.

The Sponsor will construct and install all green areas and walkways, and stormwater ponds and related facilities within Section I of the Development, at a time or times and in a manner and sequence in accordance with good and customary construction practice, and in accordance with the requirements of the Town of Brighton. The Sponsor will also comply with all Town of Brighton requirements as to the stage of Section I of the Development within which buffer and other landscape plantings, and pedestrian pathways and trails are to be completed.

If the Sponsor proceeds with subsequent Section II of the Development, it will proceed likewise with construction and installation of all such green areas, walkways and stormwater facilities within any such subsequent Sections.

All Development signage for a Development neighborhood will be completed and installed before the first closing of sale of a Unit in the associated neighborhood.

The Sponsor will substantially complete construction of all streets, sidewalks, and facilities serving each Unit, and any other facilities that are vital to the health and safety of the Owners of such Unit, prior to Closing on the Unit. Sponsor will obtain a partial certificate of occupancy or certificate of occupancy from the Town of Brighton for each Unit, a New York Board of Fire Underwriters Certificate, and any other certificate or permit required by law for the Unit, and will, at its own cost, perform any work and supply any materials necessary to obtain such certificates and permits. The acceptance by a Purchaser of delivery of the deed to the Unit Purchased shall be deemed an acknowledgment by Purchaser that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Purchase Agreement and Plan, except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR Part 22, and in General Business Law Section 352-e, to survive delivery of the deed to the Unit. The Purchaser of a Unit shall inspect such Unit prior to the Closing, and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Agreement and Plan, provided that if Purchaser finds that the Unit has not been completed by Sponsor as described in the Agreement and Plan, then so long as a Partial Certificate of Occupancy or Certificate of Occupancy has issued for the Unit, and the temporary noncompletion of such items does not materially interfere with Purchaser's beneficial occupancy of the Unit, Sponsor and the Purchaser will agree to include on the inspection statement a list of incomplete work to be completed in the Unit by Sponsor following the Closing, with the aforesaid inspection statement to include a firm and final date for Sponsor's completion of the same within a reasonable period after Closing, and which firm and final date may in no event be later than the second annual anniversary of the date of execution by Purchaser of the Purchase Agreement for the Unit. The Purchaser will proceed with Closing notwithstanding the fact the Partial Certificate of Occupancy or Certificate of Occupancy for the Unit as issued prior to Closing is conditional upon or otherwise lists additional exterior work to be completed of a weather-sensitive nature and the temporary non-completion of which does not materially interfere with Purchaser's beneficial occupancy of the Unit, such as exterior painting, lawn, landscaping, or paving work, provided that the aforesaid inspection statement includes a firm and final date for Sponsor's completion of the same within a reasonable period after Closing based upon weather conditions, and which firm and final date may in no event be later than the second annual anniversary of the date of execution by Purchaser of the Purchase Agreement for the Unit. Sponsor shall have no obligation to complete any Work within the Unit after Closing which is not specifically designated on such inspection statement, except for Work necessary to address any matter under the Statutory Warranty.

The Sponsor will be providing the Town of Brighton with letter(s) of credit to the extent required by the Town to secure the completion of certain subdivision landscaping, stormwater

mitigation, erosion control, and infrastructure, principally roadways, and stormwater and sanitary sewer facilities; no letters of credit will be provided by the Sponsor with respect to the completion of installation of the Development's water main and supply system, for the installation and connection of gas, electric, telephone and other communication facilities, or for the construction of any building or structures. While there are no financial or other limitations on the Sponsor's liability under law or equity for failure to perform any of its obligations under this Offering Plan or any Purchase Agreement, there are and will be no other bonds or security posted or established as collateral or security for the completion by Sponsor of any of such obligations, which is as a result dependent upon the continued financial viability of the Sponsor; the ability of Sponsor to perform such obligations will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. In the event of Sponsor's insolvency, it may not be able to perform such obligations, including, but not limited to, payment of Assessments for Unsold Units or any Deficiency Contribution, and correction of any defects that are under warranty. In such event monthly Assessments may be increased to meet the Common Expenses of the Association.

Notwithstanding anything else in this Offering Plan, the Sponsor has an unconditional obligation (the "Sponsor's Two Year Completion Obligation") (i) to complete each Single Family Dwelling Unit in accordance with the Purchase Agreement and the Unit Plans as referenced in the Purchase Agreement, and to obtain a certificate of occupancy for the Unit from the Town of Brighton, no later than the second annual anniversary of the date of execution by the Purchaser of the subject Purchase Agreement for the Unit, and (ii) to complete the Clubhouse Building in accordance with this Offering and to obtain a certificate of occupancy for the Clubhouse Building from the Town of Brighton, no later than the second annual anniversary of the date of execution by the Purchaser of the first Purchase Agreement for construction and sale of a Unit within the Development. The Sponsor's Two Year Completion Obligation is subject only to the defense of impossibility of performance. An individual Purchase Agreement for construction and sale of a Unit may nevertheless contain a date for completion of and Closing of the Unit ("Interim Contract Completion Date") in advance of the date represented by the second annual anniversary of the date of Purchaser's signature of the Purchase Agreement, and which later date marks the Sponsor's Two Year Completion Obligation. Any obligation of the Sponsor to effect completion of, procure issuance of a certificate of occupancy for, and/or to Close on any such Unit, on or before any such Interim Contract Completion Date, is subject not only to impossibility of performance, but also to extension(s) corresponding to reasonable periods of delay resulting from force majeure, weather, material shortages, strikes, labor disputes, delays in inspections and reports thereon, Acts of God, war and/or terrorism, governmental actions, rulings or regulations, or any other cause of delay beyond the Sponsor's reasonable control; at the same time, as distinct from any such Interim Contract Completion Date, the Sponsor's Two Year Completion Obligation is not and will not be conditioned on, subject to, or in any way affected thereby, and is absolute and unconditional, excepting only impossibility of performance.

If before Closing thereof, a Unit is damaged by fire or other casualty, the Sponsor must repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, and as otherwise necessary to proceed with

Closing, and the Agreement shall continue in full force and effect. The Purchaser shall not have the right to terminate the Purchase Agreement as a result of such casualty, or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement, provided that the Sponsor must complete the same so as to comply with the Sponsor's Two Year Completion Obligation.

The Sponsor reserves the unconditional right and discretion to rent or lease, rather than sell, any Unsold Units, and is not limiting its right to rent or lease, rather than sell, based on any objective articulable criteria. The Sponsor may from time to time freely rent any Unsold Units without any limitation whatsoever, and without the consent of the Board of Directors or any other Unit Owner. Because Sponsor is not limiting the conditions under which it will rent or lease rather than sell Units, the Sponsor makes no commitment to sell any specific minimum number of Units, other than the fifteen percent (15%) minimum of Units under each Condominium Offering Plan as required to declare each such Condominium Offering Plan effective, and Owner-occupants may never gain effective control and management of the Association. Sponsor makes no representation that it will endeavor in good faith to sell Units rather than to rent or lease Units.

Subject to market conditions, including but not limited to local, national, and global economic conditions over which the Sponsor has no control:

(i) the approximate, nonbinding date by which the Sponsor will determine whether to proceed with all remaining contemplated Condominium Offering phases within Section I of the Development (and with each such Condominium Offering being subject to a separate effectiveness requirement as provided for in such Offering and the Attorney General's regulations), as well as to proceed with development of and sales within both the Ft. Plain and/or Waterford Single Family Dwelling Unit neighborhoods, if development and sales within either such Single Family Dwelling Unit neighborhood has not previously commenced, is between December 1, 2015 and December 1, 2016. The Sponsor's said determination at any point in time as to whether to so proceed further in Section I of the Development will depend upon the success and profitability of sales to such point, and general economic and market conditions;

(ii) dependent upon (i) immediately preceding, the approximate, nonbinding date by which the Sponsor projects completion of closing of sale of all 126 units being offered for sale in Section I of the Development is approximately five (5) years, ie, by December 1, 2018;

(iii) the approximate, nonbinding date by which the Sponsor will determine whether to proceed with the remaining contemplated Condominium Offering phases planned to comprise Section II of the Development, being Glenville Condominium Two, the Remaining Brownstones Offering, the Watermark Townhomes Condominium Offering, the Pendleton Offering, the Kingston Offering, the Champlain Offering, and the Black Rock Offering (and with each such Condominium Offering being subject to a separate effectiveness requirement as provided for in such Condominium Offering and the Attorney General's regulations), as well as to proceed with development of and sales within the Brewerton Single Family Dwelling Unit neighborhood, is between December 1, 2016 and December 1, 2017, dependent upon (i) and (ii) immediately

preceding. The Sponsor's determination at any point in time as to whether to proceed with Section II of the Development or any further Condominium Offering or Single Family Dwelling Unit phase being offered for sale therein will depend upon the success and profitability of sales to such point, and general economic and market conditions.

Because of a variety of circumstances, including circumstances beyond the Sponsor's control, such as market acceptance of the Development, the availability of financing, and the general condition of the economy, the Sponsor gives no assurance that any minimum number of Units within the Development will be completed, and the approvals for the Development from the Town of Brighton do not require or mandate the construction and/or sale of any minimum number of Units. The Sponsor will construct Units as and when Purchasers enter into binding Purchase Agreements; the Sponsor has not established a fixed or predetermined timetable, with the above being no more than estimates, and with the Sponsor providing absolutely no guarantee, warranty, or assurance thereof. In the event the Development proceeds through all three contemplated Sections, a maximum of between three hundred twenty four (324) and three hundred twenty seven (327) Units will be constructed and sold.

The Sponsor shall be responsible for completing construction of all of the areas and property to be owned and/or maintained by the Association in Section I of the Development as set forth in the plans and specifications included within or identified within this Offering Plan and any amendments hereto. The Sponsor reserves the right to make modifications in design and to substitute equipment or materials of equal or better design or quality. The Sponsor agrees to pay for construction and installation of all such property and improvements, and agrees to cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

The Sponsor shall record the Declaration, and convey to the Association all property within Section I of the Development of which the Association is to hold fee simple ownership, and convey easements to the Association encompassing all property not to be owned by the Association, but which the Association is obligated to operate and maintain, as stated above, prior to the First Closing; however, as set forth above, the Clubhouse Building may not be completed and a Certificate of Occupancy may not have issued therefor as of such date of conveyance to the Association, but with the Sponsor remaining obligated to effect and complete the same pursuant to the Sponsor's Two Year Completion Obligation; all such property will be released from the provisions of any land or construction loan mortgages (with the possible exception of the Clubhouse Building as aforesaid, and with such release to then be accomplished within and as a part of the Sponsor's Two Year Completion Obligation), or such mortgages will be rendered subordinate to the Association's aforesaid easement rights, prior to the First Closing. Title to the property to be owned by the Association shall be insured at the First Closing by a title company authorized to do business in New York State. The amount of such title insurance coverage for the Association property shall be an amount equal to the "upon completion" fair market value thereof as established by a licensed broker or appraiser.

The Sponsor has filed all subdivision maps for Section I of the Development in the office of the Monroe County Clerk, which maps show the tax parcels upon which the Units are or will be located.

On August 30, 2012, the Sponsor closed on construction financing from Northwest Savings Bank for construction and improvement of the Clubhouse Building and Property.

No letters of credit, bond or other security has been or will be posted or established to serve as collateral or security for the actual fulfillment and completion of the Sponsor's obligations, including Sponsor's obligations to complete construction of any property owned and to be maintained by the Association, with the exception of letters of credit as are required to be furnished by the Town of Brighton to secure the completion of certain subdivision landscaping, stormwater mitigation, erosion control, and infrastructure, principally roadways, and stormwater, and sanitary sewer facilities. Accordingly, the Sponsor's ability to meet such obligations could depend on its financial condition at the time it is called upon to perform. If the construction of a right-of-way and/or sewers and/or waterlines or any one of them within any Association property has not been completed prior to the conveyance of such area to the Association, the Sponsor shall post a bond or escrow funds or provide other adequate security in an amount to be determined by a licensed engineer, which amount shall not be less than the amount required to complete such construction to the required specifications, provided that such the bond or escrow requirement will be satisfied by the separate Letters of Credit held by the Town of Brighton to secure completion of such work.

Upon completion of each Section of the Development, the Sponsor agrees to deliver to the Board of Directors a set of "as-built" plans of all improvements to Association property therein, including specifications of all roads, sewer, and water line facilities, with a representation that such construction is in substantial compliance with the disclosures in this Offering Plan, as may be amended. If the Sponsor is unable to make such representation, this Plan must be amended and rescission must be offered to all purchasers and members, without prejudice to or lessening of the Sponsor's Two Year Completion Obligation.

While the Sponsor is in control of the Board of Directors, Sponsor shall procure and maintain fire and casualty insurance for the Association property pursuant to an agreed amount replacement cost policy, and liability insurance for the Association and its property, as reflected in the Budget attached to this Plan as **Schedule A**.

In the event of the dissolution or liquidation of Sponsor, or the transfer of three (3) or more Units to a purchaser who is not purchasing for occupancy by the purchaser or one (1) or more members of his or her immediate family, the principal of the Sponsor will provide financially responsible entities or individuals who at the time of engaging in sales activity will assume the status and all of the obligations of the Sponsor for those transferred Units under the Offering Plan, and applicable laws or regulations. If the original Sponsor is dissolved or liquidated, the principal of said Sponsor will guarantee the obligations of the new Sponsor.

As long as Sponsor has Unsold Units which are offered for sale pursuant to this Offering Plan, Sponsor shall amend the Plan whenever there is a material change in the **Schedule A** budget or when one (1) year has passed since the Budget was last updated. The prior year's certified financial statements for the Association will be included even if Sponsor assumes

responsibility for all Association operating expenses. The financial statements will be submitted within three (3) months after the end of the latest fiscal year of operation of the Association.

At or prior to the transfer of the Association property to the Association, the Sponsor will assign to the Association any manufacturer's warranties with respect to fixtures, equipment, appliances, or other property installed in or comprising Association property.

The Sponsor retains for itself and its contractors, subcontractors, construction managers, suppliers, and materialmen, the right of access, ingress, and egress over all Association property for purposes of completing construction and/or improvement of any and all Units within the Development, and all Association property, and in the course of doing so, to interfere as reasonably necessary with use thereof by Association Members. If the Sponsor causes damage to any Unit or to any Association property as a result, the Sponsor shall be obligated to repair any damages in a good and workmanlike manner, and the Sponsor may substitute equipment or materials of equal or better quality or design in such repairs.

Any mortgages or liens remaining on the Association property after the First Closing shall be subordinate to the Declaration.

After Association Assessments have been levied on one or more Owners who have Closed title to their Units, and until the expiration of the Initial Control Period (as defined below), the Sponsor's obligation for Association Assessments for Unsold Units shall be not less than an amount as calculated in accordance with the following paragraph:

The Sponsor shall be obligated only for the difference ("Deficiency Contribution") between (i) actual Association expenses, and with such expenses including reserves applicable to completed improvements as provided for in the Association's budget only to the limited extent following, and (ii) the total of all Association Assessments levied on Owners who have Closed on purchase of their Units, as projected in **Schedule A** to this Offering Plan and payable to the Association on a monthly basis ("Deficiency Contribution"). The Sponsor shall pay reserves corresponding to Units Owned by the Sponsor only from and after the issuance of a Certificate of Occupancy for said Units. The Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units, and will fund its obligations through institutional financing and through income from projected sales and ongoing operations, together with additional funds of the Sponsor.

Private roads to be conveyed to the Association will not be constructed in accordance with local government specifications for public roads.

The Sponsor does not guarantee the continued health or vigor of any plants, trees, shrubbery or lawn installed within any property within the Development, including that owned and/or maintained by the Association, except as required under any letter of credit provided to the Town for maintenance and restoration of buffers and other plantings.

All dimensions, measurements, area calculations, specifications, and other quantifications of any type or nature whatsoever (referred to as "Standards" for purposes of this paragraph) under this Plan and/or any Purchase Agreement as relate to the installation, construction and finishing of any Unit or Covered Areas (referred to as "Improvements" for purposes of this paragraph), including, but not limited to, any such as contained within the Engineer's and Architect's Description in Part II of this Plan, may only be applied using a standard of reasonableness, and with allowance for reasonable tolerances, when evaluating or measuring the conformity thereto and compliance therewith of any such Improvements when as-built and constructed, with the Sponsor making no representation, warranty, guarantee, or other undertaking that any Improvement or Improvements, when as-built and constructed, will precisely or strictly confirm to or comply with any such Standards, as opposed to conforming and complying using a standard of reasonableness, and with allowance for reasonable tolerances.

CONTROL BY THE SPONSOR

The Sponsor and all Unit Owners shall automatically be deemed to have become Members of the Association. There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members, with the Sponsor to be a Class B Member. Until the Closing of all Units Owned by Sponsor, including any and all additional Units which may be brought within the scheme of the Declaration pursuant to Sponsor's right under Article II of the Declaration, or until fifteen (15) years following the recording of the Declaration, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. At the end of such period ("Initial Control Period") and thereafter, the Sponsor's Class B Membership shall be converted into and be a Class A Membership, and all Members shall thereafter vote equally, i.e., one (1) Member, one (1) vote. At the first annual meeting of Owners following the conversion of Sponsor's Class B Membership to Class A Membership, the existing Board of Directors will resign, with the effect of the Sponsor relinquishing control of the Board, and the Members shall elect a new Board of Directors, with a meeting to be held to elect such new Board members within thirty (30) days after the Initial Control Period.

During the Initial Control Period, the Sponsor may not exercise veto power over expenses described in the Budget attached hereto as **Exhibit A**, or over expenses required:

- (i) To comply with applicable laws or regulations;
- (ii) To remedy any notice of violation; or
- (iii) To remedy any work order by an insurer.

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

During the Initial Control Period: (i) no mortgage liens will be placed on the Association property without the consent of at least fifty-one percent (51%) of the Unit Owners, excluding Sponsor or Sponsor's nominees; and (ii) certified financial statements will be provided each year to all Association members.

THE ASSOCIATION

The Reserve Homeowner's Association, Inc.

The Reserve Association Inc. was formed on December 20, 2011 pursuant to the Not-For-Profit Corporation Law of the State of New York. A Certificate of Incorporation of the Association is set forth as **Exhibit H**.

The Sponsor must record in the Monroe County Clerk's Office the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter the "Declaration") set forth as **Exhibit G**, prior to the First Closing. The Declaration provides the framework and procedures by which the Association will maintain and administer the lands and facilities comprising the Association property following conveyance of the same to it by the Sponsor, as well as to maintain other Covered Areas within the Development to which the Association will not acquire ownership. The Declaration shall remain in full force and effect with respect to the Property, Unit Owners, and Units, and shall run with the land, permanently and without expiration date, and be enforceable by the Sponsor, its successors and assigns, the Association, and the Owner of any Unit. With respect to the legal enforceability of the provisions of the Declaration, see the opinion of Sponsor's Counsel, Stephen E. Hall, Esq., set forth in this Offering Plan. The By-Laws which shall govern the operation of the Association are set forth as **Exhibit I**.

By accepting a deed or other instrument conveying any interest in a Unit, the grantee covenants to observe, perform and be bound by the provisions of the Declaration, including the personal responsibility for payment of all charges and Assessments which may become liens during the time such person holds an interest in said Unit.

There will be no minimum number of Closed Units to be part of the Association. The maximum number of Units that will be part of the Association, if the Development progresses through both Sections I and II in their entirety as currently planned and set forth below, will be three hundred twenty seven (327) Units. There are no time limits within which the Sponsor must determine whether to include additional Units up to said maximum of three hundred twenty seven (327), and/or to complete, or to determine whether it will complete, all contemplated construction and sales within the Development.

The Members of the Association will be comprised of the Owners of all housing Units within the Development, representing three distinct types of single family residences. The current overall concept for the Development is as follows:

- (i) The initial Section I of the Development is planned to include forty (40) single Family Dwelling Units, comprising two (2) phases, the Ft. Plain (21 Units) and Waterford (19 Units) neighborhoods. The Sponsor currently plans to subsequently progress the Development through a subsequent Section II

including a phase comprised of the Brewerton single family neighborhood, with Brewerton currently planned to contain an additional twenty-six (26) such Units.

- (iv) Section I of the Development is planned to include two (2) offerings of Townhome Units, being (i) a phase comprising a condominium offering of eight (8) buildings containing twenty four (24) Units and representing Glenville Condominium One, and (ii) an additional phase comprising a separate condominium offering of two (2) buildings containing a total of six (6) such Units and representing Watermark Brownstones One. The Sponsor currently plans to subsequently progress the Development through a subsequent Section II including (i) a phase comprising a condominium offering of seven (7) buildings containing a total of twenty two (22) Townhome Units and representing the remainder of the Glenville neighborhood, (ii) a phase or phases comprising a condominium offering or offerings aggregating five (5) buildings and containing fourteen (14) Townhome Units, representing the remainder of the Watermark Brownstones neighborhood, and (iii) a phase comprising a condominium offering of one (1) building containing six (6) Townhome Units, comprising the Watermark Townhomes Condominium .
- (v) Section I of the Development is planned to include two (2) offerings or phases of Loft Units, with each comprising a five (5) story building containing twenty eight (28) Loft Units each, and known, respectively, as the Rexford and Frankfort Condominiums. The Sponsor currently plans to further progress the Development through a subsequent Section II including four (4) offerings and phases of Loft Units, each being a five (5) story building, known as the Pendleton and Kingston Condominiums, and containing thirty four (34) and thirty three (33) Loft Units, respectively, and known as the Champlain and Black Rock Condominiums, and containing 33 and 35 loft Units, respectively.

The Association has been formed to preserve the values and amenities of all the Units within the Development, and of the Covered Areas to be owned and/or maintained by the Association, to maintain and administer such Covered Areas, to provide uniform care and maintenance for the same, to administer and enforce certain protective covenants and restrictions set forth in the Declaration, and to collect and disburse Assessments, all as more specifically set forth in the Declaration and the Association's By-Laws.

The Covered Areas to be owned and/or maintained by the Association will specifically be as follows:

1. The Sponsor will convey to the Association fee simple title to the following areas in Section I of the Development, with the Association to own, operate, and maintain the same:

a. the Clubhouse Building and Property, which is in turn comprised of:

(i) all interior areas, facilities, fixtures, equipment, and furnishings within the Clubhouse Building, as referenced and described in the Description of Property and Specifications in Part II of this Offering. All such fixtures, equipment, and furnishings as comprise personalty will be conveyed from the Sponsor to the Association by bill of sale. The interior amenities and facilities are comprised of the following:

1. Sauna. Electric stainless steel sauna oven with lava rocks, wall and ceiling paneling, cedar benches, and quarry floor tile; room capacity is approximately 6 persons at one time.
2. Steam bath. Electric steam unit in separate closet next to steam bath, cold water shower fixture, ceramic tile on all walls, built in benches, and porcelain floor tile; room capacity is approximately 6 persons at one time.
3. Spa/Lounge Area with 10' diameter Whirlpool, top flush to floor with steps down and ADA compliant lift, mosaic tile throughout on floor and wall, suspended acoustical tile ceiling; connected is a massage room, with plastic laminate cabinetry and counter. Room capacity is approximately 12 persons at one time.
4. Gentlemen's Locker Room. 20 individual wood lockers, (2) shower compartments, (1) toilet, (1) urinal, and dressing area with benches. Porcelain floor tile throughout and ceramic tile on walls throughout and ceramic tile on shower ceilings, and suspended acoustical tile ceiling elsewhere. Room capacity is approximately 15 persons at one time.
5. Ladies Locker Room. 20 individual wood lockers, (2) shower compartments, (2) toilets, and dressing area with benches. Porcelain floor tile throughout and ceramic tile on walls throughout, ceramic tile on shower ceilings, suspended acoustical tile ceiling elsewhere. Room capacity is approximately 15 persons at one time.
6. Fitness Room. Aerobic and strength training equipment, athletic rubber flooring, with a connected Pilates Room with a full length mirror wall, athletic rubber flooring. Room capacity is approximately 20 persons at one time.
7. Movie Theater. Fixed fabric seating for approximately 28 persons, 8'x12' screen, carpet, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling.
8. Banquet Room. Carpet, wood base, wood chair rail, painted walls, and drywall soffits with raised suspended acoustical tile ceiling, with tables and chairs. Room capacity is approximately 50 persons at one time.
9. Harvard room. Hardwood flooring, wood fireplace with stone hearth and surround, wood panel wainscot, painted walls, drywall soffits with

raised suspended acoustical tile ceiling, with chairs and card table. Room capacity is approximately 30 persons at one time.

10. Board room. Carpet, wood wainscot, wood cabinetry, granite counter, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling, with conference table and chairs. Room capacity is approximately 18-30 persons at one time.

11. Offices. Carpet, carpet base, painted walls, suspended acoustical tile ceiling. Room capacity is approximately 5 persons each.

12. Caterer's kitchen. Quarry floor tile, FRP as a typical wall finish, food storage and preparation equipment is stainless steel- commercial grade. Equipment will include a refrigerator, freezer, oven, stove, ice maker, sinks and prep tables.

13. Ladies Toilet Room. (2) toilets, granite counter with (2) sinks and full length mirror behind, vinyl wall covering, drywall soffits with raised suspended acoustical tile ceiling.

14. Gentlemen's Toilet Room. (1) toilet and (1) urinal, granite counter with (2) sinks and full length mirror behind, vinyl wall covering, drywall soffits with raised suspended acoustical tile ceiling.

15. Main floor Lobby. Porcelain floor tile with "Reserve" logo in center, marble base, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling. Reception desk to be finished in wood with a granite top.

16. Lower floor Lobby. Porcelain floor tile and base, vinyl wall covering, and drywall soffits with raised suspended acoustical tile.

17. Office for the Association on the Building's upper floor. Carpet, carpet base, painted walls, suspended acoustical tile ceiling; two (2) receptionist's desks, lobby chairs for visitors, meeting room conference table and chairs; and office desks and chairs.

(ii) all areas within Lot C-1 of the Development which are exterior of the Clubhouse Building, as shown on **Exhibit D**, being comprised of (a) all exterior amenities located within the grounds immediately surrounding the Clubhouse Building, including the exterior pool and spa with surrounding terraces, pool and deck furniture, fire pit, grill/bar area, and planter landscaping installations, together with walkways, drive-lanes, front entrance driveway portico shelter, lawn area and all landscaping, and any fencing, walls, and gates, (b) the private roadways comprising the entirety of the private drive segment of Reserve View Boulevard and associated sidewalk, medians and islands, and a portion of Watermark Landing West and associated sidewalks, and all on-street parking spaces contained therein and (c) the emergency vehicle access drive for the Development extending from the southerly terminus of Watermark Landing West to the southerly boundary line of the Development, and (d) landscaped areas, green areas and associated trails, and stormwater facilities and areas.

The exterior swimming pool will be located outside the south side of the Clubhouse Building at approximately the same elevation as the lower level of the Building. The spa will be positioned in the northeastern portion of the pool deck, adjacent to the shallow end of the pool. The pool will be approximately 24 feet wide and 42 feet long. It will range in depth from approximately 3 feet in the shallow end to approximately 5 feet in the deep end. The pool will accommodate approximately 58 patrons assuming about 880 square feet of shallow water area; this count is based on New York State Health Department regulations that require 15 square feet of shallow water (5ft. deep or less) per patron. The spa will be approximately 9 feet wide and 12 feet long, with a maximum depth of approximately 3 feet. The basic surface finish of the pool and spa will be marcite plaster or an equally durable pool finish material. The pool will have ceramic tile installed at the waterline, on the leading edge of steps and elsewhere as required by code. The spa will also include tile at the waterline, on bench seating, the leading edge of steps, and elsewhere as required by code. The pool deck will be constructed of scored concrete pavement with accents of ornamental pavers. Ornamental metal fencing and/or masonry walls will fully enclose the entire pool area in accordance with all applicable codes. The enclosure will be a minimum of 48 inches high. Access gates will be self-closing and self-latching.

- b. The entirety of the area within the Development designated as HOA-4, and that portion of the area within Section I of the Development designated as HOA-1, as shown on **Exhibit D**, comprising additional landscaped areas, green areas and associated trails, and stormwater facilities and areas.
- c. all Development signage and lighting thereof ("Development Signage"), to be conveyed via bill of sale from the Sponsor to the Association.
- d. any irrigation systems, together with associated piping and components, as installed by the Sponsor in the initial construction or improvement of any areas throughout the Development.

The Sponsor will proceed with completion of the build-out, finishing, and equipping of the Clubhouse Building and Property, and will complete such improvements no later than the expiration of the period of two (2) years commencing upon the execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development, but with the Sponsor reserving the right (but having no obligation) to commence the construction of any or all of such improvements, or any other improvements within the Development, prior to the execution of such first Purchase Agreement. The Sponsor reserves the right to convey any or all of the areas and facilities to the Association prior to the completion of the Clubhouse Building, or the completion of improvements within or to such areas.

2. While the Association will not acquire ownership of the same, so as to provide, as aforesaid, for (1) uniformity in the quality of associated services, maintenance, and/or repair throughout the Development, (2) to obtain economies of scale in contractor and vendor costs, and (3) to avoid fragmented or conflicted administration and operation, the Sponsor will also be responsible for operation, maintenance, repair, and replacement of the following areas, facilities, and amenities and indicated:

a. Within Lot L1 of the Development as shown on **Exhibit D**, all Common Elements within Rexford Condominium which are exterior of such Condominium building, being comprised of (i) all exterior sidewalks, drives, lawn areas and landscaping (as limited to that originally installed by the Sponsor), and any fencing, walls, and gates, and (ii) the private roadway comprising a portion of Watermark Landing West and all on-street parking spaces contained therein.

b. Within Lot L2 of the Development as shown on **Exhibit D**, all Common Elements within Frankfort Condominium which are exterior of such Condominium building, being comprised of (i) all exterior sidewalks, drives, lawn areas and landscaping (as limited to that originally installed by the Sponsor), and any fencing, walls, and gates, and (ii) the private roadway comprising a portion of Watermark Landing West and all on-street parking spaces contained therein.

c. That portion of the Common Elements and Limited Common Elements associated with Glenville Condominium One which are exterior of the Townhome Buildings and are comprised of (i) all Unit Limited Common Elements comprised of exterior yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing thereof, and (ii) the private roadway comprising the segment of Bretlyn Circle within Glenville Condominium One.

d. That portion of the Common Elements and Limited Common Elements associated with the Watermark Brownstones One which are exterior of the Townhome Buildings, and are comprised of (i) all Unit Limited Common Elements comprised of exterior yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing, and (ii) the private roadway comprising the segment of Watermark Landing East within Watermark Brownstones One and all on-street parking spaces contained therein.

e. within the Ft. Plain Single Family Dwelling Units, all areas within each Unit exterior of the dwelling and comprised of yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of

the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing.

f. to the extent not owned or maintained by the Town of Brighton or any utility company or provider, all water, storm sewer, and sanitary laterals as extend to outer surface of the foundation walls of each Townhome Unit or building, and as extend to the outer surface of foundation walls of each Loft Condominium building, and to the outer surface of the foundation wall of the Clubhouse Building.

g. the emergency vehicle access drive for the Development as extends southerly from the southerly boundary of Lot C-1 within the Development, to the Erie Canal railway, and then proceeding westerly along the railway under South Clinton Avenue, and then further along an extension of said railway heading northerly and easterly to intersection with the bounds of South Clinton Avenue (County Road # 100), together with a new canal access public parking area to be installed by the Sponsor along the easterly side of said railway between Interstate Route 390 and South Clinton Avenue, including the obligation for repair, maintenance, and snowplowing thereof (but not ice removal or ice control), together with all access rights over all such areas exterior of the Development which the Sponsor and Association will hold for such emergency vehicle access, ingress, and egress.

h. any landscaping buffer and plantings to be newly installed by the Sponsor in the area within the Town's adjoining property to the east comprising Meridian Centre Park.

i. all lawn and landscaped areas within the right of way of the portion of Reserve View Boulevard to be dedicated to the Town of Brighton, or within the rights of way of St. Johnsville Trail or Pendleton Hill to be dedicated to the Town of Brighton, but specifically excluding any sidewalks or any other areas or improvements within said rights of way.

j. The boat dock along the northerly side of the Erie Canal, as located in the southeastern corner of the bounds of the Brighton Reserve Park District, together with the canal boat put-in on the northerly side of the Erie Canal in the southwestern corner of the Brighton Reserve Park District.

k. All existing seating areas and trails as are improved or upgraded by the Sponsor, and all seating areas and trails as are newly installed by the Sponsor, within the Town property comprising Meridian Centre Park, or within the aforesaid New York State Canal Corporation property, including that segment of the Erie Canal railway to be improved by the Sponsor and to form a portion of the emergency vehicle access drive referenced in subsection g. above.

The Association shall procure and maintain casualty and liability insurance covering the Association and Association property, including, but not limited to, the Clubhouse Building, and all fixtures, furnishings, equipment and appliances therein, and will also hold reserves, pursuant to the Budget attached hereto as **Schedule A**. All Single Family Dwelling Unit Owners will be solely responsible for separately procuring and paying for all casualty and liability insurance with respect to their Units and all contents, fixtures, and furnishings therein. With respect to Condominium Units, reference is made to the separate Offering Plan as respectively applicable; while the respective Condominium Board of Managers will procure and maintain casualty and liability insurance with respect to the respective Condominium building and Common Elements, each Unit Owner is separately and solely responsible for procuring and maintaining casualty and liability coverage with respect to the Unit interior and all contents, furnishings, fixtures, appliances, and Unit Owner betterments.

Membership in the Association is mandatory for all Unit owners. Membership is conferred upon an individual taking title and ownership of a Unit. Membership is in the Association will cease upon a Unit Owner conveying such Unit to another purchaser.

The Sponsor, its successors and assigns, shall have the right, to bring within the scheme of the Declaration additional property within the Development at any time or times, through effecting amendments to the Declaration, but in no event shall the Declaration and Association ultimately encompass more than the aforesaid three hundred twenty seven (327) Units. Additions of such property shall be made by the Sponsor filing and recording a Supplemental Declaration with respect to such property which will extend the scheme of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens contained in this Declaration to said additional property.

As more fully set forth in the Declaration: (i) The Sponsor reserves the right to grant easements, licenses and permits, both temporary and permanent, to the Town of Brighton and all other public authorities, and to public and private utilities, over any part of the Property subject to the Declaration; (ii) the Declaration provides for a blanket easement upon, across, over and under all of the Property for installation, replacement, repair or maintenance of all utilities, including but not limited to electricity, water, sewers, gas, telephone, and cable systems, and access for such purposes; and (iii) the Association, and its agents, employees, contractors and vendors, shall have an easement to enter all Covered Areas to perform all operation, administration, maintenance, repair, and replacement duties.

The Sponsor shall also have a right of access, ingress and egress, over, upon and across all property subject to the Declaration, including any additional land which may be added to such property, and the right to store materials thereon and make use thereof as may be necessary incidental to construction, development, and improvement of Association property, operation of the Association, maintenance of all Covered Areas, and the construction and sale of Units.

An easement is also given for encroachments of Association property upon any Unit, and encroachments by any Unit upon any other Unit as the result of construction, settling, shifting, building or altering of Covered Areas.

Every Unit Owner shall have a nonexclusive right and the easement of enjoyment and ingress and egress in and to all Association property, which shall be appurtenant to and shall pass with the title to every Unit, subject to the Declaration, By-Laws and any Rules and Regulations of the Association, and subject to the right of the Association to suspend a Unit Owner's voting rights and rights to use of recreational facilities within the Association property for any infraction of the By-Laws or any such Rules and Regulations.

Schedule A-1 to the Association's Declaration contains expansive and significant restrictions on the use of Units and Covered Areas, including, but not limited to, the following, with specific reference made to such **Schedule A-1** to the Declaration for specific terms and contents of such restrictions.

a. All Units may be used and occupied by their respective Owners as a private residence only, and no Unit shall be used for retail, wholesale, office, service or other business or commercial purposes. Notwithstanding the same, provided such use is in compliance with all zoning and other laws and ordinances of the Town of Brighton, a Unit may be used for full or part-time "home office" purposes by a resident ("Home Office Use"), provided that such usage does not involve or necessitate traffic or in person visitation in connection with said Home Office Use by employees, customers, vendors, suppliers, and other business contacts, other than via mail, "overnight courier", and similar services. No Unit may in any event be occupied by more than one (1) family, or by more than three (3) persons who are not related by blood or marriage. A Unit may in no event be used as a rooming house or boarding house.

b. After the closing of sale of a Unit by the Sponsor to the Owner, no Unit or portion thereof may be rented or leased without the prior written consent of the Board of Directors. The Board of Directors will not grant such consent in circumstances which allow an owner to either directly or indirectly use a dwelling as "rental", "investment" or "income" property, but only in circumstances providing for temporary rental during the minimum period of time reasonably necessary to avoid hardship or inconvenience to a Unit Owner due to temporary periods of employment or business relocation, the need for post or pre-closing possession arrangements upon sale, or due to family illness or other emergencies, military service, and reasonably similar or related circumstances.

c. Unit Owners shall be permitted to keep or maintain within any Unit or Limited Common Elements thereof only the following animals or insects, and only then as household pets: (i) a total of no more than two (2) cats and/or domesticated dogs per Unit (excepting pit bulls, which are prohibited), and only if such animals do not disturb or annoy other residents through excessive barking or other unreasonable nuisance; and (ii) fish, and birds, hamsters and other non-venomous animals and insects of similar size, if kept in a cage. No exterior chains, dog runs, dog houses, kennel enclosures, or similar installations are permitted. Pets may be allowed outdoors only when accompanied by a responsible person, and dogs shall be leashed. An underground pet containment system may be installed with a Single Family Dwelling Unit yard, or within a Townhome Unit's exterior Limited Common Elements; assuming the Owner has installed an underground pet containment system, dogs may be let outdoors within the area of the

underground pet containment system while a resident is present in the Unit, during reasonable hours and for reasonable periods of time, and need not be leashed. No above ground or visible pet containment enclosures shall be permitted. Owners keeping pets shall abide by any governmental sanitary regulations and shall be responsible for pickup of any litter and droppings, and for all damage caused by such animals. No livestock or poultry of any kind shall be raised, bred or kept at any time, either inside or outside of a Unit. The Board may, from time to time, (i) impose additional reasonable rules and regulations consistent with the above as to pets, and (ii) prohibit the keeping of certain types of animals and insects as pets entirely, except that upon enactment of any such prohibition, the same shall not apply to any such specific living animals or insects as are already within an Owner's possession in the Unit.

d. No out building, sheds (whether garden sheds, toolsheds, storage sheds, or otherwise), fence, wall or screen planting of any kind shall be planted, installed or erected upon any portion of a Single Family Dwelling Unit yard, or any Townhome Unit Limited Common Elements, other than in connection with repair and/or replacement of fences, walls or screen plantings constructed or installed as a part of the initial construction of a Unit and of equivalent structure and aesthetics, except with the Board of Director's prior written consent. In reviewing a request for any other walls, screening and/or fencing, the Board will adhere to the following: (1) no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic; (2) no vinyl or chain link fencing will be permitted; (3) no fencing shall be constructed in a Single Family Dwelling Unit's front or side yard, or a Townhome Unit's front or side Limited Common Elements, and fencing must not extend back more than 25 feet from the rear foundation line of the Single Family Dwelling Unit or Townhome Unit; (4) the maximum height of fencing in the aforesaid rear yard or rear Limited Common Elements shall be 6.5 feet from existing grade; (5) wood products and wrought iron (aluminum) type products are required, with wrought iron fencing not to exceed 48 inches in height from existing grade; and (6) all quality, workmanship, color, and design shall be consistent with the architectural scheme of the home and overall character of the Development.

e. No vehicles used for commercial purposes, including but not limited to dump trucks, shall be parked within the limits of the Development. However, (i) a Unit Owner may park in its Single Family Dwelling Unit driveway or garage, or the driveway or garage of its Townhome Unit (subject to Section 10.C. above as to parking in driveways), or within a Loft Unit's designated parking space(s), a Unit Owner's or Permittee's registered standard-size passenger vehicle or truck, with or without storage cab, with commercial markings on behalf of the Unit Owner's or Permittee's current employer or occupation permissible, and (ii) the Sponsor is specifically permitted to place or store on any part of the Property other than a closed Unit, any construction trailer, or construction material, equipment and supplies.

f. Without the prior written consent of the Board of Directors, no exterior lights may be installed on any single Family Dwelling Unit, or Townhome or Loft Building or Unit, other than the repair or replacement of any such exterior lights as were installed upon the initial construction thereof. All replacement lights and fixtures shall be equal in size, appearance, direction, intensity, and function to the original installation. Any other exterior lighting submitted for approval shall not materially and adversely impact the Association's Property or

any other Units, with the type, style, location, intensity, duration of use, and any other relevant matter subject to review by the Association. Holiday ornaments and decorations shall be permitted for the holiday season only; the holiday season is defined to be up to thirty-five (35) days before, and no more than fifteen (15) days after, the holiday.

g. After the transfer of title by the Sponsor to any Unit, or other portion of the Property to the Association, no trees shall be removed from any Unit or portion of the Property except with the prior written consent of the Association. The Association, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property.

h. Any repainting or restaining of all or any portion of any Single Family Dwelling Unit or Townhome Unit exterior, or to the exterior of any Loft Condominium building, including any color change with respect to any exterior brick or mortar work, may only be done from a palette selection established by the Board or Directors of the Architectural Control Committee.

i. The provisions of Schedule A do not apply to (i) the Sponsor, its employees, agents, contractors, and suppliers, or to (ii) any Units during any period of time while owned by the Sponsor, even if any such provision above (as opposed to certain other provisions above) does not contain any clause or language otherwise exempting therefrom the Sponsor, its employees, agents, contractors, and suppliers, or otherwise exempting Units during any period of time while owned by the Sponsor.

An Architectural Standards Committee shall be appointed by the Board of Directors for the purpose of enforcing certain provisions of the Declaration, controlling changes in use, and approving certain additions, modifications or alterations to certain exterior improvements within the Development, within guidelines and/or policies established by the Board of Directors. The Architectural Committee shall not have any authority over any property owned by the Sponsor.

Any mortgage for a land or construction loan to the Sponsor on any part of the Development, or upon any Unit or Unit(s), shall be automatically subordinate and subject to the Declaration.

To the extent permitted by law, the lien of the Association on a Unit for Assessments or other charges, fees, late charges or fines levied by the Association on a Unit and becoming payable on or after the date of recording of a mortgage on any such Unit, shall be subordinate to said mortgage lien. Any mortgagee which acquires title to a Unit through a foreclosure action in which the Association is properly named and served will take title free and clear of the lien for delinquent Assessments; it will be liable, however, for Assessments which accrue after it takes title.

The Association shall be obligated to maintain fire and casualty insurance for all Association property, together with liability, officers and directors liability, fidelity, and umbrella coverage as deemed necessary for the Association. The Association shall not maintain insurance on: (i) any building or structure, which shall be the responsibility of Unit owners as

pertain to Single Family Dwelling Units, and without which a Single Family Dwelling Unit Owner will be self-insured and without coverage in the event of a loss, and the responsibility of the Board of Managers under the respective Condominium Offering as pertains to Condominium buildings; or (ii) the contents of any Unit or improvements therein by the Unit owner (with the exception of the Clubhouse Unit, with respect to which the Association will procure and maintain such coverage), the sole responsibility for which shall be that of each Unit Owner.

Any individual, twenty one (21) years or older, or any partnership, limited liability company or corporation or trust, which obtains fee simple title to any Unit in the Development, shall automatically become a member of the Association, which membership is mandatory.

The business and affairs of the Association shall be managed by Board of Directors. During the Initial Control Period, the Board of Directors will have three (3) members, and consist of such persons as the Sponsor shall designate, and which Sponsor-designated persons need not be Members of the Association, and are expected to be the principals and/or employees of the Sponsor. During such period the Sponsor is in control of the Board of Directors, no mortgage will be placed on property owned by the Association without the consent of at least fifty-one percent (51%) of the Unit Owners, excluding Sponsor. While the Sponsor is in control of the Board of Directors, certified financial statements for the Association will be provided annually to all Members of the Association.

The first meeting of the Board of Directors of the Association may not be held within six (6) months of the first Unit Closing (See By-Laws, **Exhibit I**).

After the Initial Control Period, the Board of Directors will thenceforth have seven (7) members, and will be composed of Owners, Co-Owners, spouses of Owners, or mortgagees of Units; in the case of corporate Owners or mortgagees of Units, Directors may be officers, directors, shareholders, or employees of such corporations, or officers or employees of fiduciary Owners.

So as to provide a mechanism affording the respective Owners of all three (3) types of housing Units within the Development with representation on the Board, of said seven (7) members of the Board of Directors, (i) two (2) will be elected solely through the votes of Single Family Dwelling Unit Owners (the "Single Family Board Members"), (ii) two (2) will be elected solely through the votes of Townhome Unit Owners (the "Townhome Board Members"), (iii) (2) will be elected solely through the votes of Loft Unit Owners (the "Loft Board Members"), and (iv) one (1) at-large member will be elected through the votes of all Unit Owners. At the first annual meeting of members after the Initial Control Period, an election shall be held by the Members, at which time the Board of Directors shall be fixed as follows:

(i) Three (3) members, one (1) being a Single Family Board Member, one (1) being a Townhome Board Member, and one (1) being a Loft Board Member, shall be elected for three (3) year terms.

(ii) Three (3) members, one (1) being a Single Family Board Member, one (1) being a Townhome Board Member, and one (1) being a Loft Board Member, shall be elected for two (2) year terms.

(iii) The One (1) at large member shall be elected for a (1) year term.

The first meeting of the Board shall be held within thirty (30) days after the meeting of Association members at which Board members are elected.

After the Initial Control Period, Members of the Board may be removed from office with or without cause by a majority of voting Association Members.

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

The activities of the Association will be governed by a majority vote of the Members. However, for purposes of amending the Declaration, the affirmative vote of 80% of all eligible Unit votes is necessary, and for purposes of amending the By-Laws, the affirmative vote of 51% of all eligible Unit votes is necessary; provided that until after the expiration of the Initial Control Period, the written consent of Sponsor will be required for any amendment which adversely affects the interest of Sponsor. The vote necessary for any Special Assessment is set forth in Section 6.03 of the Declaration.

The names and business addresses of the initial officers and directors of the Association are:

Anthony J. Costello, President and Director, with a business office address of Suite 300,
One Airport Way, Rochester, New York 14624.

Brett A. Costello, Vice-President and Director, with a business office address of Suite 300, One Airport Way, Rochester, New York 14624. Brett A. Costello is the son of the Sponsor's sole Principal, Anthony J. Costello, and is also a member of the Sponsor; however Brett A. Costello is not himself a Principal of the Sponsor as defined in 13 NYCRR §22.1(c)(2).

Timothy A. Reidy, Secretary-Treasurer and Director, with a business office address of Suite 300, One Airport Way, Rochester, New York 14624. Timothy Reidy is an

employee of the Sponsor and of one or more entities in which Anthony J. Costello holds a controlling interest.

The members of the Sponsor are currently Anthony J. Costello, who holds a controlling interest therein, and his four (4) children.

The initial Board of Directors designated by the Sponsor shall serve until the first annual meeting after the Initial Control Period. Thereafter, directors of the Association shall be elected.

The costs and expenses incurred by the Association for administration, operation, maintenance, repairs, replacements of Covered Areas, including reserves for repair and capital improvements, and/or for working capital, if any, shall be allocated among Unit Owners based upon Assessments by the Board of Directors. Assessments on Units shall commence on the day of the First Closing. The first Assessment against a Unit shall be adjusted according to the number of days remaining in the current month, and Assessments shall be fixed annually for payment on a monthly basis. The Board of Directors shall determine whether any increase or decrease shall take place in the previous Assessment level, and fix the amount of the Assessment against each Unit. Assessments shall be due and payable on a monthly basis. By taking title to any Unit, each Owner of a Unit covenants and agrees to pay the Assessments on a monthly basis, and any special Assessments payable when due. All Units Owners will pay the _____ same basic or universal Assessment to the Association, which Assessment will be the same amount for all Units. In addition, dependent upon the type of Unit and the Neighborhood in which the Unit is located, each Unit Owner will pay one (1) or more additional Neighborhood Surcharges, representing the costs of additional services provided by the Association for snow removal, landscaping, private road maintenance, and/or refuse removal, as more fully set forth in the Association's Budget (**Schedule A**) and the Notes thereto.

While the Association will provide landscape and lawn maintenance and upkeep throughout the Development (with the exceptions of (a) the Waterford Single Family Dwelling Units, and (b) any landscaping installations within any other area which are in addition to the Sponsor's standard Unit landscaping installation as offered at the time of Unit sale, or which are in addition to the Sponsor's original landscaping installation with any Loft Condominium's Common Elements, regardless of by whom any such landscaping betterments are installed), in recognition of the fact differing Neighborhoods within the Development may seek a level of autonomy in the type and quality of such maintenance and upkeep, a number of corresponding Neighborhood Landscaping Boards will be established. Separate Neighborhood Landscaping Boards will exist for Glenville Condominium One, Watermark Brownstones One, the Ft. Plain Single Family Dwelling Units, the Rexford Condominium, and the Frankfort Condominium. To avoid overlapping and redundant bureaucracy, the Board of Managers of each Condominium Offering will comprise the respective Neighborhood Landscaping Board, and with the Ft. Plain Single Family Dwelling Unit Owners necessarily electing a separate such Neighborhood Landscaping Board. So long as a Neighborhood Landscaping Board's determinations remain within the applicable minimum Landscaping Standards included within the Declaration, any such Board may elect to deviate from or expand upon such Minimum Landscaping Standards as applicable to such Neighborhood, and upon advice of the same to the Association's Board of Directors, the Board of Directors and any Management Company engaged by the Board will

thenceforth comply with the same in arranging and procuring contracts and purchase orders accordingly for the subject Neighborhood, and calculate and assess the applicable Neighborhood Surcharges accordingly (See Declaration, **Exhibit G**, Article Nine).

In addition to the regular monthly Assessment, the Association may levy in any Assessment year a special Assessment, payable in that year and/or the following year for the purpose of defraying, in whole or in part, the cost of any capital improvements or for any other matter decided upon by the Association, provided, however, that for any special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any special Assessment amounting to more than twenty percent (20%) of the then current amount of annual Assessments, the consent of two-thirds (2/3) of the total votes of Unit Owners voting in person or by proxy at a meeting duly called for this purpose is required. All Assessments become a lien and charge against the Unit and also become a personal obligation of the Unit Owners who own the Unit at the time the Assessment becomes due. If any Assessment is not paid within ten (10) days of the due date, the Association may impose a late charge not to exceed ten percent (10%) of the overdue amount, and if the Assessment is not paid within thirty (30) days after the due date, it shall bear interest from the due date at such rate as may be fixed by the Board of Directors, such rate not to exceed the maximum rate of interest then permitted by law. Any delinquent Assessment, together with interest thereon and costs of collection, shall become a continuing lien on the Unit, and a personal obligation of the Unit owner. The Association may bring an action against the Owner who is obligated to pay the delinquent Assessment, or it may foreclose the lien against the Unit. Either action may include interest, costs, and reasonable attorneys fees of such action. Any Owner whose Unit is subject to delinquent Assessments may have his or her voting rights suspended, and may be prohibited from the use or enjoyment of Association property other than as necessary for access, ingress and egress to and from said Owner's Unit; however, any such prohibition shall not exempt the Unit owner from the continuing obligation to pay all past and continuing Assessments on the Unit. The Association may levy fines or other penalties for violations of the rules and regulations promulgated from time to time by the Association.

After Association charges or Assessments have been levied on one or more Owners who have closed title to their Units, and during the Initial Control Period, as to the Sponsor's obligation for Association Assessments on Unsold Units, the Sponsor shall be obligated only for the difference ("Deficiency Contribution") between (i) actual Association expenses, and with such expenses including reserves applicable to completed improvements as provided for in the Association's budget only to the limited extent following, and (ii) the total of all Association Assessments levied on Owners who have Closed on purchase of their Units, as projected in **Schedule A** to this Offering Plan and payable to the Association on a monthly basis ("Deficiency Contribution"). The Sponsor shall only pay reserves corresponding to Units Owned by the Sponsor only from and after the issuance of a Certificate of Occupancy for said Units.

The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, protective covenants, reservations, liens and charges now and herein after imposed by the provision of the Declaration. Each person or entity acquiring an interest in a Unit covenants and agrees for itself and its heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration, including personal responsibility for the

payment of all Assessments which may become liens against the Unit and which become due while an Owner thereof.

LOCAL GOVERNMENT APPROVAL

Zoning and Approvals

At its meeting on June 15, 2011, the Brighton Town Planning Board approved the Sponsor's application for Final Subdivision Approval, Final Site Plan Approval, Final EPOD (Watercourse) Permit Approval, and Final Conditional Use Permit Approval, for Section I of the Development, together with conditions and comments as set forth in the Letter of June 16, 2011 from Ramsey A. Boehner, Planning Board Executive Secretary, to the Sponsor and its engineering and surveying consultant, Marathon Engineering, and the Memo dated June 14, 2011 to Mr. Boehner from Brighton Town Engineer Michael E. Guyon. At its meetings on April 17, 2013, July 17, 2013, and September 18, 2013, the Brighton Town Planning Board modified and supplemented said approvals, as set forth in the letters of April 18, 2013, July 18, 2013 and September 20, 2013, and the Memos dated April 16, 2013 and September 17, 2013 from Mr. Guyon.

At its meeting on January 19, 2011, the Brighton Town Planning Board had previously approved the Sponsor's application for overall Preliminary Subdivision Approval, Preliminary Site Plan Approval, Preliminary EPOD (Watercourse) Permit Approval, and Preliminary Conditional Use Permit Approval, for all proposed sections of the Development, containing the total of Three Hundred Twenty-Seven (327) Units projected to comprise the entirety of The Reserve. At its meeting on April 17, 2013, the Brighton Town Planning Board approved the Sponsor's application for Final Subdivision Approval, Final Site Plan Approval, and Final EPOD (Watercourse) Permit Approvals for Section II of the Development, together with conditions and comments as set forth in the letter of April 18, 2013 from Ramsey A. Boehner, Planning Board Executive Secretary, to the Sponsor and its engineering and surveying consultant, Marathon Engineering, and the Memo dated April 16, 2013 to Mr. Boehner from Brighton Town Engineer Michael E. Guyon.

By Resolutions of the Brighton Town Board dated March 25, 2009 and August 11, 2010, the site of the Development was rezoned from Residential B (RLB) to Waterfront Development District, subject to the accompanying conditions and incentives (the "Zoning Conditions and Incentives").

In sum, the Sponsor has final approval for Sections I and II of The Reserve. The subdivision maps for Section I of the Development have been filed in the Monroe County Clerk's office, and the Sponsor will furnish complete copies of the filed subdivision map to the Association. It should be noted that the Subdivision plans for the Development as originally approved by the Town of Brighton, are for a maximum of three hundred twenty seven (327) Units; elimination of the ten (10) Loft Units previously to be offered for sale under the now abandoned Clubhouse Condominium Offering, with said ten (10) Units now to be included within Section II of the Development, rather than within Section I under the Clubhouse Condominium Offering as originally planned, is consistent with these prior approvals. After the making of a final determination by the Sponsor as to reallocation of said ten (10) Units within a

specific type or types of Units within Section II, the Sponsor will apply for and procure revisions accordingly to the approvals from the Town of Brighton, and with this Plan to then be amended accordingly. Applications for approvals will also be pending before the Town of Brighton as to the revision of the physical structure of and plans for the Clubhouse Building; while such approval process must be completed, and with this Plan to be amended to incorporate such approvals when procured, the plans for such modified Clubhouse Building represent a considerably smaller and less complex facility, (i) originally being a four (4) story building together with ground floor, and to contain not only the Clubhouse facility for the Development, but as well ten (10) Condo Loft Units, but now (ii) to be a two (2) story building together with ground floor, to comprise only the Clubhouse facility, and with such mixed residential use eliminated

Pursuant to the above approvals from the Town of Brighton, and as more fully set forth in the various agreements, easement conveyances, and petitions referenced below, the Sponsor is also obligated to proceed as follows, with the Development encumbered, and with the Association and Unit Owners also obligated as appropriate:

A. Prior to filing of the subdivision maps for Section I as aforesaid, the Sponsor has conveyed easements to the Town of Brighton including, but not limited to, the following, as well as any additional further easements as required under and pursuant to the Zoning Conditions and Incentives, all pursuant to the recording data for such easement conveyances as set out in the title commitment attached within Part II of this Plan as **Exhibit P**:

1. Permanent easements for the purpose of (i) public access to portions of the multi-use trail system within the Development to and from the adjoining and connecting trail system within the Erie Canal Trailway and Meridian Centre Park, and (ii) for access to and use of five (5) parking spaces to be marked as dedicated and reserved to public parking in connection with said trailway use. The five (5) parking spaces subject to the easement will surface, on-street parking along Watermark Landing East.
2. A permanent conservation easement twenty-five feet (25') in width along a portion of the easterly boundary of the Development.
3. A permanent easement along a portion of the Development's westerly bounds for the purpose of conservation of the wet lands on the Development site after construction is completed.
4. A permanent easement for emergency vehicle ingress and egress and temporary public access, connecting the terminus of Watermark Landing West to the lands of the New York State Canal Corporation and the associated Canal Way Trail.
5. A permanent easement in, along, and over all lands within the Development comprising private roadways, to be used for ingress and egress by the Town for access to any and all utilities situated within said private roadways.

B. As required by the Town under and pursuant to the above approvals, the Sponsor petitioned the Town for establishment and/or extension of seven (7) special districts to encompass the Development; the Town has approved all of the special district petitions. One of such districts, the Brighton Reserve Park District, has been required to be set up to serve only as a stand-by or security mechanism for the Town, providing a means for the municipality to collect the costs of any performance by it of certain upkeep, maintenance, and repair work, which work is required to be performed in the first instance by the Association, and the costs of which performance by the Association is encompassed within the Association's budget included with this Plan as **Schedule A**; in the event the Association fails to perform the subject Work, the Town will have the right to undertake the same, and with the municipality then able to recoup its expense via assessments through the Park District in the Town and County property tax bills on all tax parcels within the Development. The remaining six (6) districts are typical special districts, existing as a standard property tax billing mechanism for the collection of certain costs and expenses incurred by the Town through additional line item assessments for each District on the Town and County property tax bills received by each Unit Owner:

1. The Brighton Reserve Park District, for purposes of providing security to the Town for the performance by the Association of all necessary upkeep, maintenance, repair and/or snowplowing of various areas and facilities within the bounds of said District; the costs of said upkeep, maintenance and repair work are included in the Budget for the Association attached to this Plan as **Schedule A**. This work specifically encompasses (i) certain trailways and associated dedicated public parking within the Development comprising Covered Areas maintained by the Association, (ii) the emergency vehicle access drive for the Development and the associated segment of the Erie Canal Trailway which together afford alternative access from the Development to South Clinton Avenue, (iii) a segment of the Town of Brighton lands comprising a portion of Meridian Centre Park along the Development's easterly boundary, and an adjoining area within the easterly boundary of the Development, which are subject to perpetual landscape maintenance obligations to be undertaken by the Association (and with the financial cost of such Association obligations pursuant to this clause (iii) encompassed within the Landscaping expense item under the Association Budget comprising **Schedule A** to this Plan, as further referenced in Budget footnote 4 thereto), all pursuant to the requirements of the Brighton Town Board Resolution dated March 25, 2009, as amended by the Town Board Resolution dated August 11, 2010, Schedule C-2, Condition Nos. 9 and 13 to approval, and with the Town to convey to the Association a limited license permitting the Association to access for such purpose said adjoining area of Meridian Centre Park; (iv) all lawn and landscaped areas within the dedicated rights of way comprising Reserve View Boulevard, St. Johnsville Trail, and Pendleton Hill, and (v) those areas and facilities outside of the Development, but within the bounds of the District and comprising lands of the Town of Brighton or the New York State Canal Corporation, comprised of plantings, landscaping, seating areas, boat docks, boat put-ins, and the public parking area between Interstate Route 390 and South Clinton Avenue, adjacent to and easterly of the above emergency vehicle ingress and egress route, and which areas and facilities are either to the newly installed by the Sponsor or are existing areas and facilities to be improved by the Sponsor. In the event the Association fails to perform any of its obligations as above, whether within the Development, the subject Town lands, and/or the property of the New York State

Canal Corporation, the Town will have the right to perform such work and bill accordingly for the same through the District on the property tax bills for all tax parcels within the Development.

2. The Brighton Reserve Drainage District, which administers the expenses incurred in maintenance, repair, upkeep and replacement of those stormwater facilities within the bounds of the District as are dedicated to the Town of Brighton.

3. The Brighton Reserve Sidewalk Snow Removal District, which administers the expenses incurred in snow removal from those sidewalks within the Development which are dedicated to the Town of Brighton.

4. The Brighton Reserve Lighting District, which administers the expenses incurred in supplying power for and in maintenance of street lighting facilities within the Development and along a segment of the Erie Canal Pathway.

5. The Brighton Reserve Sidewalk Maintenance District, which administers the expenses incurred in maintenance of those sidewalks within the Development which are dedicated to the Town of Brighton.

6. Two (2) districts represented by extensions of the existing Brighton Consolidated Water District, and the existing Brighton Consolidated Sewer District, which administer the expenses incurred in maintenance and operation of public water distribution and sanitary sewer facilities within the Development.

Municipal Services

The Development will receive police protection through the Monroe County Sheriff's Department and the Brighton Town Police Department, and fire department services through the Town of Brighton. Public sanitary sewer facilities are provided by the Town of Brighton, and with the Town of Brighton public storm sewer system complementing the portion of the storm sewer system in the Development which is owned and/or maintained by the Association. Public water supply is furnished through the Monroe County Water Authority. Refuse collection is provided through the Association via private trash haulers.

Phone service is provided by multiple suppliers, including Time Warner Cable and Verizon, and electricity and natural gas supply by Rochester Gas and Electric Corporation. Each Unit Owner is solely responsible for directly paying for all such utility usage as separately metered to such Owner's Unit, except that the costs of all water usage by Units within the Loft Condominiums are included within and paid through the Condominium Budget as a Common Charge.

RESERVE FUND

No reserve fund will be established other than the one (1) reserve fund set forth in the **Schedule A Budget**, based upon the Sponsor's estimates, to be funded by monthly Assessments from Unit Owners.

Reserves have not been established in the Association's budget for all repairs and capital improvements. In event reserves under the Association's projected budget are inadequate for future maintenance, repair and replacement, the Association's Members may be subject to a Special Assessment.

Such reserves are to be used only for expenditure purposes as specifically set forth, and are reasonably expected to be sufficient to pay for the repair or replacement of the items cited therein as likely to be necessary within the first five (5) years of operation of the Association. While the Sponsor is in control of the Board of Directors, the reserve funds shall not be used to reduce projected Association Assessments, or be applied to the Sponsor's obligation to pay a deficit. Neither the New York State Department of Law nor any other governmental agency has passed upon the adequacy of the reserve fund. It is expected that the Association's means and options to finance needed capital expenditures, such as renewal or replacement of Association property, components, or systems, or to remedy major defects, will be: (i) the reserve funds, which will be available to the Association at any time, subject to restrictions on availability to the Sponsor as set forth above, and (ii) if the reserve funds are not adequate, funding must be procured through special Assessments upon Unit owners.



WORKING CAPITAL FUND

At the time of the First Closing and at each subsequent Closing of title to each Unit sold by Sponsor to a Purchaser, the Purchaser shall contribute to the Association, for working capital purposes, a sum equal to two (2) months' Assessments in respect of each Unit (with the amounts so contributed referred to as the "Working Capital Fund"). The Sponsor is not contributing any amount towards such Working Capital Fund.

The Working Capital Fund may be held or used for working capital, to make repairs, or for such other appropriate purposes permitted under the Declaration and the By-Laws, as will be determined by the Board of Directors in its discretion. The Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to increase the Working Capital Fund by Special Assessment or by increases in monetary Assessments.

No further or additional working capital fund is being established by the Sponsor.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Association operation, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase the monthly Assessments or to impose Special Assessments.

MANAGEMENT AGREEMENT AND CONTRACTS

Management Agreement

As set forth in the Budget attached to this Offering Plan as **Schedule A**, the Sponsor will be entering into a Management Agreement with AJ Costello & Son Reserve Management, LLC ("Management Company") in the form attached to the Offering Plan as **Exhibit Q**, which Agreement will be binding upon the Association. The Management Company is affiliated with the Sponsor, in that Anthony J. Costello, a principal of and hold of a controlling interest in the Sponsor, also holds a controlling interest in the Management Company.

The Management Company has no comparable experience. The Association may experience lower or higher management fees in the future if contracting with an entity other than Anthony J. Costello & Son Reserve Management LLC.

The terms of the Management Agreement include the following:

- (i) the term of the Management Agreement is seven (7) years. The Management Company shall have the right to terminate the Agreement, as set forth in Section 9 thereof.
- (ii) the fees and other compensation payable to the Management Company for services are \$17,952.00 annually, payable in monthly installments of \$1,496.00.
- (iii) the major duties and services to be performed by the Management Company are the billing and collection of Association Assessments, payment of bills for services rendered, attending meetings of Directors and Members, payroll services and bookkeeping, provision of budgets and operating statements, and retention of contractors for operating, maintenance and repair services, and monitoring of services provided.
- (iv) the Association will be liable for reimbursement of any expenses incurred by the Management Company under the Agreement, and will indemnify the Management Company against liability for any acts properly performed by it under the Agreement.

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

No Contracts Binding Association

With the exception of (i) the Management Agreement set forth above, and (ii) the obligations referenced above to the Town of Brighton with respect to the Brighton Reserve Drainage District, and the Brighton Reserve Park District, the Sponsor has not yet entered into any contracts which will be binding upon the Association after the First Closing. The Sponsor, however, reserves the right to enter into contracts substantially in accordance with the description of services and charges set forth in the Budget set forth in **Schedule A** to this Offering Plan.

IDENTITY OF PARTIES

Sponsor

Anthony J. Costello & Son (Joseph) Development, LLC ("Joseph"), the Sponsor, is a limited liability company organized under the laws of the State of Nevada on January 24, 2002, and was duly authorized to do business in the State of New York on January 30, 2002, with its principal offices located at Suite 300, One Airport Way, Rochester, New York 14624. The New York State Secretary of State has been designated to receive service of process on behalf of the Sponsor. The Principal of the Sponsor is Anthony J. Costello, with his business offices located at Suite 300, One Airport Way, Rochester, New York 14624; said individual has directed the substance of planning and arrangements for consummation of the Offering.

The Sponsor has engaged John T. Nothnagle, Inc., of 217 West Main Street, Rochester, New York 14614 ("Nothnagle"), as Selling Agent for the Offering. Nothnagle does not have any family or other affiliation with the Sponsor or its Principal. John T. Nothnagle, Inc., was formed and commenced business operations in 1948, and is the largest realty firm in the Greater Rochester area, currently operating 32 neighborhood offices. There exist no prior felony convictions of Nothnagle, or any principals of Nothnagle. There exist no prior convictions, injunctions or judgments against Nothnagle or any principals of Nothnagle, that may be material to the Offering Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of the Offering Plan.

The background and experience of the Sponsor and its said Principal is as follows:

The Sponsor is an affiliate, through common ownership, of Anthony J. Costello & Son Development, LLC, and related entities, which are family-owned and operated real estate development companies that own and manage more than two million square feet of commercial space in the Rochester, New York area. These properties include Clinton Crossings Medical Center, Airport Way, the M.O.B. (Medical Office Building) at Rochester General Hospital, and other buildings in Monroe County, including aircraft hangars and office buildings at the Greater Rochester International Airport. The companies also have significant projects under development, including not only The Reserve, but also Clinton Crossings Corporate and Lifestyle Center, which is a planned mix of corporate, medical, restaurant and hotel space located on 82 acres in Brighton.

The Sponsor's Principal, Anthony J. Costello, has over thirty (30) years of experience in real estate development, including construction, ownership, and/or management of multi-tenant office buildings, shopping centers, medical facilities, dining facilities, and hotels. These developments include the Clinton Crossings medical office complex in the Town of Brighton, which, with approximately 349,000 square feet of space, comprises the largest office development project in the Town of Brighton.

Neither Sponsor, nor Anthony J. Costello, or any other member of the Sponsor, nor any affiliates of Sponsor or Sponsor's principals, has offered any other properties for sale as

cooperatives, condominiums, planned unit development homes, or times shares, which were first offered within the past five (5) years. Neither Sponsor nor Anthony J. Costello, or any other member of the Sponsor, nor any affiliates of Sponsor or Sponsor's principals, owns ten percent (10%) or more of the unsold shares or units of any other cooperative, condominium or homeowner's association as an individual, general partner or principal.

Consultants

In an effort to develop and sell Units at the Development, the Sponsor has retained a number of professional consultants to assist it. These include the following, none of which have any family or other affiliation with the Sponsor or its Principal:

Budget Review: Richard K. Aikens, Kenrick Corporation, 3495 Winton Place, Building D, Suite 4, Rochester, New York 14623.

Utility Usage and Cost Estimates: David J. Crowe, AIA, HB Cornerstone LLC, 99 Garnsey Road, Pittsford, New York 14534.

Surveying and Engineering: Marathon Engineering – 39 Cascade Drive, Rochester, New York 14614. Marathon Engineering is a civil engineering design company founded in 2008, and performs all types of civil engineering related to site improvements, utilizing the latest computer and software equipment in the provision of professional plans. Key personnel include Robert P. Bringley, PE, a licensed engineer with over 30 years of civil engineering experience, and John Stapleton, with over 27 years of civil engineering experience.

IBC Engineering P.C. – Tri Main Center, 2495 Main Street, Suite 318, Buffalo, New York 14214.

Architectural Services: Stieglitz Snyder Architecture, 425 Franklin Street, Buffalo, New York 14202. Stieglitz Snyder Architecture, emerged to respond to the continually more complex social and economic challenges presented by its clients and to the inevitable changes created through technological advances. The firm embodies the dedication to improvement of built and natural environments that was the original vision of Environmental Design Associates, established in Buffalo in 1970 by Architect David Stieglitz.

Bayer Landscape Architecture, PLLC, 19 North Main Street, Honeoye Falls, New York 14472. Bayer Landscape Architecture, PLLC, is a landscape architecture and planning firm that has been in business in the Rochester area for over twenty years. Established in 1990 by Mark Bayer, the firm's current staff includes five design professionals and one administrative assistant. Bayer Landscape Architecture offers a full spectrum of landscape architectural services including park and recreation planning, master planning, site planning, cultural and historic landscape documentation, urban design, site engineering, community design, garden design, and construction management.

The Sponsor's Legal Counsel is Stephen E. Hall, Esq., 36 West Main Street, Suite 400, Rochester, New York 14614, which attorney prepared this Offering Plan.

There exist no prior felony convictions of the Sponsor, its Principal, or any members of the Sponsor. There exist no prior bankruptcies, convictions, injunctions or judgments against the Sponsor or Management Company, the Principal of Sponsor, or any members of the Sponsor or Management Company, and/or entities in which the Principal of the Sponsor or any members of Sponsor or the Management Company were principals, that may be material to the Offering Plan or any offering of securities generally and that occurred within fifteen (15) years prior to the submission of this Offering Plan.

REPORTS TO MEMBERS

It is the obligation of the Board of Directors of the Association to give the Association members annually:

- (i) a financial statement of the Association prepared by a certified public accountant or public accountant within one hundred fifty (150) days after the end of each fiscal year of the Association; such statement shall be certified while the Sponsor is in control of the Board of Directors;
- (ii) prior notice of the annual Unit Owner's meeting; and
- (iii) a copy of the proposed annual budget of the Association within thirty (30) days prior to the date a new monthly common charge become effective; while Sponsor is in control of the Board of Directors such budget shall be certified in compliance with 22 NYCRR Section 22.4(d).

DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge, and for copying at a reasonable charge, at Suite 300, One Airport Way, Rochester, New York 14624, for six (6) years from the date of the First Closing. The Sponsor shall also deliver to the Board of Directors a copy of all documents filed with the Monroe County Clerk's Office at the time of closing of the first Unit.

GENERAL

Pending Litigation

No lawsuits, administrative proceedings, or other proceedings exist, the outcome of which may materially affect the Offering, the Development, or the Sponsor's capacity to perform all of its obligations under the Plan, the Association, or the operation of the Association.

No Prior Offerings; Preliminary Agreements

No portion of the property comprising the Development was the subject of any prior cooperative, condominium, or HOA offerings, and such property is vacant as of the date this Plan is accepted for filing, with the exception of certain Development improvements completed or in the process of construction as described above in the Plan. With the exception of entry by the Sponsor into Unit Reservation Agreements with a number of prospective Purchasers, and the collection of Unit Reservation Deposits from such prospective Purchasers, as set forth in the Procedure to Purchaser Section of the Plan and **Exhibit S** within Part II thereof, (i) the Sponsor has not collected funds from or made any preliminary or other binding or nonbinding Unit reservations or other agreements with any prospective purchaser, and (ii) no deposits or advances of funds have been solicited or accepted, nor other monies collected from any prospective purchaser.

Non-Discrimination

The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, sex, national origin, age, disability, marital status or any other grounds prohibited by law.

This Plan is not offered to persons less than 21 years of age.

Plan Amendments

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or prospective Purchasers, without obtaining the consent of such Purchasers or others. However, Sponsor may not revise the Plan so

as to adversely affect the Sponsor's Two Year Completion Obligation as pertains to an outstanding Purchase Agreement for a Unit. All substantive or material revisions will be contained in a duly filed amendment to the Plan. In the case of a material revision adversely affecting in any material respect the rights, obligations or liabilities of Sponsor, in addition to and cumulative of specific performance and all other rights and remedies to which a Purchaser may be entitled with respect to any breach of the Sponsor's Two Year Completion Obligation, such Purchasers will be given the right to rescind their Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after the presentation of the amendment.

SPONSOR'S STATEMENT OF SPECIFICATIONS

The Sponsor has reviewed and specifically adopts the Engineer's and Architect's Description set forth in Part II of this Plan, and represents that it accurately describes such property and facilities. All improvements and facilities described will be newly constructed by the Sponsor, and thus the Sponsor has no knowledge of any material defects in or need for major repairs to the same. The number of Units (126) within Section I of the Development as offered for sale under this Plan is identical to the number of Units as approved by the Town of Brighton in connection with the plans attached as **Exhibit D**.

Anthony J. Costello & Son (Joseph)
Development, LLC

Date: November 11, 2013

By: 

Name: Antony J. Costello

Title: Manager

OPINION OF COUNSEL

STEPHEN E. HALL
ATTORNEY AT LAW
400 EXECUTIVE OFFICE BUILDING
36 WEST MAIN STREET
ROCHESTER, NEW YORK 14614

ADMITTED TO PRACTICE
NEW YORK, ARIZONA AND
PENNSYLVANIA BARS

TELEPHONE: (585) 546-3770
FACSIMILE: (585) 546-3776
(NOT FOR SERVICE OF PROCESS)

November 11, 2013

Anthony J. Costello & Son (Joseph) Development, LLC
Suite 300
One Airport Way
Rochester, New York 14624

Attn: Mr. Anthony J. Costello

Re: The Reserve Association Inc.

Gentlemen:

In response to your request for my opinion in conjunction with your proposed sale of Units in The Reserve on the Erie Canal with mandatory membership in The Reserve Association Inc. (the "Association"), a New York not-for-profit corporation, please be advised as follows:

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

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

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

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

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

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

The Association may be subject to a franchise tax imposed by the New York Tax law, and which tax may be calculated upon the basis of the Association's entire net income, or upon such other basis as may be applicable, and subject as well to the payment of annual filing fees. The Association will not be exempt from New York State Sales tax.

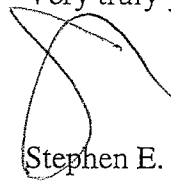
Enforceability of Declaration Provisions: Although I believe that the provisions of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (the "Declaration") , when recorded in the Monroe County Clerk's Office, to be legal, valid, and enforceable under current law, I do not assure such enforceability. Because of the relatively recent popularity of homeowners associations throughout the United States, the case law with respect to enforceability of covenants, conditions and restrictions, such as are contained in the Declaration, and in particular **Schedule A-1** thereto, is new and developing. In addition, the enforceability of some provisions of the Declaration will depend on factors other than the actual text of the document, such as the establishment, reasonableness, dissemination, timeliness and uniformity of enforcement of rules, regulations and architectural standards by the homeowners association and the Association's Architectural Committee.

Municipal Approval: I have received copies of the Town of Brighton approvals for the Development as referenced in the Local Government Approval Section of the Amended and Restated Offering Plan. Based upon this information, it is my opinion that if the Development is built in accordance with all requirements thereof, it will conform to applicable zoning ordinances and statutes.

I express no opinion with respect to any matters not expressly set forth herein, and my opinion is based solely on the facts and documents referred to above. Although I have assisted in the preparation of the Amended and Restated Offering Plan and the Exhibits referred to therein and attached thereto, I have not independently verified the accuracy, completeness and fairness of the factual information contained therein, and, accordingly, I express no opinion as to whether the Association has made any untrue statement of a material fact or omitted to state any material fact necessary in order to make any statements made, in light of the circumstances under which they are made, not misleading. No warranties are made that the laws, regulations, rulings, or judicial decisions upon which I based this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Association, counsel to the Association, or any other person, be liable if by reason of future changes in fact or applicable law, regulation, decisional law or Internal Revenue Service rulings, the Association or its tax status should cease to meet the requirements or otherwise be as contained in this opinion.

We understand that this letter will be made part of The Reserve Association Inc.'s Amended and Restated Offering Plan.

Very truly yours,

A handwritten signature in black ink, appearing to be "Stephen E. Hall", written over a printed name.

Stephen E. Hall

SEH/am
thereserve.169.a

EXHIBIT A

PURCHASE AGREEMENT

Lot _____

The Reserve on the Erie Canal**Town of Brighton, County of Monroe, State of New York**

AGREEMENT, made as of _____, 20____, between ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, having an office at Suite 300, One Airport Way, Rochester, New York 14624, as seller and builder ("Sponsor" or "Builder"), and _____ having an address of _____, as purchaser ("Purchaser").

RECITALS

A. Anthony J. Costello & Son (Joseph) Development LLC, having an office at Suite 300, One Airport Way, Rochester, New York 14624, is the sponsor ("Sponsor") of an Offering Plan for The Reserve Association Inc., encompassing the Development known as The Reserve on the Erie Canal, located in the Town of Brighton, County of Monroe, State of New York (the "Property"), which Offering has been accepted for filing by the Department of Law of the State of New York, and Purchaser is desirous of purchasing a detached single family dwelling to be constructed by the Sponsor within the Development together with the associated subdivision lot (the "Unit").

B. The Property and the Unit are also subject to the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, and By-Laws, for The Reserve Association Inc. (the "Association" or "HOA"), with membership by the Purchaser in said Association mandatory together with and upon purchase of the Unit.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Purchase Agreement, the receipt and legal sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties mutually agree as follows:

1) THE OFFERING PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "HOA Offering Plan") and all amendments thereto, if any, filed by Sponsor with the Department of Law of the State of New York (hereinafter, referred to as the "Offering Plan"), at least three (3) business days prior to Purchaser signing this Agreement. If Purchaser has not received and read the Offering Plan and all amendments thereto at least three (3) business days prior to Purchaser signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days after delivery to the Sponsor of this Agreement as executed by Purchaser together with the Deposit below. The Offering Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and said Plan, the provisions of the Plan will govern and be binding.

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2) DEFINITIONS. Terms used herein which are also used in the Offering Plan shall have the same meanings herein as therein unless the context otherwise requires.

3) THE UNIT. Upon and subject to the terms and conditions set forth, Sponsor agrees to construct and convey, and Purchaser agrees to purchase, the Unit to be constructed by the Sponsor on Lot _____ of the Development, pursuant to Section 5 below.

4) PURCHASE PRICE.

a) The purchase price ("Purchase Price") is as follows:

Base Price \$ _____

Charges for all upgrades, add-ons, extras or
special or custom finishes or work ("Extras Work")
Per **Exhibit A** ("Extras Charges")

\$ _____

Total Purchase Price \$ _____

The Purchase Price is payable as follows:

(i) \$ _____ (the "Deposit"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(ii) \$ _____ (the "Extras Charges Payment"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(iii) \$ _____ (the "First Additional Deposit"), due upon the Builder's commencement of drywall work within the Unit, by check (subject to collection).

(iv) \$ _____ (the "Second Additional Deposit"), due upon the Builder's commencement of kitchen or other cabinetry work within the Unit, by check (subject to collection).

(v) \$ _____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable at Closing as hereinafter provided.

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CHECK ONE OF THE TWO PARAGRAPHS IMMEDIATELY FOLLOWING IF AND
AS APPLICABLE

_____ The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which Unit Reservation Agreement is deemed terminated upon and by execution of this Purchase Agreement. The Unit Reservation Deposit previously paid by Purchaser under the Unit Reservation Agreement will be paid and refunded in full by Sponsor to Purchaser within five (5) business days after execution of this Purchase Agreement by Purchaser.

_____ The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which Unit Reservation Agreement is deemed terminated upon and by execution of this Purchase Agreement. Purchaser hereby elects to apply the Unit Reservation Deposit of \$_____ previously paid by Purchaser to Sponsor under the Unit Reservation Agreement against payment of the Deposit due upon the Purchaser's signing and submitting this Agreement, and Sponsor hereby agrees to credit such sum of \$_____ against the payment of said Deposit.

NOTE: IF THE IMMEDIATELY PRECEDING PARAGRAPH IS CHECKED,
ALSO CHECK ONE OF THREE SUBPARAGRAPHS BELOW, AS
APPLICABLE.

_____ The amount of the Unit Reservation Deposit is equal to the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly the full amount of the Unit Reservation Deposit is retained by Escrow Agent in the segregated special escrow account described below, and with the Deposit thus paid in full by Purchaser upon its signature and submission of this Agreement.

_____ The amount of the Unit Reservation Deposit is in excess of the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly, \$_____ of the Unit Reservation Deposit is to be retained by Escrow Agent in the segregated special escrow account described below, and with the Deposit thus paid in full by Purchaser upon its signature and submission of this Agreement. The balance of the Unit Reservation Deposit in the amount of \$_____ will be paid and refunded in full by Sponsor to Purchaser within five (5) business days after execution of this Purchase Agreement by Purchaser.

_____ The amount of the Unit Reservation Deposit is less than the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly, the full amount of the Unit Reservation Deposit is to be retained by Escrow Agent in the segregated special escrow account described below, and with the balance of the Deposit due, \$_____, being paid by Purchaser upon signing and submitting this Agreement.

b) All checks shall represent United States currency. Checks for the Deposit and Additional Deposit shall be made payable to Stephen E. Hall, Esq., as Escrow Agent. Checks for any Extra Charges Payment under (ii) above, and checks for the balance of the Purchase Price under (iv) above, shall be made payable to Anthony J. Costello & Son (Joseph) Development LLC, or such other party as Sponsor may designate.

c) 1. Stephen E. Hall, Esq., with an address at Suite 400, 36 West Main Street, Rochester, New York 14614, telephone number (585) 546-3770, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Stephen E. Hall, Esq. The designated signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

2. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

3. The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit.

4. All Deposits received from Purchaser shall be in the form of checks, and, with the exception of Extras Charges, shall be made payable to or endorsed by the Purchaser to the order of Stephen E. Hall, Esq., as Escrow Agent.

5. The account does not bear interest for the Purchaser, as the Sponsor has elected to place the funds in a separate Interest on Lawyers Account ("IOLA") pursuant to Judiciary Law Section 497. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

6. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Escrow Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number.

7. The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

8. All Deposits, except for Extra Charges, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

9. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

10. The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in this Purchase Agreement in Paragraph 8 upon Closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

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

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

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

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

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

11. Any provision of the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment

thereto.

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

13. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

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

15. Sponsor agrees that Sponsor and its agent, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

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

17. Sponsor shall obtain or cause any selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

18. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

5) CONSTRUCTION AND COMPLETION OF UNIT. Builder agrees to construct, finish, and sell, and Purchaser agrees to purchase, the Unit to be so completed by Builder in accordance with plans and specifications therefor on file in the Builder's office (the "Unit Plans"), including the Extras Work. Builder shall furnish and perform, or cause to be furnished and performed, all of the work, labor, services, materials, and equipment required in connection with the construction and finishing of said Unit pursuant to the Unit Plans. All work, labor and services are

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to be performed in a good and workmanlike manner pursuant to the custom of the trade. Purchaser understands that it may make changes and alterations in the Unit Plans provided that such changes are made prior to the start of construction, and are listed on a change authorization form signed by Purchaser and Builder.

Purchaser understands that any model home or unit displayed by Builder may contain furnishings, finishes, special features, and fixtures which are not included in the Unit being constructed and purchased hereunder.

Builder reserves the right to: (i) make changes or substitutions of materials for those as set forth in the Unit Plans, provided any such changes are of equal or better value and quality; (ii) determine the final grading, site elevation, and location of the Unit, its foundation, set back, driveway, and landscaping, so as to conform to and satisfy drainage requirements, topographical conditions, and any governmental requirements.

Builder has the specific right to change grades, foundations, and footings, and the setback of the Unit if underground conditions are such that the original placement is inadvisable. Underground conditions can be the result of rock, water, soil type or any other condition which in the judgment of Builder would necessitate a change in elevation or setback, or result in extraordinary construction costs or necessitate unusual construction methods.

While the Sponsor is obligated to timely complete the Unit and to obtain a certificate of occupancy therefor from the Town of Brighton, as more fully set forth in this Purchase Agreement and the Offering Plan, including but not limited to the time set for such completion and procuring of a certificate of occupancy under Sponsor's Two Year Completion Obligation as more fully set forth in the Offering Plan, the Sponsor may at its option defer the commencement of construction of the Unit until all of the contingencies to Purchaser's obligation under Section 6 below are waived or satisfied, or are deemed waived or satisfied.

6) CONTINGENCIES ON PURCHASER'S OBLIGATIONS.

A. The Purchaser's obligations under this Agreement, but not the Builder's obligations under this Agreement, are contingent on Purchaser obtaining and accepting a written commitment for a mortgage loan to Purchaser for Closing on purchase of the Unit hereunder (the "Mortgage Loan"), from a lender of Purchaser's choice (the "Lender"), in an amount not in excess of \$_____, and to be repaid over a term of not less than _____ years, at such fixed, variable, or adjustable rate of interest which the Lender may lawfully charge, and subject to such other terms and conditions as the Lender may lawfully require. Any conditions of Purchaser's mortgage commitment will not be conditions of this Agreement, but shall be the sole responsibility of the Purchaser. Acceptance of a written mortgage commitment by the Purchaser shall be deemed a waiver and satisfaction of this contingency.

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a) Purchaser agrees to make application to its Lender within five (5) business days from the date a copy of this Agreement as fully executed is delivered to Purchaser, and to pursue receipt of the same diligently and in good faith. Any additional information, data, or documents requested by the Lender must be supplied by Purchaser promptly after Lender's request therefor. Once a Purchaser receives a written mortgage commitment ("Commitment"), Purchaser must provide the Builder with a copy thereof within five (5) days of receipt.

b) All fees, costs, charges, and expenses which may arise by reason of Purchaser's Mortgage Loan application and Mortgage Loan closing, shall be borne exclusively by Purchaser.

c) In the event the Purchaser fails to obtain a Commitment from the Lender within _____ (____) days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Builder within ten (10) days after the expiration of such period, with the Builder to have no such right to terminate this Agreement. Upon any such termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with Builder to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser to the Builder within such ten (10) day period, the above financing contingency clause for the Purchaser's benefit shall be deemed automatically waived, and the Purchaser will not be relieved from its obligations under this Agreement.

d) The above Mortgage Loan contingency for Purchaser's benefit shall be deemed fulfilled, and this Agreement shall be considered firm and binding on Purchaser even though the Commitment contains conditions to be satisfied by Purchaser as a prerequisite to funding the Mortgage Loan, including, but not limited to (i) proofs and confirmations regarding the creditworthiness of Purchaser or any co-applicant and existing assets of Purchaser or any co-applicant and any balances thereof, (ii) continued employment of Purchaser or any co-applicant, (iii) sale of any house, property or other asset required to be sold by Purchaser or any co-applicant and (iv) satisfaction of a debt by Purchaser or any co-applicant.

B. Purchaser's obligations under this Agreement, but not the Builder's obligations under this Agreement, are contingent upon the Purchaser securing a firm contract for the sale of the property located at _____ no later than _____, 20____. If Purchaser is unable to obtain such a firm contract for the sale of such property within _____ (____) days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Builder within ten (10) days after the expiration of such period, with the Builder to have no such right to terminate this Agreement. Upon any such termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with the Builder to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser within such ten (10) day period, the above sale contingency clause for the Purchaser's benefit shall automatically be

deemed waived, and the Purchaser will not be relieved from its obligations under the Purchase Agreement.

7) INTENTIONALLY OMITTED

8) CLOSING OF TITLE.

Builder shall notify Purchaser in writing as to the date and time of Closing, which shall take place on or about _____ days after all contingencies for Purchaser's benefit under Section 6 above are waived or satisfied, or are deemed to be waived or satisfied. Said date shall be referred to herein as the "Original Scheduled Closing Date".

As more fully set forth in the portion of the Offering Plan describing Sponsor's Two Year Completion Obligation, notwithstanding anything else herein the Builder is unconditionally obligated to complete the Unit and to procure a certificate of occupancy therefor from the Town of Brighton no later than the second (2nd) annual anniversary of the date of Purchaser's signature of this Agreement.

If there is a Lender involved in this transfer as set forth in Section 6.A. above, and said Lender, notwithstanding the issuance of a certificate of occupancy for the Unit, requires the establishment of an escrow to secure or fund the completion of punchlist or weather-related work in or about the Unit, such item(s) will not constitute an objection to Closing provided that a reasonable escrow fund is deposited by the Builder with the Lender corresponding to the Lender's inspection report identifying such work. All monies in said escrow fund will be paid by the Lender directly to the Builder when the Lender deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no such Lender involved, any such incomplete item(s) will not constitute an objection to Closing provided the Town of Brighton has issued such a certificate of occupancy. In such event the parties shall establish a list of incomplete items, which shall provide for the manner of completion and the estimated time of completion, subject to Sponsor's Two Year Completion Obligation, with no escrow to be held.

At Closing the Escrow Agent will release the Deposit and Additional Deposit to the Sponsor, for application against the Purchaser's payment of the Purchase Price.

9) POSSESSION PRIOR TO CLOSING. It is understood and agreed that Purchaser may not take possession of the Unit prior to the time of Closing unless Purchaser is expressly authorized to take such possession by a written document signed by Purchaser and Builder. Any such pre-closing occupancy shall be at the sole discretion of the Builder, and will be upon terms and conditions as required by the Builder.

10) TITLE DOCUMENTS; DELIVERY OF THE DEED(S);
UNIT OWNER POWER OF ATTORNEY; OTHER
DOCUMENTS.

a) Builder shall pay for and provide to Purchaser's attorney at least fifteen (15) days in advance of Closing, fully guaranteed tax, title and United States District Court Searches dated or redated subsequent hereto.

b) At the Closing, Builder shall deliver or cause to be delivered to Purchaser a warranty deed with lien covenant conveying to the Purchaser marketable fee simple title to the Unit, free and clear of all liens and encumbrances with the exception of Permitted Encumbrances as set forth in the Offering Plan, and those expressly agreed to by Purchaser. The deed shall be prepared by Builder in substantially the form set forth in the Offering Plan and shall be executed and acknowledged by Builder in form for recording. Purchaser shall pay all New York State real property transfer taxes, including any "mansion tax".

c) At Closing, Builder agrees to deliver to Purchaser a certificate of occupancy for the Unit as issued by the Town of Brighton.

11) CLOSING ADJUSTMENTS.

a) Subject to Paragraph 12 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing:

i) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed; and

ii) Assessments for the month, or portion of the month, in which title closes.

12) MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to New York Real Property Law Section 339-ee(2), it is specifically understood that such credit shall inure to the benefit of Builder. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible for paying the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At Closing, Builder will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

13) ADDITIONAL CLOSING COSTS.

a) In addition to all other sums payable or reimbursable elsewhere under this Agreement, at Closing Purchaser shall pay:

- i) a charge to Builder for its procuring of a survey of the Unit, being the sum of \$_____;
- ii) all fees and premiums for any title examination and the policy insuring the Purchaser's or Lender's interests, Lender's and Purchaser's attorneys' fees, all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred in connection with the Mortgage Loan, and all mortgage recording taxes;
- iii) all New York State real estate transfer tax on the deed, including any "Mansion Tax";
- iv) all recording and filing charges payable to any public official;
- v) payment to the Board of Directors of an initial non-reimbursable working capital contribution equal to two (2) months Assessments; and
- vi) a charge to Builder reimbursing its expense for a water meter fee of \$_____, and Town of Brighton recreation fee of \$_____.

14) INTENTIONALLY OMITTED

15) DEPOSIT. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser Close under this Agreement. However, the Purchaser understands and agrees that all Extras Charges will not be so handled and paid to the Escrow Agent, but will instead have been previously paid directly to the Builder.

16) BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Offering Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

17) AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies Deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any

mortgage, including, but not limited to, any construction or building loan mortgage heretofore or hereafter made, any advances heretofore or hereafter made thereon, and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. At or prior to Closing, Builder will either satisfy such mortgages, or obtain a release of each Unit from the lien of such mortgages, at Builder's option. The existence of any mortgage or mortgages encumbering the Development, or portions thereof, other than the Unit, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Builder, provided that any such mortgage(s) is subordinated to the Declaration.

18) DEFAULT BY PURCHASER.

a) If Purchaser fails to make any payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Builder shall give notice to Purchaser of such default. If such default shall not be cured within ten (10) days thereafter, Builder may terminate this Agreement by written notice to Purchaser. If Builder elects to so terminate this Agreement, (a) Builder may retain all Deposits and Extras Charges as liquidated damages, with Builder's actual damages being difficult or impossible to ascertain, and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan, and (b) Builder may sell the Unit to any third party as though this Agreement had never been made, without any obligation to account to Purchaser for any part of the proceeds of such sale.

b) If Purchaser fails for any reason to Close on the Originally Scheduled Closing Date, then at Builder's option the Closing adjustments described in Section 11 of this Agreement will be made as of midnight of the day preceding the Originally Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Builder, as a reimbursement of Builder's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to interest on the Purchase Price amount at the interest rate of nine percent (9%) per annum until paid.

c) All rights and remedies of Builder under this Section 18 are cumulative of and in addition to all rights and remedies under Section 19 below.

19) DEFAULT BY BUILDER OR PURCHASER. Upon any default by Builder or Purchaser under this Agreement, the other party shall be entitled to all rights and remedies available under law and/or equity, without limitation or restriction whatsoever, including, but not limited to, the right of specific performance.

20) **DAMAGE TO THE UNIT.** The risk of loss to the Unit by fire or other casualty is assumed by Builder until the earlier of Closing, or possession of the Unit by Purchaser, with Builder obligated to then repair or restore the Unit, and with this Agreement to continue in full force and effect. Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Builder shall be entitled to a reasonable period of time within which to complete the repair or restoration; provided, that Builder must complete the same so as to procure a certificate of occupancy for the Unit no later than the second annual anniversary of the date of signing of this Agreement by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor.

21) **EXPRESS LIMITED NEW HOME WARRANTY.** The sole warranty Purchaser is to receive on the Unit is the New York State Housing Merchant Implied Warranty as described in General Business Law Article 36B. **THE BUILDER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE UNIT CONSTRUCTED HEREUNDER, AND ANY AND ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE SAID STATUTORY WARRANTY.** SPECIFICALLY, AND WITHOUT LIMITATION THERETO, BUILDER DOES NOT WARRANT CONSUMER PRODUCTS INSTALLED WITHIN THE HOME, INCLUDING BUT NOT LIMITED TO ANY FURNACE, AIR CONDITIONING SYSTEM, SMOKE DETECTOR, WATER HEATER, RANGE, OVEN, MICROWAVE, DISHWASHER, REFRIGERATOR, AND DISPOSAL. BUILDER SHALL PROVIDE AND ASSIGN TO PURCHASER THE MANUFACTURER'S WARRANTY FOR ALL CONSUMER PRODUCTS INSTALLED BY BUILDER IN THE HOME PURSUANT TO THIS AGREEMENT.

22) **NO REPRESENTATIONS.** Purchaser acknowledges that Purchaser has not relied upon any plans or drawings, sales plans, selling brochures, advertisements, representations, warranties, statements, or estimates of any nature whatsoever, whether written or oral, made by Builder, any Selling Agent of Builder or otherwise, including, but not limited to, any such relating to the description or physical condition of the Covered Areas under the Offering Plan and Declaration, the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Assessments allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax credit with respect to the purchase of the Unit, the nature of any facilities and services to be provided by and through the Association, or any other data, except as specifically represented herein or in the Offering Plan. Purchaser has relied solely on its own judgment and investigation in deciding to enter into this Agreement and Purchase the Unit. No person has been authorized to make any representations on behalf of Builder except as specifically set forth herein or in the Offering Plan. No oral representations or statements shall be considered a part of this Agreement.

23) PROHIBITION AGAINST ADVERTISING. Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or otherwise, or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale.

24) BROKERS. Builder will pay to any listing broker engaged by Builder, all commissions earned in connection with this transaction by any such listing broker, with Builder to have no obligation to compensate any broker engaged by Purchaser. Any division of commissions paid by Builder to its listing broker, with any broker engaged by Purchaser, will be pursuant to separate agreement between such brokers, and, to the extent applicable, MLS and NYS Department of State rules, regulations, and guidelines.

25) INTENTIONALLY OMITTED

26) PURCHASER'S ATTORNEY APPROVAL. The Purchaser's obligations under this Agreement, but not the Builder's obligations under this Agreement, are contingent upon Purchaser securing its attorney's approval of this Agreement within seven (7) calendar days after the completion of execution of this Agreement by Purchaser and Builder. The failure of Purchaser's attorney to either approve or disapprove this Agreement within said seven (7) day period shall be deemed to comprise waiver by Purchaser of the need for such approval and waiver of such contingency.

27) AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Builder. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Builder. Builder's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Builder.

28) BINDING EFFECT. This Agreement shall not be binding on Builder until a copy of a fully executed counterpart hereof has been delivered to Purchaser and Builder. If this Agreement is not accepted by Builder within _____ () days from the date of Purchaser's signature hereto by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the Deposit paid on the execution hereof shall be promptly returned to Purchaser.

29) NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan shall be in writing and hand delivered or sent postage prepaid, by certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this agreement, with a copy to Stephen E. Hall, Esq., 36 West Main Street, Suite 400, Rochester, New York 14614, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of receipt or refusal thereof shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

30) JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers", if more than one person are purchasers, in which case their obligations shall be joint and several.

31) PERFORMANCE BY AND LIABILITY OF BUILDER. Purchaser's acceptance of the deed for the Unit shall be deemed to be full performance and discharge of each and every agreement and obligation on the part of Builder to be performed pursuant to the provisions of this Agreement, the Offering Plan and Part 22 of 13 NYCRR (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Offering Plan) and General Business Law §352-e, except those herein or therein expressly stated to survive delivery of such deed.

32) FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

33) COSTS OF ENFORCING AND DEFENDING AGREEMENT. Each party will be obligated to reimburse the other for any legal fees and disbursements incurred by it in enforcing its rights under this Agreement.

34) STRICT COMPLIANCE. Any failure by Builder to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Builder, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

35) GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

36) ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

37) CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

38) RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

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39) SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and its heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Builder and its successors and assigns.

40) NO ORAL CHANGES. THIS AGREEMENT CANNOT BE CHNGED OR TERMINATED ORALLY. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates set forth below.

SPONSOR:

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC

Date: _____

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

EXHIBIT B

WARRANTY DEED

THIS INDENTURE, made the _____ day of _____, 20__ between **ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC** a Nevada limited liability company, with its principal offices located at Suite 300, One Airport Way, Rochester, New York 14624, **GRANTOR**, and **THE RESERVE ASSOCIATION INC.** a New York not-for-profit corporation, with its principal offices located at Suite 300, One Airport Way, Rochester, New York 14624, **GRANTEE**.

WITNESSETH, that the Grantor, in consideration of One and 00/100 Dollars (\$1.00), and other good and valuable consideration paid by the Grantee, hereby grants and releases unto the Grantee, the heirs or successors and assigns of the Grantee forever,

ALL THOSE TRACTS OR PARCELS OF LAND, situate in the Town of Brighton, County of Monroe and State of New York, as described on Schedule A hereto.

This transfer is made and accepted subject to all covenants, easements and restrictions of record affecting said premises as recorded in the Monroe County Clerk's office.

Being and hereby intending to describe and convey a portion of the premises conveyed to Grantor herein by Warranty Deed dated _____, 20__ and recorded in the Monroe County Clerk's Office on _____, 20__ in Liber ____ of Deeds, page ____.

Tax Account Numbers:

Tax Mailing Address:

Property Address:

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to said premises.

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

AND the Grantor covenants as follows:

FIRST, the Grantor is seized of the said premises in fee simple and has good right to convey the same;

SECOND, the Grantee shall quietly enjoy the said premises;

THIRD, the premises are free from encumbrances, except as aforesaid;

FOURTH, the Grantor will execute or procure any further necessary assurances of title to said premises;

FIFTH, the Grantor will forever warrant the title to said premises;

SIXTH, the Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The words "Grantor" and "Grantee" shall be construed as if they read "Grantors" and "Grantees" whenever the sense of this indenture so required.

The property conveyed herein does not constitute all or substantially all of the assets of the Grantor, and this conveyance is made in the usual and regular course of business of the Grantor.

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

ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC

By: _____
Name: Anthony J. Costello
Title: Manager

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the ____ day of _____, in the year 20__, before me, the undersigned, personally appeared ANTHONY J. COSTELLO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

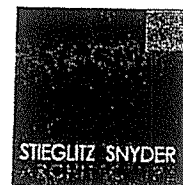
Notary Public

EXHIBIT C

Description of
Property and Specifications
for

“The Reserve Association Inc”

October 1, 2013



**Description of
Property and Specifications
for**

"THE RESERVE ASSOCIATION INC."

October 1, 2013

The below seal and signature is limited and pertains to the provisions encompassing site work.



Description of
Property and Specifications
for

"THE RESERVE ASSOCIATION INC."

October 1, 2013

The below seal and signature is limited and pertains to the provisions encompassing landscaping, and the exterior swimming pool and spa.



The Reserve Association Inc.

All capitalized terms as used herein will have the same meaning as the defined terms set forth in the Definitions within the Introduction section of the Plan.

Site

A. Location of Property

The property comprises Section I of the Sponsor's residential subdivision development known as The Reserve on the Erie Canal, in the Town of Brighton, County of Monroe, State of New York. The Development is located on the east side of South Clinton Avenue, is bordered on the north by Interstate 590, on the south by lands of the State of New York comprised of the Erie Canal and the associated Erie Canal railway, and on the east by lands of the Town of Brighton comprising Meridian Centre Park. The tax parcel numbers of the lands comprising the Development prior to filing of the Subdivision Plans for Section I in the Monroe County Clerk's Office were as follows, with revised tax parcel numbers to be assigned by the taxing authorities:

- 149.07-01-004
- 149.07-01-008
- 149.11-01-002.100
- 149.11-01-053

Section I of the Development will contain three distinct types of single family residences:

(i) Detached single family dwellings, with each Owner holding fee simple title to a subdivided lot and the newly constructed residence thereon ("Single Family Dwelling Units"). Section I is planned to include forty (40) of such Units, comprising two (2) phases, the Ft. Plain (21 Units) and Waterford (19 Units) neighborhoods.

(ii) Townhome-style condominiums, constructed in multiple-unit clusters ("Townhome Units"). Section I is planned to include two (2) offerings of such Units, being (i) a phase comprising an offering of eight (8) buildings containing twenty four (24) Units and representing the Glenville Condominium One Offering, and (ii) an additional phase comprising a separate offering of two (2) buildings containing a total of six (6) such Units and representing the Watermark Brownstones One Condominium Offering.

(iii) "Stacked cube" condominium units, done in a loft style ("Loft Units"). Section I of the Development is planned to include two (2) offerings or phases of such Units, each being a five (5) story building containing twenty eight (28) Loft Units each, and known, respectively, as the Rexford and Frankfort Condominiums.

Section I will also include a three (3) story clubhouse building and adjacent grounds encompassing Lot C1 of the Development ("Clubhouse Building and Property"), which Clubhouse Building and Property will not be offered for sale, but rather conveyed to the Association as a facility for recreational use by all Association Members and their guests, together with office space for the Association, as more fully described in Section B.

B. Site:

1. Size:

The total area of all exterior Covered Areas within Section I of the Development, as are owned and/or maintained by the homeowners association, The Reserve Association Inc. (the "Association"), is 30.9 acres.

In addition to the central role and function of the Association in owning and operating the Clubhouse Building and Property for the use and benefit of all Members, the Sponsor's primary goals in establishing the Association as an umbrella organization encompassing the entirety of Section I of The Development are to (1) provide for uniformity in the quality of associated services, maintenance and/or repair throughout the Development, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation. The Association will serve this function with respect to all of the Covered Areas to be owned and/or maintained by it throughout Section I of the Development (and within any remaining Development Section to follow), with the Covered Areas to encompass two (2) basic categories of lands, improvements, and facilities:

First, extensive areas and facilities are to be owned, and/or operated and maintained by the Association for the benefit of all Members, such as (a) the Clubhouse Building and Property (See Sections A (iii) above, and B.2, D.3, D.7, I., R., and S. below), (b) the Development's emergency vehicle access roadway extending to the Erie Canal Pathway, and the associated segment of the Erie Canal Pathway extending westerly and then northerly so as to provide alternative emergency vehicular access to South Clinton Avenue, as well as (c) additional green areas with walkways, and stormwater facilities, outside of the Clubhouse Unit and to be owned by the Association in fee simple, comprising Lots H1 and H4.

Secondly, significant Covered Areas within the Development maintained by the Association are not owned by the Association, and are not maintained by the Association for the direct benefit of all Unit Owners in the Development, with these areas comprised of (i) the exterior Common Elements within the Rexford and Frankfort Condominiums, (ii) the exterior Limited Common Elements within Glenville Condominium One and Watermark Brownstones One, specifically all lawn and landscaped areas as originally installed therein under the Sponsor's standard Unit

landscaping package, and snow removal (but not ice removal) from Unit driveways within said Limited Common Elements and from certain private roadways and sidewalks adjoining the same, as well as, (iii) within all Single Family Dwelling Units within the Ft. Plain neighborhood in Section I (but not the Waterford neighborhood), all lawn and landscaped areas as originally installed therein under the Sponsor's standard Unit landscaping package, and driveway snow (but not ice) removal.

The breakdown of the Covered Areas within Section I is as follows:

- Lawn – 328,209 SF
- Road – 97,549 SF
- Sidewalk – 17,808 SF
- Driveway – 46,324 SF
- Trails – 5,595 LF
- Curbing – 3,178 LF
- Rain Garden – 8,266 SF
- Bio-Retention Area – 3,506 SF
- Storm water Management Facility – 219,918 SF
- Emergency Access Road – 39,420 SF
- Storm Sewer – 12"/2,788 LF 15"/610 LF 18"/270 LF 24"/480 LF 30"/308 LF

The overall area of the entire Development as currently planned, comprising Sections I and II, is 64.601 acres.

2. Number of Buildings and Use: The Covered Areas include the Clubhouse Building and Property, with the Sponsor to convey fee simple title to the Clubhouse Building and Property to the Association, and with the Association to thereafter comprise the Owner of the same. The Clubhouse Building includes lobbies, gentlemen and ladies locker rooms, Banquet room, Harvard room, board room, offices, caterer's kitchen, sauna, steam bath, spa/lounge, fitness room, movie theater, and gentlemen's and ladies toilets, and all facilities, fixtures, equipment, and furnishings within said Building, as further described in Section S. below.

The Clubhouse Building and Property is comprised of not only said three (3) floor Building, but also all areas within Lot C1 of the Development, which includes not only the exterior pool/spa and other outdoor amenities immediately adjoining the Clubhouse Building as further described in Section S. below, but also the entirety of the private drive segment of the Development entrance roadway, Reserve View Boulevard, a portion of the private drive comprising Watermark Landing West (See Section 3 immediately following), and considerable landscaped areas, green areas, and associated trails (See Section D.7. below).

3. Streets owned or maintained by the HOA:

Private roads within the Development will not be built to Town of Brighton specifications as required for dedication to the Town, specifically in that the private roadway widths will not be in compliance with such Town specifications, and thus will not be capable of or considered for dedication; all such private roads will be repaired and maintained by the Association.

i. Paving

- Reserve View Boulevard (south of Pendleton Hill, with such Boulevard north of Pendleton Hill, extending to South Clinton Avenue, to be dedicated to the Town of Brighton)
 - 1 1/2" Lift NYSDOT Item 403.1901 – Top
 - 2" Lift NYSDOT Item 403.13 – Binder
 - 2 – 3" Lifts NYSDOT Item 304.11 – Base
 - 6" Lift Item NYSDOT 304.03 (#2 Crusher Run Limestone)
 - 6" Lift Item NYSDOT 703.0201 (#4 & #5 Washed Limestone)
- Bretlyn Circle, Watermark Landing West, and Watermark Landing East
 - 1 1/2" Lift NYSDOT Item 403.1901
 - 4" Lift NYSDOT Item 403.13 Binder
 - 6" Lift NYSDOT Item 304.03 (#2 Crusher Run Limestone)
 - 9" Lift NYSDOT Item 703.0201 (#4 & #5 Washed Limestone)

ii. Curbing

- New Granite Curbs will be used on Reserve View Boulevard south of Pendleton Hill, Watermark Landing West, and Watermark Landing East.
- Concrete curbs/gutters will be used on Bretlyn Circle.

iii. Catch basins, drainage

- New Catch Basins will be placed wherever there are low areas or changes in direction as indicated in the plan.

iv. Street and sidewalk lighting

- New RG&E Standard Fixture (cooper lighting, 100W high pressure sodium lamp, 16' fiberglass pole).
- Light poles and fixtures will be installed by RG&E or the Sponsor.

v. All site improvements have been designed and will be built to local government standards.

Reserve View Boulevard (north of Pendleton Hill), St. Johnsville Trail, and Pendleton Hill will all be dedicated to the Town of Brighton.

4. Drives, sidewalks and ramps:

i. Paving

- Sidewalks
 - 5" thick concrete
 - 7" thick concrete through driveways
 - City Class K

- 6" sub base course, Type 1 or 2, (NYSDOT Item 304.02 or NYSDOT Item 304.03)
- Ingress and Egress Driveways to the Frankfort, Rexford, and Clubhouse Buildings, and Unit driveways within Glenville Condominium One, Watermark Brownstones One, and the Ft. Plain Single Family Units.
 - Light Duty – 2" Asphalt concrete top, 6" Crushed stone base
 - Medium Duty – 1 ½" Asphalt concrete top, 2" Asphalt binder course, 6" Crushed stone base
- ii. Curbing
 - There is no curbing along the driveways.
- iii. Catch basins, drainage
 - There are no catch basins along the driveways.

C. Sub-soil Conditions

1. Site Class of "C" (Very dense soil and soft rock profile). There is approximately 6 to 12 inches of topsoil over the site. The soil profile consists of silt, sand, gravel, and clay. These soils vary in amount, but are consistent up to approximately 35'. Boulders and cobbles are likely present due to the drilling and sampling resistance. Geotechnical report completed by Ray Teeter PE. All designs meet NYS and Monroe County standards.
2. Ground water levels vary over the site from 2 to 17 feet in depth. Ground water infiltration may occur. Under drains, and perforated storm drains will be used in order to prevent ground water infiltration.
3. The dedicated portion of Reserve View Boulevard runs through a portion of Allen Creek, labeled zone A.E. on the Flood Insurance Rate Map distributed by the Federal Emergency Management Agency. There will be no filling in this area. The remainder of the site is labeled zone X.

D. Landscaping and enclosures:

1. Frankfort Condominium Exterior Common Elements Maintained by the Association
 - i. Grass: All lawn or turf areas are established with Preferred Seed "Trio-Supreme Mix," or equal seed mixture, consisting of approximately 34% Perennial Rye Grass, 33% Improved Kentucky Blue Grass and 33% Creeping Fescue. The Frankfort Condominium includes approximately 10,800 SF of turf area located around the building.
 - ii. Plantings: Plantings include a mixture of shrubs, perennials and ornamental grasses. The Frankfort Condominium has approximately 5,000 SF of planting area consisting of about 400 shrubs, herbaceous perennials and/or ornamental grass plantings arranged around the building and adjacent to the sidewalk. An adjacent green roof area above the parking garage entrance contains approximately 1,750 SF of Sedum or other succulent plant species. Sloped areas

along the south side of the building are seeded with Preferred Seed Low-Gro mixture, or equal seed mixture, consisting of 60% Hard Fescue, 20% Chewings Fescue, and 20% Sheep Fescue, totaling approximately 4,400 SF.

- iii. Trees: There are approximately 11 trees of varying species within the Frankfort Condominium area. These include deciduous shade trees and ornamental flowering trees
- iv. Fencing: not included
- v. Gates: not included
- vi. Garden walls: not included
- vii. Retaining walls: not included
- viii. Display Pools and foundations: not included

2. Rexford Condominium Exterior Common Elements Maintained by the Association.

- i. Grass: All lawn or turf areas are established with Preferred Seed "Trio-Supreme Mix," or equal seed mixture, consisting of approximately 34% Perennial Rye Grass, 33% Improved Kentucky Blue Grass and 33% Creeping Fescue. The Rexford Condominium includes approximately 1,900 SF of turf area located around the building
- ii. Plantings: Plantings include a mixture of shrubs, perennials and ornamental grasses. The Rexford Condominium has approximately 3,700 SF of planting area consisting of about 400 shrubs, herbaceous perennials and/or ornamental grass plantings arranged around the building and adjacent to the sidewalk. An adjacent green roof area above the parking garage entrance contains approximately 1,750 SF of Sedum or other succulent plant species. Sloped areas along the south side of the building are seeded with Preferred Seed Low-Gro mixture, or equal seed mixture, consisting of approximately 60% Hard Fescue, 20% Chewings Fescue, and 20% Sheep Fescue, totaling approximately 4,000 SF.
- iii. Trees: There are approximately 11 trees of varying species within the Rexford Condominium area. These include deciduous shade trees and ornamental flowering trees
- iv. Fencing: not included
- v. Gates: not included
- vi. Garden walls: not included
- vii. Retaining walls: not included
- viii. Display Pools and foundations: not included

3. Exterior Area within Clubhouse Building and Property, Adjoining the Clubhouse Building

- i. Grass: not included
- ii. Plantings: Plantings throughout the Building area include a mixture of shrubs, perennials and ornamental grasses. The total planting within the immediate vicinity of the Building is approximately 2,900 SF and includes about 325 shrubs, herbaceous perennials and/or ornamental grasses, not including the outdoor pool

area. Planting within planting beds and planter boxes around the outdoor pool will consist of shrubs, perennials, ornamental grasses and ground covers. The total planting area around the outdoor pool deck is approximately 2,300 SF.

- iii. Trees: There are approximately 8 trees of varying species within the immediate vicinity of the Building. These include a species mixture of deciduous shade and ornamental flowering trees
- iv. Pool Enclosure Fencing and Walls: Approximately 390' of fencing enclosure made up of minimum 4' high ornamental metal fencing and/or masonry wall sections will surround the pool area so as to comply with applicable codes.
- v. Gates: Includes self-closing and latching ornamental metal gates. See Section "S" Recreation Facilities for description of gates.
- vi. Garden Walls: Garden walls and planters exist around the pool deck area and consist of masonry materials similar to the Clubhouse Building.
- vii. Retaining walls: not included
- viii. Display Pools and foundations: not included

4. Ft. Plain Single Family Dwelling Unit Exterior Yards

- i. Grass: All lawn or turf areas are established with Preferred Seed "Trio-Supreme Mix," or equal seed mixture, consisting of 34% Perennial Rye Grass, 33% Improved Kentucky Blue Grass and 33% Creeping Fescue. The Ft. Plain area includes approximately 157,900 SF of turf area located around individual detached Units, excluding planting beds adjacent to foundations.
- ii. Plantings: Plantings include a mixture of shrubs, perennials and ornamental grasses. Each unit averages approximately 500 SF of planting area consisting of about 42 shrubs, herbaceous perennials and/or ornamental grass plantings arranged around the foundation of the home. The total planting area for Ft. Plain is approximately 10,500 SF and includes about 882 shrubs, herbaceous perennials and/or ornamental grasses.
- iii. Trees: There are approximately 75 trees of varying species within Ft. Plain. These include about 42 deciduous shade or evergreen trees and approximately 33 ornamental flowering trees. Tree arrangements vary, but each unit generally consists of 1 to 2 deciduous shade trees near the street and 2 ornamental flowering trees within each yard area.
- iv. Fencing: not included
- v. Gates: not included
- vi. Garden walls: not included
- vii. Retaining walls: not included
- viii. Display Pools and foundations: not included

5. Glenville Condominium One Exterior Limited Common Elements Yards and Landscaping.

- i. Grass: All lawn or turf areas are established with Preferred Seed "Trio-Supreme Mix," or equal seed mixture, consisting of 34% Perennial Rye Grass, 33% Improved Kentucky Blue Grass and 33% Creeping Fescue. Glenville Condominium One exterior Limited Common Element areas include approximately 56,300 SF of turf area located around all buildings, excluding planting beds adjacent to building foundations.
- ii. Plantings: Plantings include a mixture of shrubs, perennials and ornamental grasses. Each Unit's exterior Limited Common Elements average approximately 300 SF of planting area consisting of ten shrubs and twelve perennial or ornamental grass plantings arranged around the foundation of the buildings. The total planting area for Glenville Condominium One area is approximately 9,000 SF and includes about 418 shrubs, herbaceous perennials and/or ornamental grasses.
- iii. Trees: There are approximately 63 trees of varying species within the Glenville Condominium One exterior Limited Common Elements area. These include about 34 deciduous shade trees and approximately 29 ornamental flowering trees. Tree arrangements vary, but each Unit's exterior Limited Common Element area generally includes one deciduous shade tree near the street and one ornamental flowering tree within the yard area.
- iv. Fencing: not included
- v. Gates: not included
- vi. Garden walls: not included
- vii. Retaining walls: not included
- viii. Display Pools and foundations: not included

6. Watermark Brownstones One Exterior Limited Common Elements Yards and Landscaping.

- i. Grass: All lawn or turf areas are established with Preferred Seed "Trio-Supreme Mix," or equal seed mixture, consisting of 34% Perennial Rye Grass, 33% Improved Kentucky Blue Grass and 33% Creeping Fescue. The Watermark Brownstones One exterior Limited Common Element areas include approximately 10,900 SF of turf area located around individual attached building units, excluding planting beds adjacent to foundations
- ii. Plantings: Plantings include a mixture of shrubs, perennials and ornamental grasses. Each Unit's exterior Limited Common Elements average approximately 320 SF of planting area consisting of 24 shrubs herbaceous perennials and/or ornamental grass plantings arranged around the foundations of the buildings. The total planting area for Watermark Brownstones One is approximately 1,900 SF and includes about 144 shrubs, herbaceous perennials and/or ornamental grasses.

- iii. Trees: There are approximately 16 trees of varying species within the Watermark Brownstones One exterior Limited Common Elements. These include deciduous shade or evergreen trees and ornamental flowering trees. Tree arrangements vary, but each Unit's exterior Limited Common Element area generally includes 2 to 3 trees within the yard area
- iv. Fencing: not included
- v. Gates: not included
- vi. Garden walls: not included
- vii. Retaining walls: not included
- viii. Display Pools and foundations: not included

7. General Development Green Areas, Comprised of Association Fee Simple Area, including all Remaining Clubhouse Building and Property Exterior Green Areas

- i. Grass: All lawn or turf areas are established with Preferred Seed "Trio-Supreme Mix," or equal seed mixture, consisting of 34% Perennial Rye Grass, 33% Improved Kentucky Blue Grass and 33% Creeping Fescue. The lands include approximately 328,000 SF of turf area located in all areas except planting bed areas, steep slopes, pond area plantings and bioswales.
- ii. Plantings: Plantings throughout the lands include a mixture of shrubs, perennials and ornamental grasses. The total planting area is approximately 19,500 SF and includes about 2,536 shrubs, herbaceous perennials and/or ornamental grasses.
- iii. Bioswales, Slopes and Pond Areas: Bioswales, rain gardens and pond areas include several specific seed mixtures based on the topography / slope of the land and moisture of the soil. Total pond, bioswale and other non-turf seed mix areas equals approximately 231,500 SF. All swales within the lands are seeded with an Ernst Seed (or equal) mixture of approximately 45% Kentucky Bluegrass, 36% Creeping Red Fescue and 19% Perennial Ryegrass. Sloped areas, primarily along the terraced landforms south of all Loft buildings, are seeded with Preferred Seed Low-Gro mixture, or equal seed mixture, consisting of approximately 60% Hard Fescue, 20% Chewings Fescue, and 20% Sheep Fescue. Meridian Center Park restoration areas are seeded with Ernst Seed Showy Northeastern Native Wildflower and Grass Mix (ERNMX-153 or equal). Pond Areas include 3 different seed mixtures located on upland bank slopes above the pond water, marginal areas near the pond edge and emergent areas that are within the shallow shelf of the pond itself. Upland areas are seeded with Ernst Seed (or equal) Showy Northeastern Native Wildflower and Grass Mix (ERNMX-153 or equal). Marginal areas are seeded with Ernst Seed Rain Garden Mix (ERNMX-180 or equal). Emergent areas within the ponds and seeded with a custom seed mixture from Ernst Seed, or equal, consisting of 60% Pickerel Weed and 40% Arrow Arum.
- iv. Trees: There are approximately 681 trees of varying species within the lands. These include a broad species mixture of deciduous shade, evergreen, and ornamental flowering trees

- v. Fencing: no included
- vi. Gates: not included
- vii. Garden walls: not included
- viii. Retaining walls: A dry set stone retaining wall is located on the west side of Reserve View Boulevard, at the end of a row of shade trees. The wall is approximately 35 lineal feet long and does not exceed 2'-6" in height above grade. The dry set stone material is dolomite boulders or equal.
- ix. Pools and foundations: not included

E. Utilities:

1. Electricity, natural gas, and telephone and cable services will be located underground (with the exception of above-ground transformers and service boxes) in easements granted for such utilities. The following regulated companies will initially own, operate, and maintain all related utility facilities and provide such services accordingly, all of which will be separately metered and/or charged to each Unit Owner, including such metering and/or charges to the Association as Owner of the Clubhouse Building:

Electricity and Gas - Rochester Gas & Electric Corporation

Telephone - Time Warner Cable

Cable Television – Time Warner. Cable television will be available for Unit Owners on an individual subscription basis at rates comparable to those generally available for residences in the area of the Development.

2. Water will be supplied by The Monroe County Water Authority ("MCWA") through dedicated water mains constructed by the Sponsor in accordance with all MCWA specifications, with the MCWA assuming ownership and responsibility for the mains under an easement to be granted by Sponsor. A 6", 8", or 12" water main will provide fire protection and domestic water to the buildings. Hydrant spacing will be 500' maximum for single family dwellings and 300' maximum for multi-unit structures. The Sponsor will also construct and install all lateral water service lines in accordance with all MCWA specifications; the Association will maintain the lateral water service lines between the curbox valve, and (i) the Unit wall for each individual Townhome Unit, or (ii) the building wall for each Loft Condominium building and the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of the maintenance of such lateral lines shall be funded through the Association's budget, Schedule A to the Offering, via Neighborhood Surcharges as set forth therein. The Association will not fund water usage expenses through Assessments, with the exception of water usage in the Clubhouse Building in the Association's capacity as Owner thereof; each Townhome and Single Family Dwelling Unit will be individually metered, for the Owner thereof to bear all Unit usage expenses; water usage in Loft Condominium Building Common Elements and Units is separately addressed in the respective Condominium Offering Plan and Budget.

F. Sewers:

- 1. Sanitary sewage system

i. Piping

Piping shall be polyvinyl chloride (PVC) with ends suitable for elastomeric gasket joints, and a minimum wall thickness of SDR-35. Piping and fittings shall meet: ASTM D-3034 (4" thru 15") and ASTM F-679 (18" thru 48").

ii. Pumps – not included

iii. Disposal

- o The main sanitary sewer system within the public and private rights of way will be constructed in accordance with all Town of Brighton specifications and dedicated to the Town of Brighton, with the Town thus assuming ownership and responsibility for the same. Upon successful completion of the 30 day test after installation, repairs to and maintenance of the sanitary sewage system will be covered by a standard one (1) year maintenance bond furnished by the Sponsor to the Town; the Town will take over repairs and maintenance at the end of this period. While all sanitary sewer laterals will also be constructed by the Sponsor in accordance with all Town specifications, the Association will maintain all sanitary sewer laterals between the street right of way line, and (i) the Unit wall for each Townhome Unit, and (ii) the building wall for each Condominium building and the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of maintenance of the laterals shall be funded through the Association budget via Neighborhood Surcharges as applicable.

2. Permits required

- NYSDOT for work in ROW
- Town of Brighton

3. Storm drainage system

The stormwater sewer system within the street rights of way dedicated to the Town of Brighton, as well as all storm water mains extending therefrom to the stormwater management facilities in the Development, will be constructed by the Sponsor in accordance with all Town specifications, and will also be dedicated to the Town, with the Town thus assuming ownership and responsibility for such portion of the stormwater system. The Association will maintain the storm sewer system throughout the remainder of the Development, including storm water ponds, fountains, culverts, channels, and other stormwater facilities throughout the entirety of the Development, whether located within areas conveyed by the Sponsor to the Association, or within the exterior Common Elements or Limited Common Elements of any Condominium Offering within the Development, all of which will also be constructed by the Sponsor in accordance with all Town specifications, with the costs of maintenance to be funded through the Association's budget; the Town of Brighton will have an easement allowing it access to all such stormwater and drainage facilities upon any failure of the Association to do so. The Association will maintain the lateral storm sewer lines extending to (i) the Unit wall for each individual Townhome Unit, or (ii) the building wall for each Loft Condominium

building, and the Clubhouse Building, but not such lines extending to Single Family Dwelling Units. The cost of the maintenance of such lateral lines shall be funded through the Association budget via Neighborhood Surcharges as applicable. Maintenance and repair of sump pumps within Single Family Dwelling and Townhouse Units shall be the individual Owner's sole responsibility.

i. Catch basins

Catch basins shall be placed at all low areas or changes of direction in the storm sewer system as indicated in the plans. Water shall be conveyed to the storm water management facility.

ii. Yard drains

All low areas in yards shall be drained by concrete drainage structures.

iii. Piping

- o The contractor may use the following pipe materials for the main sewer, provided that the roughness coefficient is 0.013 or better:
- o Reinforced Concrete Pipe (RCP), Class III
- o High Density Corrugated Polyethylene Pipe (PE), AASHTO M-29, Type S, ASTM D-3350

iv. Eject or sump pumps – not included

G. Refuse disposal:

1. Initial Storage Location:

The Frankfort and Rexford Loft Condominium buildings each have (2) refuse rooms in the basement garage area, along with a trash compactor; the compactors will be separately owned and maintained as Common Elements under the respective Condominium regime.

The interior areas of the Clubhouse Building will be cleaned daily, or as otherwise necessary, and refuse removed by Association cleaning staff.

The Single Family Units and Townhome Units will store their refuse in totes in the Unit's garage.

2. Pick up schedule, public or private

Once per week, a private refuse collector will remove refuse from the compactors in the Frankfort and Rexford buildings.

The Association will provide staff to remove refuse and recyclables once per week from the Clubhouse Building.

As to the single family dwellings, refuse will be collected once a week by a private hauler. Refuse pick up location will be from the base of the driveway. Recycling will also be picked up once a week by a private hauler. Recycling will be collected from the base of the driveway.

H. Garages and Parking Areas:

1. No garages are encompassed within the Association's Covered Area.

2. Location of parking areas:

- 78 streetside parking spaces are located along Watermark Landing East and Watermark Landing West, together with 4 delivery spaces.
 - There will be five (5) streetside parking spaces along Watermark Landing East dedicated to public parking for Erie canal trail use.
3. Surfaces of parking areas: asphalt.
 4. Parking is unattended.
 5. Drainage of parking area:
 - The parking areas will be sheet drained to drainage structures then conveyed to a Storm Water Management Facility through underground piping systems and swales.

I. Building Size:

1. The Clubhouse Building offers leisure and recreational facilities and space for of the Development residents and their guests. As more fully described in the Recreational Facilities section S. below, the ground or lower floor features a small movie theater, fitness center, spa area with sauna, steam bath, whirl pool, massage room, and adjacent locker rooms. The first or main floor comprises a board room, banquet room, Harvard room, (2) offices, catering kitchen and reception area. Additionally, an exterior swimming pool with terraces is connected to the lower floor. The second floor accommodates two (2) office suites for the Association, a portion of which will be used by the Sponsor for office space during build-out of the Development.
2. The average height of the building is 40'-0"
3. The Clubhouse Building includes no crawl spaces, cellars, or subcellars
4. Mechanical, electrical and plumbing rooms are located on the Clubhouse Building's lower level
5. The building features two (2) stories, together with a walk-out ground or lower floor

J. Status of Construction:

1. No later than the expiration of a period of two (2) years commencing upon execution by the Purchaser of the first Purchase Agreement for the construction and sale of a Unit within the Development, the Sponsor will complete the buildout, finishing, and equipping of the Clubhouse Building.
2. The class of construction of the Clubhouse Building is type 5B, combustible, in accordance with the New York State Building Code.
3. The Sponsor will procure a certificate of occupancy from the Town of Brighton for the Clubhouse Building within the same time frame as set forth in Section 1 immediately preceding.
4. Approved subdivision plans, site plans, and elevation drawings for the Clubhouse Building are included within this report pursuant to section U. below.

K. Structural Systems:

1. The footers and foundation walls are constructed of reinforced concrete. The lower level area serves as a partial basement and is constructed of cast in place reinforced concrete. The first story framing is structural steel with composite steel beams

supporting metal deck with a cast in place floor. The upper stories are wood framed construction using conventional and engineered lumber for the floor and roof members. The main wind and seismic lateral resisting systems for the first story are ordinary steel moment frames not necessarily detailed for seismic. This type of moment frame has a response modification factor of 3.0 and was analyzed using the Equivalent Lateral Force method. The upper wood stories utilize wood panel shear walls. All wind and seismic loads are as per chapter 16 of the NYS Building Code.

2. Construction Classification is Type 5B, combustible, in accordance with NYS Building Code.

L. Exterior of Clubhouse Building:

1. Walls. Exterior walls are constructed of 4" face brick, air space, R-10 rigid insulation, air barrier, 1/2" exterior sheathing, 6" steel studs with R-19 fiberglass insulation between studs, vapor barrier, and 5/8" interior gypsum wall board. The total R-value of the wall will be approx. R-28
2. Windows. Fenestration is achieved with aluminum clad wood windows with insulated glass units in various configurations (fixed, casement, awning, sliding patio doors, French doors, etc.) All operable vents will receive insect screens. Marvin Ultimate Clad products have been specified for all casement, awning and picture windows.
3. Parapets and Coping. not included
4. Chimneys and Caps: not included
5. Balconies and terraces:
 - i. The terrace is constructed of concrete with roof pavers over a roofing membrane. Doors to the public terrace are aluminum clad French doors (Marvin).
 - ii. Balconies are featuring concrete pavers over a roofing membrane and receive a metal/glass railing system. The soffits are suspended cement board with direct applied finish system (Dryvit).
6. Exterior Entrances. Exterior doors to the main entrance are automatic sliding aluminum doors, Besam model OC4-14. All other exterior doors are hinged swing out aluminum clad wood doors. French style and sliding patio doors are also Marvin Ultimate Clad. Entrance doors the kitchen and main door to the grand terrace are specified as Marvin Clad Commercial products. Exits from stairs and doors at the lowest level are Aluminum/Glass storefront by Oldcastle Building Envelope, series 3000 or equal. Doors providing access to roof are insulated hollow metal, Amweld or equal. Exterior wall sconces announce the entrances, ceiling lighting from the entrance canopy lights the drop-off zone
7. Service Entrances: not included
8. Roof and Roof Structure. The main roof is a ridge roof with four (4) ridge dormers and four (4) smaller flat roof areas. (2) Smaller hip canopy roofs are covering the top balconies. This main roof is constructed of prefinished (Kynar coating) standing seam metal roofing over non-combustible exterior sheathing over steel stud roof framing. The insulation is loose fill R-30 cellulose insulation applied just above the horizontal ceiling. Flashings are of compatible materials. The entry canopy is a separate structure with a

light colored TPO flat roof and a centered ridge roof shaped aluminum/glass skylight. Skylight is specified as "BMS-3000 Skylight System" as manufactured by Oldcastle Building Systems.

(8) Aluminum roof drains with corresponding rain water leaders connected to the storm water drainage covers the drainage of the roof.

9. Fire Escapes. N/A.

10. Yards and Courts: Trail materials in Association Covered Areas generally consist of stone dust paving throughout the trail system. Approximately 1" of stone dust sits upon 7" of compacted crusher run limestone base and woven geo-textile fabric. Damp or wet trail segment areas include 4" underdrains along the down slope side of trail. Concrete sidewalks, as described above. Paving materials around the Clubhouse Building will consist of concrete walks and the pool deck will consist of a combination of concrete and ornamental pavers.

Drainage: Overland storm water conveyance through storm water swales and infiltration using rain garden infiltration basins. For underground storm water utility infrastructure, see utilities descriptions. Sheet drainage away from pool and building to adjacent swales and designed storm water system.

Railings: not included

Stairs: not included

Fencing: not included

Walls: not included

M. Interior of Clubhouse Building:

1. Interior Stairs: (1) Open feature stair from main floor to lower floor is constructed of steel with steel supported stone treads and a steel guardrail with wood handrail. Wall finishes are to match the upper and lower lobby. (2) Exit staircases are constructed of steel stringers and landings with concrete filled steel pan and steel guard and handrails. Walls are constructed of painted concrete block, landings are covered with drywall.
2. Interior Doors and Frames: Raised panel wood doors in hollow metal frames throughout, fire rating as required by New York State Building Code. Typical hollow metal frames are to be made from .042" thick cold-rolled steel with welded construction.
3. Elevators: ThyssenKrupp (1) 15 passenger, 3500 lbs hydraulic elevator, 100 fpm speed, with automatic controls serving all floors. 80" x 65 1/2" x 88" height inside cab dimensions, right hand automatic sliding doors throughout.
4. Elevator Cabs: ThyssenKrupp Wood wall paneling, stainless steel guard rail, center mirror, floor tile to match lobby, metal ceiling with 6 down lights

N. Plumbing and Drainage: :

1. Water Supply - A four-inch (4") domestic water service enters the Clubhouse Building on the north side, above the basement level floor within MEP Room 007. This service entrance consists of a main shut-off valve, water meter and one (1) one and four-inch

- (4") reduced pressure backflow prevention device. This service supplies water to the Building's plumbing fixtures and equipment.
2. Fire Protection System - A six-inch (6") fire service enters the Clubhouse Building on the north side, above the basement level floor within MEP Room 007. This service reduces to four-inch (4") in size and consists of a supervised main shut-off valve, a four-inch (4") reduced pressure backflow prevention device, two (2) alarm type check valves and a wall mounted fire department connection with two-way lug swivel inlets with 2-1/2" NST hose threads that match those in use by the Town of Brighton Fire Department. This service supplies water to the Building's fire protection system.
 3. Water storage tanks: N/A
 4. Water pressure and how maintained: Water will be provided by the Monroe County Water Authority. All mains will be maintained by the MCWA. The water distribution system is in accordance with Monroe County Health Department standards, possessing a minimum water pressure of 35 psi at each house side meter. The minimum water pressure standard of 20 psi during fire flow has been met. There are dual taps into the transmissions line for redundant service in case a water main breaks.
 5. Sanitary Sewer System - A conventional, gravity type sanitary system is provided to convey sanitary waste from all plumbing fixtures. One (1) six-inch (6") sanitary waste main will exit below grade on the east side of the Clubhouse Building and connect to a conventional sanitary sewer manhole. All plumbing fixtures are individually vented to the atmosphere.
A duplex type ejector (grinder) pump system is provided to convey (pumping) all sanitary waste generated from the basement level plumbing fixtures to the conventional gravity type storm water drainage system. An ejector pump control panel is provided with audible and visible alarms.
 6. Storm Water Drainage System - A conventional, gravity type storm water drainage system with multiple interior roof drain leaders is provided to convey storm water from all roof drains and gutters. One (1) eight-inch (8") storm water main exits the Clubhouse Building above the basement floor level on the west side. This main terminates within an existing storm sewer catch basin located downstream of the respective storm main.
A duplex type sump pump system is provided to convey all storm water (via pumping) collected by the basement level underdrain system to the conventional gravity type storm water drainage system. A sump pump control panel is provided with audible and visible alarms.

O. Heating:

Heating system shall maintain a minimum of 68°F indoor temperature when the outdoor ambient temperature is at ASHRAE design temperature of 0°F as required by the Mechanical Code of New York State. Indoor design temperature shall be 72°F.

1. Boilers shall have a capacity of approximately 500 MBH
2. Boiler and burner manufacturer shall be designed around Lochinvar, but is subject to public bid.
3. On-board boiler controls with DDC system monitoring

4. Piping, Ductwork and insulation shall meet the requirements of local, and state codes.
5. Fuel shall be natural gas. Gas service is provided by Rochester Electric and Gas. Gas Meter(s) consist of one (1) Master "House" meter serving Emergency Generator, Domestic Water Heaters and Air Handling Unit and kitchen equipment. Exterior, below grade piping is SDR-11 Polyethylene. Exterior, above grade piping is Schedule 40 Galvanized Steel. Interior, above grade piping is Schedule 40 Black Steel. All exterior and interior exposed piping shall be painted.
6. Domestic Water Heating System – System shall consist of three (3), gas fired, high efficiency, condensing type water heaters. Each water heater will have the capability of generating 332 gallons of hot water and have a hot water storage capacity of 125 gallons each.

P. Air Conditioning:

Air Conditioning system shall maintain a maximum of 76°F indoor temperature when the outdoor ambient temperature is at ASHRAE design temperature of 86°F as required by the Mechanical Code of New York State. Indoor space relative humidity shall be designed at 50%.

1. Air conditioning shall be a variable refrigerant system with an outdoor air cooled condensing unit. System shall be designed around Mitsubishi, but is subject to public bid.
2. System is a zoned system with dedicated space conditioning units and a central outdoor condensing unit.
3. Outdoor air cooled condensing unit shall be grade mounted with a capacity of 28 tons.
4. Individual unit per space.

Ventilation system shall be central dedicated ventilation air handling unit with hot water heating and DX cooling. Unit shall serve the basement and first floor occupied spaces. Outdoor condensing unit shall be located at grade. System shall be designed around Trane, but is subject to public bid.

Q. Electrical System:

1. The electrical service will consist of a 300KVA, 208Y120 Volt, 3-phase transformer furnished by Rochester Gas and Electric located at grade.
2. 600Amp, 208Y120 Volt, 3-Phase main service disconnect switchgear with multi-meter/distribution equipment will be located in the basement level MEP Room 008
3. Electrical service is sized adequately to operate the Building, including the movie theater, fitness center equipment, spa and lounge.
4. *Adequacy:* (6) 225 Amp, 42 Pole panel boards for the expected loads on the Basement, First and Second floors.
5. A 100KW, 208Y120 Volt, 3-Phase, natural gas standby power generator will be provided at grade. The generator will provide emergency power to lighting and other life safety equipment in the building as well as standby power loads such as elevator, and sump

- pumps. The (2) Automatic transfer switches shall be located in the basement level Mechanical Room 008.
6. Lighting will consist of energy efficient LED, fluorescent, and compact fluorescent luminaries. Luminaries will be selected for task and aesthetic appearance to achieve desired light levels and meet the guidelines of the latest Illumination Engineering Society of North America handbook.
 7. Convenience receptacles will be provided per National Electric Code and as necessary.

R. Television Reception Facility:

The Clubhouse Building audio system will consist of 46 internal speakers divided into fourteen zones throughout the first and second floor. Each of the seven zones will contain local volume control. The pool area will be a separate zone with seven outdoor speakers with local volume control. The theater system will include a blu-ray / dvd with Dolby 5.1 Surround sound and overhead projection. Flat screen TV's will be installed in the following locations; Entry, Concierge, Board Room, Harvard Room, Entry/Vestibule or Bar, Fitness Center, and Game Room. The building will be wired for cable/satellite. The video surveillance system will consist of sixteen cameras – 4 in the Clubhouse Building and twelve (12) door cameras in the Loft Condominium Buildings. The system will have a sixteen channel digital video recorder (dvr). Cameras will be installed at the Clinton Avenue entrance as well as the Reserve View Boulevard entrance as well as along the property line adjacent to the Erie Canal and Meridian Center Park. A sixteen extension phone system will be installed that will be interconnected with the Loft buildings. As part of the phone and surveillance system, the concierge will have the ability to grant entry to the Rexford and Frankfort Loft Condominium Buildings remotely from the concierge desk.

S. Recreation Facilities:

1. Exterior swimming pool:

Type and Material: Both the swimming pool and the spa will have a "gunite" concrete shell. The perimeter pool beam will be 12" thick, walls will be 8" thick minimum, and floors will have a minimum thickness of 6". The entire Gunite pool structure will be reinforced with a grid of ½" diameter reinforcing bar on a 12" grid. Gunite is a low moisture concrete mix that is spray applied to a web of reinforcing steel, then troweled to create the structural pool wall. The Gunite shell is the structural pool wall and floor. It is extremely durable and resistant to cracking. The basic surface finish of the pool and spa will be marcite plaster or an equally durable pool finish material. The pool will have ceramic tile installed at the waterline, on the leading edge of steps and elsewhere as required by code. The spa will also include tile at the waterline, on bench seating, the leading edge of steps, and elsewhere as required by code.

Location on Property: The swimming pool will be located outside the south side of the Clubhouse Building at approximately the same elevation as the lower level of the building. The spa will be positioned in the northeastern portion of the pool deck, adjacent to the shallow end of the pool.

Size: The pool will be approximately 24 feet wide and 42 feet long. It will range in depth from approximately 3 feet in the shallow end to approximately 5 feet in the deep end. The pool will accommodate approximately 58 patrons assuming about 880 square feet of shallow water area. This count is based on New York State Health Department regulations that require 15 square feet of shallow water (5ft. deep or less) per patron.

The spa will be approximately 9 feet wide and 12 feet long. It will have a maximum depth of approximately 3 feet.

Approval by regulatory agencies and authorities: The pool will be configured and equipped to meet the requirements of the NYS Health Department, New York State Building Code and all other necessary regulatory codes and/or authorities.

Pool Deck: The pool deck will be constructed of scored concrete pavement with accents of ornamental pavers.

Diving Board: There will be no diving board.

Enclosure (Material, including Roof): Ornamental metal fencing and / or masonry walls will fully enclose the entire pool area in accordance with all applicable codes. The enclosure will be a minimum of 48 inches high. Access gates will be self-closing and self-latching. The total enclosure length will be approximately 390'.

Pumping and Filter System and Heating Systems: The pool filtration system will be designed for a maximum turnover time of approximately 6 hours and will utilize modular media (cartridge) filter system. There will be in-wall surface skimmers complete with skimmer baskets strategically placed for maximum efficiency. The filtration system will include a 3 HP (min) pump complete with hair and lint catcher. The pool will also be equipped with a natural gas-fired heater sized for the pool volume and will be equipped with an electronic ignition.

The spa filtration system will also utilize a modular media (cartridge) filter system, automatic skimmer with equalizer line, and will have a 2 HP (min.) pump with a hair and lint catcher. The spa will also be equipped with a natural gas-fired heater sized for the spa volume and will be equipped with an electronic ignition.

2. **Sauna**, electric stainless steel sauna oven with lava rocks, tongue & groove cedar wall and ceiling paneling, cedar benches, and quarry floor tile. Room capacity is approx. 6 persons at one time.
3. **Steam bath**, electric steam unit in separate closet next to steam bath, cold water shower fixture, ceramic tile on all walls, built in benches and ceiling, and porcelain floor tile. Room capacity is approx. 6 persons at one time.
4. **Spa/Lounge Area** with 10' diameter Whirlpool, top flush to floor with steps down and ADA compliant lift, mosaic tile throughout on floor and wall, suspended acoustical tile ceiling. Connected is a **Massage room**, carpet, plastic laminate cabinetry and counter, painted walls and suspended acoustical tile ceiling. Room capacity is approx. 12 persons at one time.
5. **Gentlemen Locker** room with 20 individual wood lockers, (2) shower compartments, (1) toilets and (1) urinal and dressing area with benches. Porcelain floor tile throughout and Ceramic tile on walls throughout, ceramic tile on shower ceilings, suspended acoustical tile ceiling everywhere else. Room capacity is approx. 15 persons at one time.
6. **Ladies Locker** room with 20 individual wood lockers, (2) shower compartments, (2) toilets and dressing area with benches. Porcelain floor tile throughout and Ceramic tile on walls throughout, ceramic tile on shower ceilings, suspended acoustical tile ceiling everywhere else. Room capacity is approx. 15 persons at one time.
7. **Fitness Room** with aerobic and strength training equipment, athletic rubber flooring, painted walls, and suspended acoustical tile ceiling. Connected is a **Pilates Room** with a full length mirror wall, athletic rubber flooring, painted walls and suspended acoustical tile ceiling. Capacity is approximately 20 persons at one time.
8. **Movie Theater** with fixed fabric seating for approximately 28 persons, 8'x12' screen, carpet, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling.
9. **Banquet room**, carpet, wood base, wood chair rail, painted walls, and drywall soffits with raised suspended acoustical tile ceiling. Room capacity is approx. 50 persons at one time.
10. **Harvard room**, hardwood flooring, wood fireplace with stone hearth and surround, wood panel wainscot, painted walls, drywall soffits with raised suspended acoustical tile ceiling. Room capacity is approx. 30 persons at one time.
11. **Board room**, carpet, wood wainscot, wood cabinetry, granite counter, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling. Room capacity is approx. 18-30 persons at one time.
12. **Offices**, carpet, carpet base, painted walls, suspended acoustical tile ceiling. Room capacity is approx. 5 persons each.
13. **Caterer's kitchen**, quarry floor tile, FRP as a typical wall finish, food storage and preparation equipment is stainless steel- commercial grade. Equipment will include a refrigerator, freezer, oven, stove, ice maker, sinks and prep tables.
14. **Ladies Toilet** room with (2) toilets, granite counter with (2) sinks and full length mirror behind, vinyl wall covering, drywall soffits with raised suspended acoustical tile ceiling.

15. **Gentlemen's Toilet** room with (1) toilet and (1) urinal, granite counter with (2) sinks and full length mirror behind, vinyl wall covering, drywall soffits with raised suspended acoustical tile ceiling.
16. **Main floor Lobby**, porcelain floor tile with "Reserve" logo in center, marble base, vinyl wall covering, and drywall soffits with raised suspended acoustical tile ceiling. Reception desk to be finished in wood with a granite top.
17. **Lower floor Lobby**, porcelain floor tile and base, vinyl wall covering, and drywall soffits with raised suspended acoustical tile.

T. General Information:

Fire or smoke safety devices:

A point addressable voice communication fire / smoke detection alarm system shall be provided. Smoke / heat detection devices shall be provided in accordance with the Building Code of NYS 2010 and NFPA 70.

U. Additional Information:

1, 2 and 3. Approved Subdivision and Site plans are attached, including Map C3.1 displaying the location of all Covered Areas

4. Clubhouse Building Floor Plans are attached

5. At its meeting on June 15, 2011, the Brighton Town Planning Board approved the Sponsor's application for Final Subdivision Approval, Final Site Plan Approval, Final EPOD (Watercourse) Permit Approval, and Final Conditional Use Permit Approval, for Section I of the Development, together with conditions and comments as set forth in the attached Letter of June 16, 2011 from Ramsey A. Boehner, Planning Board Executive Secretary, to the Sponsor and its engineering and surveying consultant, Marathon Engineering, and the Memo dated June 14, 2011 to Mr. Boehner from Brighton Town Engineer Michael E. Guyon. At its meetings on April 17, 2013, July 17, 2013, and September 18, 2013, the Brighton Town Planning Board modified and supplemented said approvals, as set forth in the letters of April 18, 2013, July 18, 2013 and September 20, 2013, and the Memos dated April 16, 2013 and September 17, 2013 from Mr. Guyon. The subdivision maps for Section I of the Development have been filed in the Monroe County Clerk's office, and the Sponsor will furnish complete copies of the filed subdivision map to the Board.

As indicated by the separate letter from Mr. Boehner to the Sponsor dated March 27, 2012, the architectural design and building materials of the subject buildings were reviewed and approved by the Town of Brighton Architectural Review Board, with the subject Building elevation drawings also attached.

At its meeting on January 19, 2011, the Brighton Town Planning Board had previously approved the Sponsor's application for overall Preliminary Subdivision Approval, Preliminary Site Plan Approval, Preliminary EPOD (Watercourse) Permit Approval, and Preliminary Conditional Use Permit Approval for the Three Hundred Twenty-Seven (327) Unit residential development to comprise The Reserve. At its meeting on April 17, 2013, the Brighton Town Planning Board approved the Sponsor's application for Final Subdivision Approval, Final Site Plan Approval, and Final EPOD (Watercourse) Permit Approvals for Section II of the

Development, together with conditions and comments as set forth in the letter of April 18, 2013 from Ramsey A. Boehner, Planning Board Executive Secretary, to the Sponsor and its engineering and surveying consultant, Marathon Engineering, and the Memo dated April 16, 2013 to Mr. Boehner from Brighton Town Engineer Michael E. Guyon. By Resolutions of the Brighton Town Board dated March 25, 2009 and August 11, 2010, the site of the Development was rezoned from Residential B (RLB) to Waterfront Development District, subject to the accompanying conditions and incentives.

V. Asbestos: Not Applicable

W. Lead-Based Paint: Not Applicable

masterhoa3-13-12.005(clean)



TOWN OF BRIGHTON
MONROE COUNTY, NEW YORK

RECEIVED
JUN 17 2011
Marathon Engineering

June 16, 2011

Anthony J. Costello & Son (Joseph) Development, LLC
1 Airport Way, Suite 300
Rochester, NY 14624

Marathon Engineering
Attn: John Stapleton
39 Cascade Drive
Rochester, NY 14614

RE: Planning Board Application 6P-03-11.

Dear Sir and/or Madam:

Regarding your application 6P-03-11 for Final Subdivision Approval, Final Site Plan Approval, Final EPOD (watercourse) Permit Approval and Final Conditional Use Permit Approval of section I of "The Reserve Residential Community." Section I allows for the subdivision of 77 lots and the construction of 140 residential units and a community club house on property located east of South Clinton Avenue, known as Tax ID #s 149.07-01-008, 149.07-01-004, 149.11-01-050 and 149.11-01-002.1. Application 6P-03-11 was presented for consideration before the Planning Board at their meeting held on June 15, 2011. The Planning Board approved the application as presented based on the testimony given and plans submitted, and with the following conditions:

1. The plans have been reviewed, however future submissions and discussions will likely reveal additional issues that need to be addressed. Therefore, the Planning Board reserves the right to make additional comments on future submissions.
2. A parkland fee in lieu of recreation land shall be paid prior to the issuance of a building permit for construction of all dwelling units.
3. All buildings shall comply with the New York State Uniform Fire Prevention and Building Code.
4. Prior to issuance of any building permits, all plans for utility and storm water control systems must be reviewed and have been given approval by appropriate authorities. Prior

C26

to any occupancy, work proposed on the approved plans shall have been completed to a degree satisfactory to the appropriate authorities.

5. Meet all requirements of the Town of Brighton's Department of Public Works.
6. All Town codes shall be met that relate directly or indirectly to the applicant's request.
7. The project and its construction entrance shall meet the New York State Standards and Specifications for Erosion and Sediment Control.
8. The contractor shall designate a member of his or her firm to be responsible to monitor erosion control, erosion control structures, tree protection and preservation throughout construction.
9. All trees to be saved shall be protected with orange construction fencing placed at the drip line or a distance greater than the drip line. Trees shall be pruned, watered, and fertilized prior to, during and after construction. Materials and equipment storage shall not be allowed in fenced areas.
10. Maintenance of landscape plantings shall be guaranteed for three (3) years. A letter of credit shall be provide for all landscaping.
11. Any contractor or individual involved in the planting, maintenance or removal of trees shall comply with the requirements of the town's Excavation and Clearing (Chapter 66), Trees (Chapter 175) and other pertinent regulations and shall be registered and shall carry insurance as required by Chapter 175 of the Comprehensive Development Regulations.
12. Parking areas shall be striped as per the requirements of the Brighton Comprehensive Development Regulations.
13. Meet all plat filing requirements of the Town of Brighton's Department of Public Works.
14. All outstanding Site Plan comments and concerns of the Town Engineer and Fire Marshal shall be addressed.
15. Lighting, sidewalk, park, drainage and sanitary sewer districts shall be establish or extended as part of this project subject to the requirements, review and approval of the Department of Public Works. Petitions accompanied by a map and description shall be submitted to the Department of Public Works for processing.
16. All outstanding Site Plan comments and concerns of the Town Engineer regarding soil erosion, storm water control, water system and sanitary sewer design shall be addressed.

17. Prior to issuance of building permits the fire apparatus access road and water supply for fire protection is to be installed and made serviceable as required by the Fire Marshal. Fire hydrants shall be fully operational prior to the issuance of building permits.
18. All subdivision maps and site plan drawings shall show and verify that all proposed lots comply with all area requirements.
19. The indicated road improvements shall be constructed to specific Town standards at the expense of the property owner and dedicated to the Town of Brighton.
20. All County Development Review Comments shall be addressed.
21. All easements shall be submitted to and reviewed by the Deputy Town Attorney. The approved easements shall be filed with the Monroe County Clerks Office. A copy of the filed easement shall be submitted to the Building and Planning Department for its records.
22. All other reviewing agencies must issue their approval prior to the Department of Public Works issuing its final approval.
23. All easements must be shown on the subdivision map with ownership, purpose, and liber/page of filing with the Monroe County Clerks Office. A copy of the filed easement shall be submitted to the Building and Planning Department for its records.
24. A letter of credit shall be provided to cover certain aspects of the project, including, but not limited to demolition, landscaping, stormwater mitigation, infrastructure and erosion control. The applicant's engineer shall prepare an itemized estimate of the scope of the project as a basis for the letter of credit.
25. Buildings shall be sprinklered in accordance with Town requirements.
26. The applicant's architect shall evaluate the project relative to the Town of Brighton sprinkler ordinance to determine if the building needs to be sprinklered. This evaluation shall be submitted.
27. The applicant shall verify that all buildings comply with all height requirements. The height of the proposed buildings shall be shown on plans. Elevation drawings showing the height of the structure in relationship to proposed grade shall be submitted with the building permit application.
28. Prior to any framing above the deck, an instrument survey showing setback and first floor elevation shall be submitted to and reviewed by the Building and Planning Department.


29. The applicant shall ensure that elevations and floor plans produced by the project architect and site and other plans produced by the project engineer conform to one another regarding the building footprint of buildings and the grading surrounding the building. The architectural elevations shall accurately reflect proposed grading and shall include corner ground elevations as shown on the approved site plan.
30. Elevations for each side of all buildings verifying compliance with all height requirements shall be submitted with the final application. The architectural elevations shall accurately reflect proposed grading and shall include corner ground elevations. In particular, verification that the Loft Buildings meet the requirements of the Town Board Incentive Zoning Resolution with respect to the roof deck and parapet wall height.
31. The applicant shall ensure that the plans include the correct information for liveable floor area, gross floor area, and area of the proposed garage. A Single Family Zoning Information Form shall be submitted by the project architect that confirms with the information shown on the plans.
32. Any fences or walls, including retaining walls, shall be limited to a maximum of 3.5' in height in the front yard and 6.5' in the side or rear yards
33. A 239-F permit must be submitted by the owner prior to the issuance a building permit for the project.
34. All comments and concerns of the Town Engineer as contained in the attached memo dated June 14, 2011 from Michael Guyon, Town Engineer, to Ramsey Boehner shall be addressed.
35. The Plans shall be revised to address the following Conservation Board comments:
 - a. Deciduous shade tree plantings and evergreen tree plantings within the project boundaries shall be planted at 3 - 3 ½ inches in caliper and 7 -8 ft. in height respectively;
 - b. The Board encourages the use of green infrastructure stormwater mitigation practices; and
 - c. All park plantings should be installed during the early stage of Section I construction.
36. Public access shall be provided to and along a trail located between the St. Johnsville Trail (Oneida Pass) and Pendleton Hill (Jefferson Hill) neighborhoods connecting Bridgewater Rise to Meridian Centre Park. The site plans and subdivisions plan shall clearly show the location and width of the easement.
37. The drawings shall clearly show all trails and public park areas. All necessary easements must be clearly shown on the site and subdivision plans. Trail details shall be provided to and approved by the Town Engineer.

38. All conservation easements shall be shown on the site and subdivision plans.
39. A pedestrian pathway shall be provided that connects Waterford and Mays Point East. The site plans and subdivision plans shall clearly show the location and width of the easement. The trail shall be installed as part of Phase I construction.
40. No parking shall be permitted along Reserve View Blvd. (Bridgewater Rise). The applicant shall request the Town Board to restrict parking along Reserve View Blvd. (Bridgewater Rise).
41. Verification of compliance with USACE and NYSDEC requirements regarding wetland disturbance shall be submitted.
42. Buffer plantings shall be installed as part of Phase I.
43. Prior to filing of the Subdivision Map, all private roads shall be labeled as such and a note shall be added to the map stating that the private roads will not be built to town specifications and will not be dedicated to the Town of Brighton.
44. Prior to the filing of the Subdivision Map, a Home Owners Association shall be created in compliance with NYS Law and filed with the State. Prior to filing, all supporting documents of the Home Owner Association shall be submitted to, reviewed and approved by the Deputy Town Attorney and Town Engineer. A copy of the filed documents shall be submitted to the Building and Planning Department and the Department of Public Works for their records.
45. All permits from MCDOT and all other agencies shall be obtained.
46. The plans shall be revised to address the Town Engineer's comments regarding the alignment of the entrance road and the length of curve. The revised plans shall also address the Town Engineer's concern about the reduced sight distance to the north. The sight distance does not meet the minimum requirements. The sight distance shall be approved by the Town Engineer and the Monroe County Department of Transportation. The revised plans shall be reviewed and approved by the Town Engineer. If the approved plans change significantly as a result of the revisions, the revised plans shall be reviewed and approved by the Planning Board.
47. The landscape architect of record (Bayer Associates), shall verify that the proposed landscape improvements have been installed according to the approved plans.
48. The architectural design and building materials of the proposed buildings shall be reviewed and approved by the Town of Brighton Architectural Review Board.

49. The applicant shall submit the required sign application for review by the Architectural Review Board and Planning Board for all proposed signs.
50. The plan shall be revised to show 5 temporary parking spaces and a trail connecting to the park trail at the eastern end of phase 1 of Watermark Landing East. The permanent location of the trail and parking will be approved during the phase 2 approvals
51. The plans shall be revised to show the alignment and easement width of the temporary public access to the Canal.
52. The lighting shall be reviewed and approved by the Town Board as part of the lighting district.
53. Additional boulders shall be added to delineate the conservation easement. Boulders shall be located at the corners and in the middle of property line.

For further information regarding this application, please call the Planning Board at 784-5229.

Respectfully,



Ramsey A. Boehner
Executive Secretary
Planning Board

attachments

cc: Tim Keef
Mike Guyon
Jerry Goldman
John Stapleton



Town of Brighton

MONROE COUNTY, NEW YORK

DEPARTMENT OF PUBLIC WORKS

2300 ELMWOOD AVENUE * ROCHESTER, NEW YORK 14618 * PHONE (585)784-5250 * FAX (585)784-5368

MEMO

TO: Ramsey Boehner
FROM: Michael E. Guyon
DATE: June 14, 2011
RE: Planning Board
Application 6P-03-11
The Reserve
Final Subdivision, Final Site Plan, Preliminary EPOD Permit and Final
Conditional Use Permit Approvals for Section 1

Anthony J. Costello and Son Development LLC., is proposing to create an 80 lot 327 unit mixed use residential development with a community clubhouse on the property located east of South Clinton Road known as "The Reserve on the Erie Canal. We have completed our review of the Final Engineers Report Section 1 for The Reserve, dated 5/31/11, the Preliminary Overall - Final Section 1 drawings titled; "The Reserve" prepared by Marathon Engineering and Bayer Associates dated, last revised May 31, 2011, Geotechnical Engineering Investigation Private Roads The Reserve dated October 2010 prepared by Ray M. Teeter and Report Pavement Evaluation Emergency Access Route prepared by Ray M. Teeter dated May 2011 and offer the following comments for your consideration.

General

1. The NYS Fire Code indicates that when fire apparatus access roads or a water supply for fire protection is required to be installed, such protection shall be installed and made serviceable prior to and during the time of construction except when approved alternative methods of protection are provided. Temporary street signs shall be installed at each street intersection when construction of new roadways allows passage by vehicles.

Buildings under construction are quite vulnerable to fire and other types of construction incidents, such as injuries from falling objects. Access roads and water for fire protection are essential for fire-fighting purposes.

2. All erosion control measures should be illustrated on the Erosion Control Plans.
3. The structural drawings for the boat put-in plans must be stamped by a NYS licensed engineer.
4. We did not conduct a thorough review of the Canal Improvements. Once the final improvement option has been determined and designed we will complete a thorough review of the plans.
5. The response letter prepared by Marathon Engineering dated March 21, 2011 states, "All easements not located within the HOA property will be provided, including descriptions, prior to the mylars being provided for signature. All Town of Brighton easements regardless of their location within the HOA must include the appropriate maps and descriptions.

Engineer's Report

1. The Engineer's Report dated last revised 5/31/11 indicates that a trench drain will be used in the garage level of the loft buildings. Stormwater shall not be directly discharged to this trench drain. Additionally, calculations supporting the size of the oil/water separator must be provided.
2. The Engineer's Report dated last revised 5/31/11 indicates that the lots utilizing hung sewers will be identified on the final site plans. We could not locate this information on the final plans.
3. The Engineer's Report dated last revised 5/31/11 states, "As the volume of flow is increased by the development even though the rate is reduced, there will be no negative impact to the wetland". What is the basis of this statement?
4. It appears that the hydraulic analysis schematic included in the Engineer's Report dated last revised 5/31/11 is not consistent with the proposed watermain installation configuration. The model should be revised to reflect the proposed watermain configuration. In addition, a hydraulic analysis must be performed that considers the distribution system improvements associated with Phase 1.

SWPPP

1. The reference to Permanent Stabilization in Section 3 should include the placement of a 6" layer of topsoil.
2. Section 3 references a Truck/Concrete Washing station. The truck wash station should be used to wash mud and debris from the trucks and insure that this material is not transported onto the roadways. This area shall not be used to wash out concrete trucks. Additionally, a schedule for the installation of the temporary and permanent truck wash must be provided. The truck wash must be installed immediately following the completion of the stabilized construction entrance.
3. Section 3.2 of the SWPPP references the need for a 5 acre wavier. The Town of Brighton strongly discourages the need for a 5 acre wavier and requires that a phasing plan be developed which illustrates that no more than 5 acres of the site will be disturbed at one time during the development of this site. Clearing and grubbing the site constitutes site disturbance. The owner or operator shall prepare a phasing plan that defines the maximum disturbed area of 5 acres per phase, and the specific sequencing and phasing that will be done to minimize the amount and duration of exposed areas to the maximum extent practicable. The phasing plan shall illustrate successive clearing and grubbing, grading, utility work, erosion control and restoration measures by phase. This plan must be submitted to the Town of Brighton for review and approval prior to final signature. The phasing plan shall employ site fingerprinting and delineate the areas of disturbance, the period of disturbance for each area and detail the time limits for soil stabilization. All disturbed areas shall be restored per Chapter 66 of the Code of the Town of Brighton, General Permit No. GP-0-10-00 1, latest New York Standards and Specifications for Erosion and Sediment Controls and the latest New York State Stormwater Management Design Manual. Grading activities should be limited to the phase immediately under construction to decrease the time that soil is exposed, which, in turn, decreases the potential for erosion. Additional phases should begin only when the last phase is completed and stabilized.
4. Soil Restoration is a required practice applied across areas of a development site where soils have been disturbed and will be vegetated in order to recover the original properties and porosity of the soil. The areas designated for soil restoration must be shown on the plans. The Sequence of Construction must include provisions for soil restoration.
5. Chapter 215 of the Code of the Town of Brighton indicates that the stormwater management facility outfall structure must limit the 10-year developed discharge rate to stormwater rate generated by the 2-year undeveloped event. The 10 year developed discharge rate from Pond 4 is 1.34 cfs while the 2 year existing flow is 0.97 cfs. It does not appear that Pond 4 complies with the Chapter 215 requirements.
6. The New York State Stormwater Management Design Manual states, "Stream Channel Protection Volume Requirements (Cpv) are designed to protect stream channels from

erosion. In New York State this goal is accomplished by providing "24-hour extended detention of the one-year, 24-hour storm event". The HydroCad calculations for each of the ponds suggest that the Center-of-Mass detention time is less than 24 hours. However, the CPv calculations demonstrate that there is adequate storage to accommodate the CPv requirement. This discrepancy must be clarified.

7. The information contained in the Water Quality Volume, WQv, and the Channel Protection Volume, CPv calculations for Pond 4 is not consistent with the information presented in the HydroCAD calculations. Please clarify.
8. The SWPPP indicates that the stormwater elevation in Pond #1, #2, #3 & #4 will rise to an elevation that will cause a surcharge condition in the storm sewer collection system during a 10 year storm event. The storm sewer calculations must consider the surcharge situation. The calculations included in the SWPPP appear to use Manning's equation to determine the capacity of the storm sewer which does not adequately evaluate the storm sewer under a surcharge condition.
9. Temporary Diversion Swale #5 will convey a flow of 8.6cfs. The proposed cross section has a capacity of 6.07 cfs. A revised cross section should be provided for Swale #5.
10. Calculations should be provided for each sedimentation basin
11. The Environmental Impact Statement for this project stated, "The New York State Office of Parks Recreation and Historic Preservation, which reviews historical and archeological aspects of development, was provided with a copy of the studies and has issued a letter indicating that the project will have no impact on historic and archaeological resources. A copy of this letter must be included in the SWPPP.
12. The Green Infrastructure Plan should delineate the subareas for each GI practice and show the location of the area reduction practices.
13. The Bioretention, dry swale, vegetated open swale and green roof GI practice must be designed in accordance with Chapters 5 & 6 of the New York State Stormwater Management Design Manual. Calculations must be submitted for review. The calculations suggest that the minimum RRv volume has not been met for any of the subareas. Enlarging the proposed GI practices or employing new GI practices such as Rain Gardens, Tree Planting, Dry Swales and Vegetated Swales should be considered.
14. The NYSDEC has acknowledged that the 6 month transition period did not fully consider the impact to projects that had already started the planning, design and review process with another review authority. Therefore, construction projects subject to local government subdivision or site plan review and approval requirements where the owner or operator made application to the local government for preliminary approval, or made application for final approval to a local government with no preliminary approval phase, prior to March 1, 2011 and the application included a SWPPP developed in accordance with the 2008 version of the Design Manual may obtain coverage after March 1, 2011 with a SWPPP prepared in conformance with the 2008 version of the Design Manual.

When completing the Notice of Intent (NOI) for a project that meets this criterion, an owner or operator must answer question 23 as "No" since the post-construction stormwater management practice component of the SWPPP has not been developed in conformance with the current NYS Stormwater Management Design Manual (i.e. August 2010 version). As per Part III.B.2.d of the general permit, the owner operator must also include the reason for the deviation or alternative design in the SWPPP and provide information which demonstrates that the deviation or alternative design is equivalent to the technical standards. In order to satisfy this permit requirement, the owner or operator must include documentation in the SWPPP which demonstrates that the project complies with the criteria above.

15. The design engineer shall be responsible for the design of a suitable storm water collection system. The design engineer shall submit calculations in accordance with Chapter 215 of the Code of the Town of Brighton. The collection system design calculations shall consider the 25 year and 100 year storm frequency and indicate the consequences of such a storm event and impact on the stormwater system and property.

16. Green Infrastructure, including Bioretention, calculations must be provided which evaluate the performance of the bioretention area during a 10 and 100 year storm event. Dry or wet pretreatment shall be provided prior to filter media equivalent to at least 25% of the computed WQv.
17. Appendix N, Earthwork Description and Phasing indicates that the contractor shall provide a detailed earthwork and restoration plan indicating the extent of clearing and restoration for each of the disturbance areas. We have found that once the permit has been authorized it is difficult to obtain a phasing plan suitable for the proper protection of the site. Therefore, the detailed earthwork and restoration plan must be submitted and approved prior to final signature. In addition, as stated previously the Town discourages the need for a 5 acre waiver. Hence, the detailed earthwork and restoration phasing plan should be developed so as a 5 acre waiver is not required.
18. It is our understanding that the Lighting Cut Sheets will be revised. The Final Engineer's Report must include the Lighting Cut Sheets that represent the fixtures to be installed.
19. We have attached comments from the Monroe County Stormwater Coalition regarding the SWPPP.

Sheet C3.1

1. Will the HOA maintain the area within the 25 ft conservation easement along the rear of lots W5 - W9?

Sheet C6.0

1. Can the alignment of the entrance road be revised to shift the horizontal curve and the edge of the proposed pavement away from the property line?
2. Documentation must be provided demonstrating that the length of curve 'C' is consistent with the latest AASHTO requirements. Sight and stopping distances should be evaluated with consideration given to the existing and proposed vegetation. Generally, the speed limit for local roads is 30 mph. Chapter 2 of the NYSDOT Highway Design Manual suggests that at a speed of 30 mph a minimum horizontal radius of 282 feet should be provided for Local Urban Roads.
3. Sheet C7.0 indicates that the sight distance to the north is 510 feet. The FEIS indicates that a sight distance of 555 feet to the north is required for motorists exiting onto South Clinton Avenue southbound. The sight distance at the proposed driveway location does not meet the minimum requirements and must be verified. The use of a traffic signal should be evaluated provided adequate sight distance cannot be attained.

Sheet C6.1

1. The residents along Bretlyn Circle will be developed and sold as condominiums. Will the land surrounding the building as shown on C6.1 be owned by the residents or will another lot configuration be filed with the MCCO?

Sheets C6-1 - C6.4

1. The Town of Brighton Specifications for Dedication indicates that the minimum radius of granite curbing shall be 35 feet. Radii c, d, h, j, n, along with the access radii of Pendleton Hill and Bretlyn Circle should be revised to provide a minimum radius of 35 feet.
2. The proposed Right of Way and road widths should be shown on the plans.
3. Monument locations must be shown on the final subdivision map and a detail of the proposed monument must be provided.

Sheet C7.0

1. The stormwater generated by approximately 1000 feet of the entrance road will be discharged off-site without water quality or quantity treatment. Provisions must be provided to treat this stormwater.

2. The improvements associated with the permanent truck wash should be shown on the plans.
3. A crosswalk should be provided at the entrance of the development along with the appropriate ADA ramps.
4. An easement must be provided for the proposed storm and sanitary sewer improvements along the north side of Reserve View Blvd.
5. The elevation of the spillway should be shown on the plans.
6. Sanitary sewer manhole SA 3.0 should be outside of the proposed stormwater improvement along the north side of Reserve View Blvd. Manholes SA 2.0 and SA 3.0 should be equipped with water tight covers.

Sheet C7.1

1. A sketch should be provided demonstrating that ST 1.1.1 can be constructed as shown.
2. The storm sewer along Bretlyn Circle is not visible. The drawings should be revised to show the storm sewer.
3. Disconnecting the roof leaders from the storm sewer and directing this runoff to the bioretention area should be considered.
4. Elevation information must be provided for manhole ST 1.1.2. Additionally, the storm sewer data should be provided for the pipe between manholes ST 1.1.2 and ST 1.1.1.
5. Several of the lateral, sanitary and storm, do not connect to the appropriate main. The plans should be revised accordingly.

Sheet C7.3

1. A sketch should be provided demonstrating that ST 2.1.1 can be constructed as shown.
2. Disconnecting the roof leaders from the storm sewer and directing this runoff to a bioretention and/or dry/vegetated swale should be considered.
3. The 8" water main must be extended to the south to serve lots F15 and F16. The services serving these properties should connect to the 8" main downstream of the proposed hydrant.
4. The storm sewer lateral serving lot F15 should not connect directly to the Manhole.
5. Manhole ST 2.1.4 must be moved away from the curb. A minimum separation of 3 feet should be maintained between the curb and the manhole.
6. Catch basins ST 2.1.6a and ST 2.1.6b should not be located adjacent to the handicap sidewalk ramp.

Sheet C7.4

1. The sanitary sewer must not be located beneath the sidewalk along Pendleton Hill Road.
2. Manhole SA 10.0 should not be located within the sidewalk.
3. The note indicating that 5 parking spaces shall be temporarily signed and reserved for Canal Path Access.....should be removed from the plan. This temporary parking will be provided at the eastern end of phase 1 of Watermark Landing East.
4. The water service serving lot W2 conflicts with the catch basins and must be relocated.
5. Cross walk striping should be considered at the Pendleton Hill, Reserve View Blvd. intersection. The sidewalks along the west side of Reserve View should be extended to accommodate pedestrian traffic at this intersection. The applicant should contact the Town of Brighton Highway Department regarding the use of yield for pedestrian signs at this location.
6. The portion of the storm sewer between manholes ST 3.1 and ST 3.2 should be privately owned.
7. Catch basins ST 4.8a and ST 4.8b should not be located adjacent to the handicap sidewalk ramp.

Sheet C7.5

1. The water elevation within Detention Pond Facility 4 will rise to an elevation of 496.11 feet during a 100 year storm event and overtop the stormwater collection system which is

located along the south side of lots M26 and M25. The 100 year storm event must not overtop the collection system.

2. The invert and rim elevations of manhole St 4.2 suggest that the top of the pipes will be above the rim elevation. The Rim and Invert elevations must be revised.
3. A sanitary sewer lateral must be provided for Lot W9.
4. The invert elevation of manhole ST 4.5 is higher than the invert elevation of the catch basin ST 4.5b. These elevations must be corrected.
5. A temporary trail and specified parking must be provided to allow access from the end of Phase 1 to the Canal Trail.
6. The watermain should be extended from Pendleton Hill Road and connected to the proposed terminus of the watermain along Watermark Landing East.

Sheets C7.0 – C7.5

1. A minimum cover of 32" to 36" must be provided for all roadway crossings.
2. Catch basins must not be located in front of driveways.
3. Cleanouts and utility shutoffs are to be located at the R.O.W. line on dedicated streets.
4. The street name sign locations should be shown on the plans.
5. All neighborhood signs shall be maintained by the H.O.A.
6. The sanitary sewer main stubs for future sections must be installed and tested according to the Town of Brighton Minimum Specifications for Dedication.
7. A maximum of 75 feet shall be maintained between sanitary sewer cleanouts.
8. Verify that the all sanitary sewer laterals have a minimum of 4 feet of cover over their entire length. Particular attention should be placed on the lateral serving lots W11, W12, M21 – M26.
9. The elevation of each spillway along with the appropriate detail should be shown on the plans

Sheet C8.0

1. How will the stormwater control facility along the north side of Reserve View Blvd. be stabilized? The plans indicate that excavation will occur at the invert of the storm sewer crossing beneath I-590. How will this area be stabilized?
2. Additional erosion control must be provided at the discharge of the stormwater collection system.
3. Erosion Control devices must be placed along the south side of Reserve View Blvd.
4. It appears that stormwater management facility #1 will also function as a sediment trap during construction. The erosion control plan should note this.
5. The steep slopes along Reserve View Blvd. must be stabilized with a jute mesh product.
6. It does not appear that the entire portion of the storm sewer to be dedicated to the Town is labeled in accordance with the legend.

Sheet C8.1

1. The contours along Bretlyn Circle are not visible on the plans.
2. Erosion control fence should be provided along the trail located to the south of Stormwater Management Facility #2

Sheet C8.2

1. The contours along Cos Grand Heights are not visible on the plans.
2. The sedimentation basin should be labeled and the dimensions and area should be noted.
3. A detail of the Di Filter Fabric Protection must be provided.
4. The Drainage calculations indicate that the stormwater generated by the Cos Grand Height community will be conveyed to Pond 1. However, the grading and erosion control plan indicates that the water generated by the rear yards of the homes along the west side of St. Johnsville Trail will be discharged to the adjacent property. The March 21, 2011 response letter indicates that this will be addressed in future phases however, this portion of the site will be disturbed as part of phase 1. Therefore, provisions must be included to direct this stormwater to Pond 1 as part of Phase 1.

Sheet C8.3

1. A level lip spreader should be provided at the discharge of the bioretention area located south of lots F4, F5, and F6. A detail of the level lip spreader shall be provided on the plans.

Sheet C8.4

1. The steep slopes at the rear of the loft buildings and along the emergency access route must be stabilized with a jute mesh product.
2. The GI practice south of the loft buildings and north of lots W8 & W9 must be labeled and the appropriate detail must be provided. How will sediment be kept from this GI practice?
3. How will the parking area north of the Frankfort loft and the depressed parking area be graded and restored?
4. The sedimentation basin should be labeled and the dimensions and area should be noted.
5. The contours along Reserve View Blvd. and Watermark Landing East and West are not visible on the plans.
6. Sedimentation basins should be considered upstream of the Vernal Ponds and along the swale flow west to east behind lots W12 – W14.

Sheet C8.6

1. The topsoil stock pile locations should be labeled as temporary. This topsoil will be used to stabilize all of the disturbed areas and a permanent topsoil stock pile shall not be required.
2. The diversion swales should be labeled. Each label should reflect the swale's appropriate cross section.

Sheet C8.5

1. The steep slopes at the rear of the loft buildings and adjacent to the Manor House must be stabilized with a jute mesh product.
2. The GI practice south of the Black Rock loft building must be labeled and the appropriate detail must be provided. How will sediment be kept from this GI practice?
3. How will the parking area north of the Frankfort loft and the depressed parking areas outside of Phase 1 be graded and restored?
4. The sedimentation basin should be labeled and the dimensions and area should be noted.
5. The contours along Reserve View Blvd. and Watermark Landing East and West are not visible on the plans.

Sheets C8.0 – C8.6

1. The FEIS indicates that back yard downspouts are proposed to discharge to splash blocks to allow stormwater to travel through grass areas slowing the rate of runoff and providing additional time for infiltration reducing the volume leaving the site. Confirm that the backyard downspouts have been disconnected from the storm sewer collection system.
2. All 3H: 1V slopes or steeper must be stabilized with jute mesh. The plans should identify the location of the jute mesh erosion control practice.
3. The areas designated for soil restoration must be shown on the plans.
4. A legend identifying the erosion control measures must be provided.
5. Will the portion of the roadway box outside of Phase 1 be excavated? How will this affect the transmission of stormwater to the stormwater management facilities and sedimentation basins?
6. All disturbed areas shall be restored per Chapter 66 of the Code of the Town of Brighton, General Permit No. GP-0-10-00 1, latest New York Standards and Specifications for Erosion and Sediment Controls and the latest New York State Stormwater Management Design Manual. Chapter 66 requires that at least six inches of topsoil shall be replaced where the topsoil is removed or stripped.

7. A detail should be provided that conceptually illustrates the erosion control measures that will be employed during building construction.
8. Erosion control devices should be located upstream of bioretention and infiltration areas.
9. The detention pond water elevation for the various storm events should be shown on the plans.

Sheet C 9.0

1. The slope of the St. Johnsville Trail should be shown on the profile.
2. The catch basin crossings should be shown on the profile.
3. It appears that the storm and sanitary laterals may conflict particularly between stations 4+00 and 6+00. Please verify that there are no conflicts between the sanitary and storm sewer laterals. Understand that a minimum cover of 4 feet must be maintained over the entire length of the sanitary sewer laterals.

Sheet C9.1

1. It appears that the storm and sanitary laterals may conflict particularly within the cul-de-sac area. Please verify that there are no conflicts between the sanitary and storm sewer laterals. Understand that a minimum cover of 4 feet must be maintained over the entire length of the sanitary sewer laterals.
2. The slope of Pendleton Hill and the vertical curve data should be shown on the profile.
3. The cul-de-sac of Pendleton Hill will be constructed in fill material. Proper soil compaction must be provided.

Sheet C9.2

1. The profile suggests that less than 2 feet of cover will be provided over the storm sewer. The storm sewer lateral detail indicates that a minimum of 4 feet of cover must be maintained over the lateral. Please revise the plans accordingly.

Sheet C9.3

2. It appears that the storm and sanitary laterals may conflict particularly between stations 4+00 and 7+50. Please verify that there are no conflicts between the sanitary and storm sewer laterals. Understand that a minimum cover of 4 feet must be maintained over the entire length of the sanitary laterals.

Sheet C9.4

1. The storm sewer and catch basins should be shown on the Reserve View Blvd. profile.
2. Sanitary sewer manhole SA 4.0 shall include an outside drop.

Sheet C9.5

1. Sanitary sewer manholes SA 7.0 and SA 9.0 shall include outside drops.
2. The catch basins should be shown on the profile.

Sheet C9.7

1. The slope of Watermark Landing and the vertical curve data should be shown on the profile.

Sheet C10.0 – C10.2

1. The RG & E catalogue cut suggests that the maximum light height is 14 ft. The light fixture detail suggests that the light will be 16.0 feet in height. This discrepancy must be resolved.
2. We will complete our review of the proposed project lighting once the final selection and configuration of the Canal lights has been completed.
3. The street lights should include a concrete base to facilitate their replacement and maintenance.

Sheet C11.0 – 11.2

1. The FEIS indicates that the South Clinton Road work also includes "micro-paving", which is necessary to remove the existing striping. The plans state, "The contractor shall mask the existing pavement striping using a bituminous surface treatment per NYSDOT Item #410.04". Please confirm that this surface treatment complies with the intent of the FEIS.

Sheet C12.0

1. The steep banks along the east side of the proposed parking area shall be stabilized using a jute mesh product..
2. Pavement Evaluation
 - a. The Pavement Evaluation Emergency Access Route The Reserve dated May 2011 states, "It is my opinion that the currently existing pavement is capable of supporting the emergency vehicle described previously in this report". Calculations supporting this opinion should be provided.
 - b. Appendix D, Fire Apparatus Access Roads, indicates that the access road must be capable of supporting the imposed load of fire apparatus weighting at least 75,000 pounds. The supporting calculations must consider this loading.
3. The cross slope of the trail improvements should not exceed 2%
4. The survey information shows that a section of the Canal Access Parking Lot drive is less than 20 feet wide. The access drive must have a minimum width of 20 feet to accommodate emergency vehicles.

Sheet C 13.3

1. Structural shop drawings should be provided for the outfall control structures prior to construction.
2. The height of the proposed weirs associated with outfall structures 3 and 4 do not coincide with the HydroCAD pond summary information.

Sheet L1 - L11

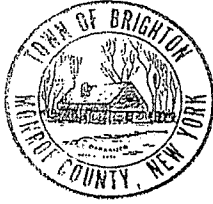
1. The GI practices must include dimension and area information.
2. The Canal Corporation must approve the proposed improvements along the Erie Canal. Written documentation regarding this approval must be provided prior to approval from the Department of Public Works.

Sheet L 1.0

1. The trees planted along Reserve View Blvd. shall not obstruct the driver's line of sight.

Sheet L 6.0

1. The phasing line suggests that the landscaping associated with the Kingston, Champlain and Black Rock loft building will be installed in Phase 1. We suspect that this is not being proposed and request that the phasing limits be more clearly identified on the plans or modify the plans to show only the landscaping associated with Phase 1.



TOWN OF BRIGHTON
MONROE COUNTY, NEW YORK

March 27, 2012


Anthony J. Costello & Son (Joseph) Development, LLC
One Airport Way
Suite 300
Rochester, New York 14624

RE: The Reserve Planning Board Application 6P-03-11 – Final Subdivision Approval, Final Site Plan Approval, Final EPOD Permit Approval and Final Conditional Approval of Section 1 of "The Reserve Residential Community"

Dear Sir:

With respect to the above matter and my letter of June 16, 2011, please allow this letter to serve as confirmation that the architectural design and building materials of the proposed buildings have been reviewed and approved by the Town of Brighton Architectural Review Board as required pursuant to condition number 48 in the subject correspondence.

Respectfully,



Ramsey A. Bochner
Executive Secretary
Planning Board

Cc: Stephen Hall, via email
Dominick Caroselli, via email

C41



TOWN OF BRIGHTON
MONROE COUNTY, NEW YORK
DEPARTMENT OF PUBLIC WORKS

MEMO

Date: April 16, 2013

From: Michael Guyon, P.E.

To: Ramsey Bochner

Copy: File

Re: Application 10P-02-12
Final Subdivision Approval, Final Site Plan Approval and Final EPOD Permit
Approval
Section II of "The Reserve Housing Community"

The proposed project includes the subdivision of 33 lots and the construction of 191 residential units. The applicant is also seeking modifications to their Phase I approval in regards to lighting, setbacks, canal land acquisition and lot line adjustments. We have reviewed these plans and offer the following comments for your consideration:

General

1. A lighting plan should be provided for Phase 2. The lighting plan must include details of the lighting poles and fixtures. Lighting photometrics must be shown on the plans.
2. The contractor shall obtain all necessary Highway Access, Sewer Construction, or other permits from the Town or other agencies prior to starting work
3. During the district formation process a map showing the units count for each neighborhood was prepared and the district charges were determined based upon this unit distribution. The unit distribution among neighbors has been revised. Therefore a new map which accurately represents the unit distribution must be provided. We will also consult with our attorney to determine if additional Town Board action is required.
4. A schedule of all easements (existing/proposed, public/private) shall be provided in conjunction with this project. All texts, maps and descriptions shall be prepared and submitted to this office for review of the proposed easements. Upon satisfactory completion of these documents, the easements shall be filed at the Monroe County Clerk's Office with the Town being provided copies of each Town easement with the liber and page of filing. Upon filing, all easements will

C42

- have to be noted upon the subdivision map (with ownership, purpose and liber/page) prior to the site or subdivision plans being signed by the DPW.
5. The erosion control measures must be consistent with the information presented in the Interim Erosion Control Plan. A copy of this plan must be included in the Phase 2 documents.
 6. A letter of credit for Phase 2 shall be provided to cover certain aspects of the project, including, but not limited to general infrastructure improvements, landscaping, stormwater mitigation and erosion control.
 7. The subdivision Map should indicate the adjacent owners.

Plan Sheets

Sheet 5.0 – Notes, Legend and Abbv.

1. Note 1 under the heading Restoration and Landscaping must reference the required 3 year warranty period.
2. Note 1 under the heading Section 2 notes must indicate that the Town of Brighton will also be notified.

Sheets C6.1 – C6.5 Subdivision Plan

1. Sheet C6.5 Subdivision Map must include the property boundary revisions proposed to the properties along Pendleton Hill.

Sheets C7.1.0 – C7.5.0 Site Plan

1. The proposed trails should be shown on the Site Plans. In addition, dimensions of the trails, roadways, sidewalks, parking spaces, and handicap parking spaces should be shown on the site plans.
2. The retaining wall on Sheet C7.5.0 should be labeled and a detail should be provided.
3. The distance between buildings G11 and G10 on sheet C7.1.0 should be labeled.
4. What type of building will be constructed on lot B6 on sheet C7.2.0. Architectural Review Board approval may be required.
5. Cos Grand Heights should be labeled as a dedicated roadway on sheet C7.2.0.
6. On sheet C7.2.0, The construction of Cos Grand Heights includes granite curbing. Will curb cuts be provided prior to the construction of the new homes or will the curb cuts be installed during the home's construction?
7. The driveway locations should be shown on sheet C7.2.0.
8. The notes on sheet C7.2.0 indicate that the rear setback is 20 feet. However, the rear setback on lot B21 appears to be less than 20 feet. Confirm that the rear setback is 20 feet.

C43



April 16, 2013

9. The plans show property lines separating the condominium units on sheet C7.5.0. What is the intent of these lines?

Sheets C7.1 – 7.5 Utility Plans

1. The profiles reference street names. Therefore the street names should be provided on the utility plans.
2. Per the Town of Brighton's clean out detail all cleanouts must be located 5 feet from the Right of Way or easement line. Please confirm that the cleanouts are shown accurately on the plans.
3. Where possible, cleanouts should not be located within driveways.

Sheet C7.1

1. A 0.2 ft. drop must be provided in MH SA4.4
2. The invert elevations for ST 1.1.3a and ST 1.1.3b are transposed.
3. The invert elevations provided for the storm sewer do not coincide with the information provided on the profile sheet.
4. Why is a 5.0 ft. diameter manhole specified for ST 2.6.
5. The invert elevation for SA 4.1 must be consistent with the record information.
6. The information presented in the Storm Sewer Computation Sheet included in the SWPPP does not coincide with the information shown on the plans. In addition the computation sheet references the previous neighborhood names. The calculations should be revised to reference the current neighborhoods.
7. The size of the storm sewer between ST 1.1.3 and 1.1.4 is not consistent with the Storm Sewer Computation Sheet.
8. It is our understanding that the MCWA revised the location of the 20" watermain taps. The actual location of these taps must be shown on the plans.
9. A water service should be shown of lot G4.1.
10. The plans show property lines separating the condominium units. What is the intent of these lines?
11. A minimum of 3 feet of cover should be provided over all storm sewers.

Sheet C7.2

1. The proposed storm sewer configuration increases the area discharging to Pond 1. The drainage calculations should be revised to confirm that the added drainage area can be accommodated by Pond 1.
2. A maximum of 300 feet must be maintained between sanitary sewer manholes.
3. Rim and invert elevation for the storm sewer inlets should be provided.
4. It does not appear that there will be sufficient cover of the ST-P2a inlet crossing. Please confirm that the crossing pipe will not be located within the roadway base.
5. A minimum drop of 0.2 feet must be maintained through the sanitary sewer manholes.
6. The storm and sanitary sewer laterals for lot B22 connect to the wrong main.

C44

Sheet C7.4

1. Storm sewer invert elevations must be provided and should demonstrate that there is adequate cover over the storm pipe where the sewer crosses beneath the parking area.

Sheet C 7.5

1. Invert elevations for the storm inlets located between lots M15 and M16 must be provided.
2. Lot M11 does not include a storm sewer lateral.
3. Why are 5.0 ft. diameter manhole proposed for SA 16.0 and SA 17.0?
4. A drop of 0.2 feet must be provided between the east and west invert elevation of SA 14.0

Sheets C8.1 – C8.5

1. The erosion control measures must be consistent with the information presented in the Interim Erosion Control Plan. A copy of this plan must be included in the Phase 2 construction documents. The location of sedimentation basins, check dams, areas covered with jute mesh, silt fence, fence delineating areas not to be disturbed, temporary swales and other erosion control measures must be shown on the plans.
2. A detail illustrating the protection of roadway drop inlets must be provided.
3. The spoil material generated by the lofts and condominiums will be substantial. Where will this spoil material be placed and protected from erosion. Separate erosion control plans should be provided for the condominiums and lofts.
4. As phase 1 is completed the area available to store spoil and construction related materials will be greatly reduced. A sequencing plan showing the anticipated development of the project and the location of spoil and construction related materials should be provided. It may be prudent to develop separate sequencing plans for the lofts and condominium units.
5. What does the designation FP imply? I suspect that the designation FP references the finished pad elevation. Is this elevation consistent with the first floor elevation? The first floor elevation should be provided on the plans.

Sheet G8.1

1. We suggest that a drop inlet in the drainage swale between lots G15.4 and G7.1 to eliminate the potential ponding of water in this area.
2. Silt fence should be installed between the condominiums and the stormwater management facility to reduce the amount of sediment discharged to the facility.

Sheet G8.2

1. The high point elevation should be identified on the private and dedicated roadways.

C45



April 16, 2013

2. The swale behind lot B11, B12, B1 is extremely flat and may produce nuisance ponding. The slope of this swale should be reviewed or appropriate landscaping and plantings should be provided. This area would be ideal for the installation of a green infrastructure practice. This area is also ideal for the installation of a sedimentation basin during construction.
3. Silt fence should be installed along the rear of lots B13 – B21 to capture sediment before it is discharged to the stormwater management facility. Additionally, a sedimentation basin should be provided upstream of the stormwater management facility.

Sheet C8.4

1. An erosion control plan for the parking area improvement must be provided. Silt fence and sedimentation basins should be used to reduce the amount of sediment laden stormwater discharged to the stormwater management facility.

Sheet C8.5

1. A maximum slope of 5% must be maintained on all trails. It appears that the grade of the trail to the canal may exceed 5%.
2. Silt fence should be installed between the condominiums and the stormwater management facility to reduce the amount of sediment discharged to the facility. In addition, sedimentation basins should be installed upstream of any green infrastructure practice to reduce the deposition of sediment.

Sheet C9.1 – C9.2

1. Dedicated storm sewer pipe should be installed so the top elevation of the upstream pipe coincides with the top elevation of the downstream pipe.
2. It is imperative that roadway and utility areas requiring fill receive adequate compaction. Compaction testing should be provided at 50 foot intervals in these areas.
3. The elevation information provided on the profiles must be consistent with the information shown on the site plans. Verify that this information is consistent.

Sheet C9.3

1. The invert elevation between ST 1.1.4 and ST 1.1.5 is not consistent with the utility plans.

Sheet C9.7

1. The south invert elevation for SA 14 and SA 15 must be provided.
2. The length of pipe between SA 15 and SA 16 is not consistent with the information shown on the utility plans.

Sheet C13.2

1. A crosswalk striping detail should be provided.

C46

Landscape Plans

1. The plans do not differentiate between planting in phase 1 and phase 2.
2. This review does not include the amenities including the boat put in and the canal trail improvements.
3. The landscaping plans must be incorporated into the approved plan set.
4. Duplicate details shown on the landscaping plans and the civil drawings must be avoided. One set of detail sheets should be provided.
5. The landscape plans show a dry wall detail. Where will this wall be constructed?

Attachment

C47

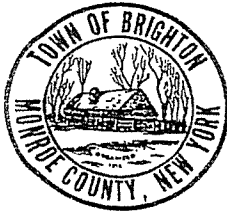


The Reserve Subdivision Phase 2
April 16, 2013

C4.8

Page 7 of 7

2300 Elmwood Avenue • Rochester, New York 14618 • 585-784-5250 • Fax: 585-784-5373
<http://www.townofbrighton.org>



TOWN OF BRIGHTON
MONROE COUNTY, NEW YORK

RECEIVED

APR 22 2013

Marathon Engineering April 18, 2013

Anthony J. Costello & Son Development
One Airport Way, Suite 300
Rochester, NY 14624

Marathon Engineering
Attn: John Stapleton
39 Cascade Drive
Rochester, NY 14614

RE: Planning Board Application 10P-02-12

Dear Sir and/or Madam:

Your application 10P-02-12, for Final Subdivision Approval, Final Site Plan Approval and Final EPOD (watercourse) Permit Approval for Section II of the "The Reserve Housing Community," was presented for consideration before the Planning Board at their meeting held on April 17, 2013. Section II allows for the subdivision of 33 lots and construction of 191 residential units. Also, the application is seeking modifications to Phase I approval (6P-03-11) in regards to lighting, setbacks, canal land acquisition and resubdivision/lot line adjustments, all on property located east of South Clinton Avenue known as Tax ID #s 149.07-01-008, 149.07-01-004, 149.11-01-053 and 149.11-01-002.1. The Planning Board approved the application based on the testimony given and plans submitted, and with the following conditions:

1. A parkland fee in lieu of recreation land shall be paid prior to the issuance of a building permit for construction of all dwelling units.
2. All buildings shall comply with the New York State Uniform Fire Prevention and Building Code.
3. Prior to issuance of any building permits, all plans for utility and storm water control systems must be reviewed and have been given approval by appropriate authorities. Prior to any occupancy, work proposed on the approved plans shall have been completed to a degree satisfactory to the appropriate authorities.
4. Meet all requirements of the Town of Brighton's Department of Public Works.
5. All Town codes shall be met that relate directly or indirectly to the applicant's request.

C49

6. The project and its construction entrance shall meet the New York State Standards and Specifications for Erosion and Sediment Control .
7. The contractor shall designate a member of his or her firm to be responsible to monitor erosion control, erosion control structures, tree protection and preservation throughout construction.
8. All trees to be saved shall be protected with orange construction fencing placed at the drip line or a distance greater than the drip line. Trees shall be pruned, watered, and fertilized prior to, during and after construction. Materials and equipment storage shall not be allowed in fenced areas.
- 9.. Maintenance of landscape plantings shall be guaranteed for three (3) years. A letter of credit shall be provided for all landscaping.
10. Any contractor or individual involved in the planting, maintenance or removal of trees shall comply with the requirements of the town's Excavation and Clearing (Chapter 66), Trees (Chapter 175) and other pertinent regulations and shall be registered and shall carry insurance as required by Chapter 175 of the Comprehensive Development Regulations.
11. Parking areas shall be striped as per the requirements of the Brighton Comprehensive Development Regulations.
12. Meet all plat filing requirements of the Town of Brighton's Department of Public Works.
13. All outstanding Site Plan comments and concerns of the Town Engineer and Fire Marshal shall be addressed.
14. All outstanding Site Plan comments and concerns of the Town Engineer regarding soil erosion, storm water control, water system and sanitary sewer design shall be addressed.
15. Prior to issuance of building permits the fire apparatus access road and water supply for fire protection is to be installed and made serviceable as required by the Fire Marshal. Fire hydrants shall be fully operational prior to the issuance of building permits.
16. All subdivision maps and site plan drawings shall show and verify that all proposed lots comply with all area requirements. The resubdivision plan is not clear on which lots are being resubdivided. The plan must revised to address this issue.
17. The proposed dedicated road improvements shall be constructed to specific Town standards at the expense of the property owner.
18. All County Development Review Comments shall be addressed.

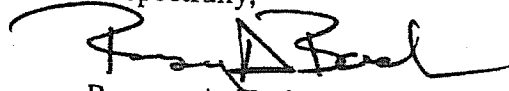
CSO

19. All easements shall be submitted to and reviewed by the Deputy Town Attorney. The approved easements shall be filed with the Monroe County Clerks Office. A copy of the filed easement shall be submitted to the Building and Planning Department for its records.
20. All other reviewing agencies must issue their approval prior to the Department of Public Works issuing its final approval.
21. All easements must be shown on the subdivision map with ownership, purpose, and liber/page of filing with the Monroe County Clerk's Office. A copy of the filed easement shall be submitted to the Building and Planning Department for its records.
22. A letter of credit shall be provided to cover certain aspects of the project, including, but not limited to landscaping, stormwater mitigation, infrastructure and erosion control. The applicant's engineer shall prepare an itemized estimate of the scope of the project as a basis for the letter of credit.
23. Buildings shall be sprinklered in accordance with Town requirements.
24. The applicant's architect shall evaluate the project relative to the Town of Brighton sprinkler ordinance to determine if the building needs to be sprinklered. This evaluation shall be submitted.
25. The applicant shall verify that all buildings comply with all height requirements. The height of the proposed buildings shall be shown on plans. Elevation drawings showing the height of the structure in relationship to proposed grade shall be submitted with the building permit application.
26. Prior to any framing above the deck, an instrument survey showing setback and first floor elevation shall be submitted to and reviewed by the Building and Planning Department.
27. The applicant shall ensure that elevations and floor plans produced by the project architect and site and other plans produced by the project engineer conform to one another regarding the building footprint of buildings and the grading surrounding the building. The architectural elevations shall accurately reflect proposed grading and shall include corner ground elevations as shown on the approved site plan.
28. Elevations for each side of all buildings verifying compliance with all height requirements shall be submitted with the final application. The architectural elevations shall accurately reflect proposed grading and shall include corner ground elevations. In particular, verification that the Loft Buildings meet the requirements of the Town Board Incentive Zoning Resolution with respect to the roof deck and parapet wall height.

29. The applicant shall ensure that the plans include the correct information for liveable floor area, gross floor area, and area of the proposed garage. A Single Family Zoning Information Form shall be submitted by the project architect that confirms with the information shown on the plans.
30. Any fences or walls, including retaining walls, shall be limited to a maximum of 3.5' in height in the front yard and 6.5' in the side or rear yards
31. A 239-F permit must be submitted by the owner prior to the issuance a building permit for the project.
32. All comments and concerns of the Town Engineer as contained in the attached memo dated June 14, 2011 from Michael Guyon, Town Engineer, to Ramsey Boehner shall be addressed.
33. No parking shall be permitted along Reserve View Blvd. (Bridgewater Rise). The applicant shall request the Town Board to restrict parking along Reserve View Blvd. (Bridgewater Rise).
34. Buffer plantings shall installed as soon as weather permits.
35. Prior to filing of the Subdivision Map, all private roads shall be labeled as such and a note shall be added to the map stating that the private roads will not be built to town specifications and will not be dedicated to the Town of Brighton.
36. The landscape architect of record (Bayer Associates), shall verify that the proposed landscape improvements have been installed according to the approved plans.
37. The architectural design and building materials of the proposed buildings shall be reviewed and approved by the Town of Brighton Architectural Review Board.
38. The applicant shall submit the required sign application for review by the Architectural Review Board and Planning Board for all proposed signs.
39. All single family detached residential units shall be owned in fee simple ownership (not in condominium ownership).
40. During the review of the Section 1 plans, it was determine that an incorrect setback was identified for Lot W10. The setback requirement should be 20' not 180'. This should be corrected on the plans.
41. The notes on sheet C7.2.0 indicate that lots B6 and B8 will have no rear setback. The rear setback for those lots shall be 20 feet. The notes need to be corrected to address this

requirement.

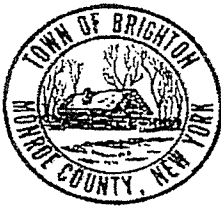
Respectfully,

A handwritten signature in black ink, appearing to read "Ramsey A. Boehner". The signature is fluid and cursive, with a large initial "R" and "B".

Ramsey A. Boehner
Executive Secretary, Planning Board

cc: Mike Guyon, Town Engineer
Rick DiStefano, Planner

C53



TOWN OF BRIGHTON



JUL 01 2013



By:

June 27, 2013

Anthony Costello & Son
Attn: Dominick Caroselli
One Airport Way
Rochester, NY 14624

ADDRESS: S. Clinton Avenue
The Reserve

AGENDA 7AR-6-11

Your application 7AR-6-11 for review of the clubhouse pool accessory building was presented for review before the Board of Architectural Review at their meeting held June 25, 2013, and the following decision(s) was reached:

The clubhouse pool accessory building is approved with the following condition:

1. Final materials, colors, and details shall be submitted to the board for approval.

For further information, please call the Building Department at 784-5227.

Respectfully,

Paul R. White
Secretary, Architectural Review Board

cc. Planning Board

RECEIVED
JUL 01 2013
Marathon Engineering

Memo

Date: July 16, 2013

From: Michael Guyon

To: Ramsey Boehner

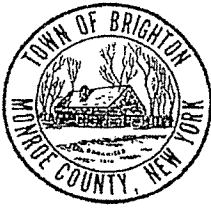
Re: The Reserve
Preliminary/Final Site Plan Approval and Site Plan Modification to construct a 650± square foot pool accessory building, construction of an elevated walkway and modification/adjustment of the club house rear setback
Application 7P-01-13

We have completed our review of the above reference project and offer the following comments for your consideration.

1. A site grading plan should be provided for the pool area, elevated walkway and the proposed canal frontage project. In addition, an erosion control plan must be provided for review and approval. The erosion control plan must be incorporated into the Reserve Subdivision SWPPP.
2. The letter prepared by Marathon Engineering dated June 19, 2013 states, "we request that the elevated walkway, should it be extended to the Canal Trail, remain private and only accessible by residents and members of The Reserve". How and who will enforce access to the elevated walkway? The elevated walkway will be located within public state owned lands. Can access be legally limited within state owned property?
3. Will access to the proposed canal front improvements be limited? If so the questions posed in comment #2 should be addressed with regard to access.
4. The plans indicated that a bathroom will be provided beneath the walkway. How will this area be served by sanitary sewer and water services?
5. Will the storage area, pool equipment room and bathroom include sprinklers? The applicant should contact the Town of Brighton Fire Marshal to review emergency access to the pool area.
6. Is the pool area ADA compliant?
7. A detailed landscaping plan should be provided for the pool area and the canal front improvements.
8. Additional detail should be provided for the proposed wall, walkway and fence/railing.



9. No lighting or spot lighting shall be permitted which will project light rays beyond the lot lines of the lot on which said pool is located.
10. The applicant must demonstrate that the proposed pool and/or hot tub drainage is adequate and will not interfere with the public water supply system, existing sewage or stormwater drainage facilities, and the property of others.
11. The applicant should consider the installation of landscape planters and rain gardens to capture and treat the stormwater runoff generated by the pool and canal front area.
12. The plans and renderings show depressed landscape areas. How will stormwater be conveyed from these areas?



TOWN OF BRIGHTON
MONROE COUNTY, NEW YORK

RECEIVED
JUL 23 2013
Marathon Engineering

July 18, 2013

Matt Tomlinson
Marathon Engineering
39 Cascade Drive
Rochester NY 14614

Anthony J Costello & Son Development
One Airport Way #300
Rochester NY 14624

RE: Planning Board Application 7P-01-13

Dear Sir and/or Madam:

Your applications 7P-01-13 for Preliminary/Final Site Plan Approval and Site Plan Modification to construct a 650 +/- sf pool accessory building, construction of an elevated walkway and modification/adjustment of the club house rear setback on property known as "The Reserve" (Tax ID #s 149.07-01-008, 149.07-01-004, 149.11-01-053 and 149.11-01-002.1) were presented for consideration before the Planning Board at their meeting held on July 17, 2013.

The Planning Board approves the Site Plan Modification to allow the setback for the clubhouse from the south property line be reduced to 60 feet from 67 feet based on the testimony given and plans submitted.

The Planning Board tabled the application for Preliminary/Final Site Plan Approval to construct a 650 +/- sf pool accessory building, and construction of an elevated walkway based on the testimony given and plans submitted. The following information is required to be submitted no later than two weeks prior to the next Planning Board meeting:

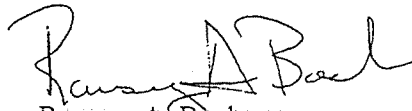
1. A detailed landscaping plan should be provided for the pool area and the canal front improvements. The applicant should consider the installation of landscape planters and rain gardens to capture and treat the stormwater runoff generated by the pool and canal front area. The landscape plan shall show all trees to be removed. The use of native plant material is encouraged. The landscape shall be reviewed by the Conservation Board.
2. Submittal of the Canal Authority's review comments.

3. If the elevated walkway is not extended southward to the Canal trail, how will the remaining structure look from the canal? A photo simulation shall be submitted showing how the remaining structure will look from Canal trail.
4. You have requested that the elevated walk way remain private and only accessible by residents and members of the Reserve. Provide verification that the seating area, overlook, gathering place, and stepped access to the water level will be available to the general public.
5. A site grading plan should be provided for the pool area, elevated walkway and the proposed canal frontage project. In addition, an erosion control plan must be provided for review and approval. The erosion control plan must be incorporated into the Reserve Subdivision SWPPP.
6. The plans indicated that a bathroom will be provided beneath the walkway. How will this area be served by sanitary sewer and water services must be provided.
7. The applicant should contact the Town of Brighton Fire Marshal to review emergency access to the pool area.
8. The applicant's architect shall evaluate the storage area, pool equipment room and bathroom relative to the Town of Brighton sprinkler ordinance to determine if the building needs to be sprinklered. This evaluation shall be submitted.
9. All trees to be saved shall be protected with orange construction fencing placed at the drip line or a distance greater than the drip line. Trees shall be pruned, watered, and fertilized prior to, during and after construction. Materials and equipment storage shall not be allowed in fenced areas.
10. Maintenance of landscape plantings shall be guaranteed for three (3) years.
11. Any contractor or individual involved in the planting, maintenance or removal of trees shall comply with the requirements of the town's Excavation and Clearing (Chapter 66), Trees (Chapter 175) and other pertinent regulations and shall be registered and shall carry insurance as required by Chapter 175 of the Comprehensive Development Regulations.
12. All outstanding comments and concerns of the Fire Marshal shall be addressed.
13. All other reviewing agencies must issue their approval prior to the Department of Public Works issuing its final approval.

14. All comments and concerns of the Town Engineer as contained in the attached memo from Michael Guyon, Town Engineer, to Ramsey Boehner, shall be addressed.
15. The Planning Board encourages the applicant to investigate keeping the entire walkway available to the public.

A letter or memo in response to all Planning Board and Town Engineer comments and conditions shall be submitted.

Respectfully,

A handwritten signature in dark ink, appearing to read "Ramsey A. Boehner". The signature is fluid and cursive, with the first name "Ramsey" and last name "Boehner" clearly distinguishable.

Ramsey A. Boehner
Executive Secretary, Planning Board

cc: Mike Guyon, Town Engineer
Rick DiStefano, Planner



Town of Brighton

MONROE COUNTY, NEW YORK

DEPARTMENT OF PUBLIC WORKS

2300 ELMWOOD AVENUE ★ ROCHESTER, NEW YORK 14618 ★ PHONE (585)784-5250 ★ FAX (585)784-5368

Memo

Date: September 17, 2013

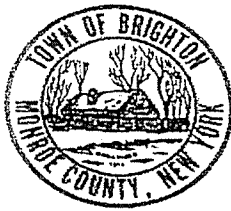
From: Michael Guyon

To: Ramsey Boehner

Re: The Reserve
Preliminary/Final Site Plan Approval and Site Plan Modification to construct a 650± square foot pool accessory building, construction of an elevated walkway and modification/adjustment of the club house rear setback
Application 7P-01-13

We have completed our review of the above reference project and offer the following comments for your consideration.

1. The erosion control plan must incorporate the use of jute mesh on all slopes that are equal to or greater than 3 horizontal to 1 vertical. The location of the jute mesh should be shown on the plans. The erosion control plan should also protect the proposed pump station from the deposition of sediment.
2. A detail of the storm sewer pump station should be provided along with calculations that evaluate the capacity of the pump station. The pump station capacity calculations should consider various storm events.
3. The final plans must include a lighting plan and appropriate details.
4. How will the proposed pool and hot tub be drained?
5. There are multiple connections to manhole ST-4.1.6. A 5.0 ft. diameter manhole should be considered.



TOWN OF BRIGHTON
MONROE COUNTY, NEW YORK

RECEIVED
SEP 21 2013
Marathon Engineering

September 20, 2013

Matt Tomlinson
Marathon Engineering
39 Cascade Drive
Rochester NY 14614

Anthony J Costello & Son Development
One Airport Way #300
Rochester NY 14624

RE: Planning Board Application 7P-01-13

Dear Sir and/or Madam:

Your applications 7P-01-13 for Preliminary/Final Site Plan Approval and Site Plan Modification to construct a 650 +/- sf pool accessory building, construction of an elevated walkway and modification/adjustment of the club house rear setback on property known as "The Reserve" (Tax ID #s 149.07-01-008, 149.07-01-004, 149.11-01-053 and 149.11-01-002.1) were presented for consideration before the Planning Board at their meeting held on September 18, 2013. The Planning Board approved the application based on the testimony given and plans submitted, and with the following conditions:

1. The project shall comply with the most current Building & Fire Codes of New York State.
2. Prior to issuance of any building permits, all plans for utility and storm water control systems must be reviewed and have been given approval by appropriate authorities. Prior to any occupancy, work proposed on the approved plans shall have been completed to a degree satisfactory to the appropriate authorities.
3. Meet all requirements of the Town of Brighton's Department of Public Works.
4. All Town codes shall be met that relate directly or indirectly to the applicant's request.
5. The project and its construction entrance shall meet the New York State Standards and Specifications for Erosion and Sediment Control.

C 6.1

Page 1 of 3

6. The contractor shall designate a member of his or her firm to be responsible to monitor erosion control, erosion control structures, tree protection and preservation throughout construction.
7. All trees to be saved shall be protected with orange construction fencing placed at the drip line or a distance greater than the drip line. Trees shall be pruned, watered, and fertilized prior to, during and after construction. Materials and equipment storage shall not be allowed in fenced areas.
8. Maintenance of landscape plantings shall be guaranteed for three (3) years.
9. Any contractor or individual involved in the planting, maintenance or removal of trees shall comply with the requirements of the town's Excavation and Clearing (Chapter 66), Trees (Chapter 175) and other pertinent regulations and shall be registered and shall carry insurance as required by Chapter 175 of the Comprehensive Development Regulations.
10. All outstanding Site Plan comments and concerns of the Town Engineer and Fire Marshal shall be addressed.
11. All outstanding Site Plan comments and concerns of the Town Engineer regarding soil erosion, storm water control, water system and sanitary sewer design shall be addressed.
12. Fire hydrants shall be fully operational prior to and during construction of the building.
13. All other reviewing agencies must issue their approval prior to the Department of Public Works issuing its final approval.
14. The proposed building shall be sprinklered in accordance with Town requirements.
15. All comments and concerns of the Town Engineer as contained in the attached memo dated September 17, 2013 from Michael Guyon, Town Engineer, to Ramsey Boehner, shall be addressed.
16. A letter or memo in response to all Planning Board and Town Engineer comments and conditions shall be submitted.
17. The elevated walkway and overlook on Canal lands are not approved as part of this application and approval. The applicant shall obtain site plan approval from the Planning Board for the elevated walkway and overlook on the Canal lands.

The walkway and overlook shall not be gated. The site plan shall include a landscape and lighting plan.

18. A lighting plan has not been submitted. The pool area, accessory building and elevated walkway shall not be lighted until a lighting plan which shows the type, location and lighting contours has been submitted to and approved by the Planning Board.
19. The applicant should contact the Town of Brighton Fire Marshal to review emergency access to the pool area.

Respectfully,

A handwritten signature in black ink, appearing to read "Ramsey A. Boehner", written over a circular stamp.

Ramsey A. Boehner
Executive Secretary, Planning Board

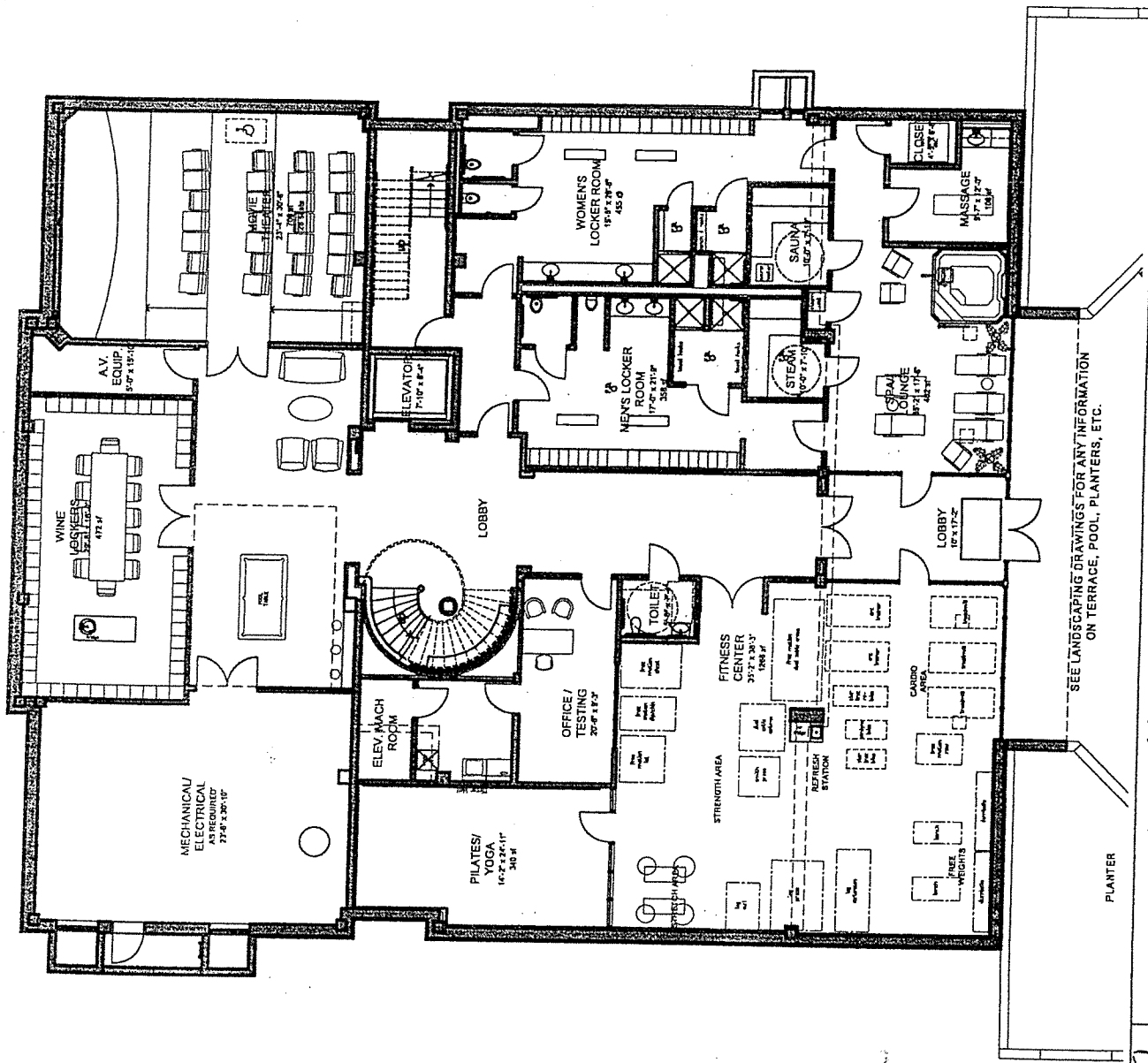
cc: Mike Guyon, Town Engineer
Rick DiStefano, Planner

Finish Schedule for Community Spaces

		Floor	Walls	Ceilings	Cabinetry	Fixtures	Appliances / Equipment	Remarks
Ground Floor	Movie Theater	Carpet	Paint	S.A.T. / Paint				
	Wine Lockers	Carpet	Paint	Paint	Custom Wood Lockers			
	Toilet	Floor Tile	Paint	Paint		Toilet, Sink, Faucet		
	Office / Testing	Carpet	Paint	S.A.T.				
	Fitness Center	Rubber	Paint	S.A.T.		Fitness Equipment		
	Pilates / Yoga	Rubber	Paint	S.A.T.				
	Toilet	Floor Tile	Paint	Paint		Toilet, Sink, Faucet		
	Women's Lockers	Floor Tile	Paint	S.A.T.	Wallhung Lockers	Toilet, Counter & Sink, Faucet		
	Men's Lockers	Floor Tile	Paint	S.A.T.	Wallhung Lockers	Toilet, Counter & Sink, Faucet		
	Spa / Lounge	Floor Tile	Paint	S.A.T. / Paint			Whirlpool Tub & Equipment	
	Sauna	Wood	Wood	Wood			Sauna Heater	
	Steam Bath	Floor Tile	Tile	Tile			Steam Unit	
	Massage Room	Floor Tile	Paint	Paint	Base Cabinetry	Lavatory, Faucet		
	Lobby	Floor Tile	Paint	S.A.T. / Paint				
	Vestibule	Floor Tile	Paint	Paint				

		Floor	Walls	Ceilings	Cabinetry	Fixtures	Appliances	Remarks
First Floor	Vestibule	Floor Tile	Paint	Paint				
	Lobby	Floor Tile	Paint	S.A.T. / Paint				
	Concierge Area	Carpet	Paint	S.A.T. / Paint				
	Sales Office 1	Carpet	Paint	S.A.T.				
	Sales Office	Carpet	Paint	S.A.T.				
	Board Room	Carpet	Paint	S.A.T. / Paint	Base Cabinetry	Sink & Faucet		
	Coat Room	Carpet	Paint	S.A.T.	Rods & Shelves			
	Gent's Room	Floor Tile	Paint	S.A.T. / Paint		Toilet, Counter, Sink, Faucet		
	Ladies Room	Floor Tile	Paint	S.A.T. / Paint		Toilet, Counter, Sink, Faucet		
	Kitchen	Floor Tile	Paint	S.A.T.	Base / upper Cabinetry	Sink & Faucet		
	Banquet Room	Carpet	Paint	S.A.T. / Paint	Base Cabinetry	Sink & Faucet		
	Harvard Room	Hardwood	Paint	S.A.T. / Paint	Base Cabinetry			Stone surround fireplace

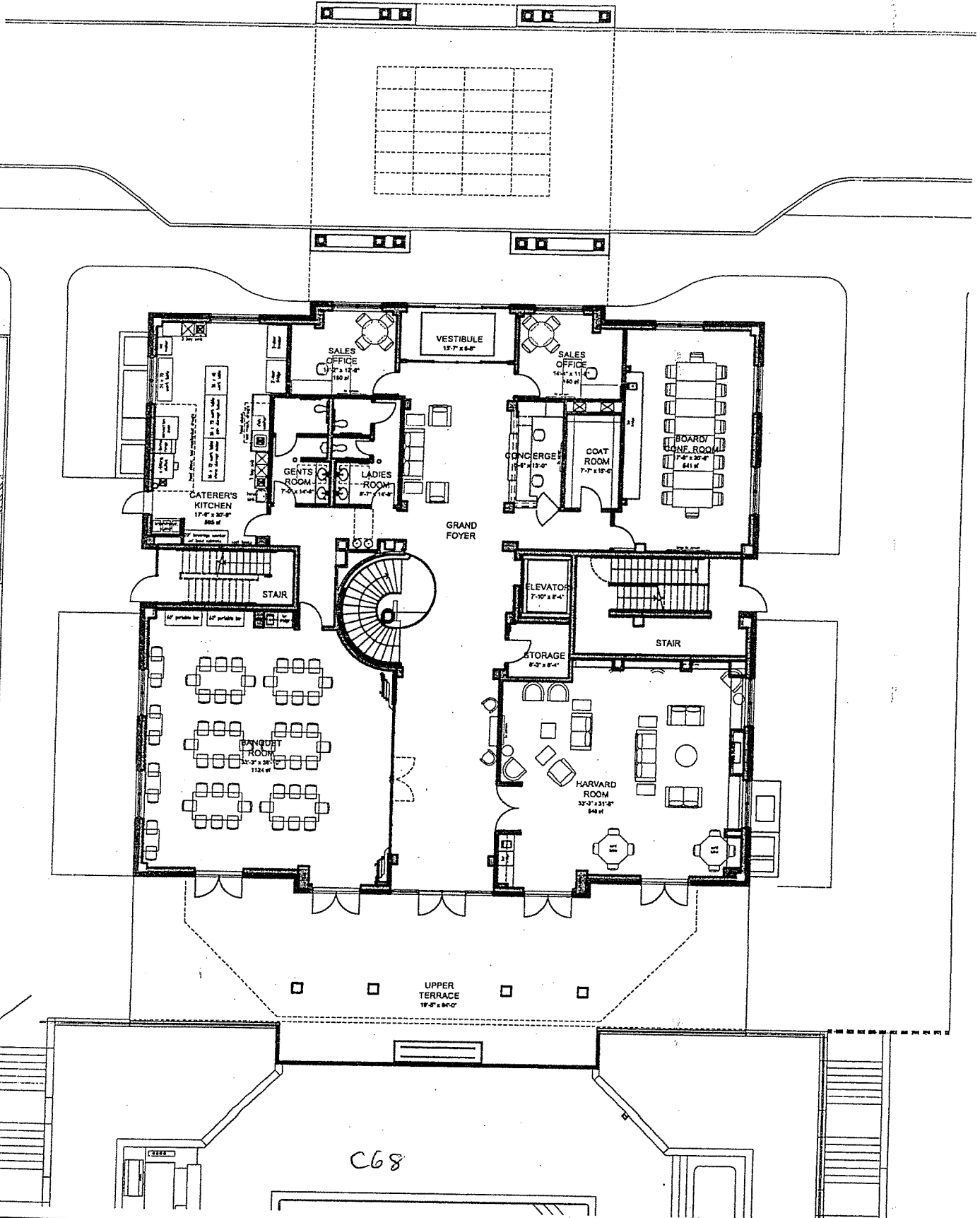
		Floor	Walls	Ceilings	Cabinetry	Fixtures	Appliances	Remarks
Second Floor	Vestibule	Floor Tile	Paint	Paint				
	Lobby	Floor Tile	Paint	S.A.T. / Paint				
	Refuse	Floor Tile	Paint	S.A.T. / Paint				
	Reception	Carpet	Paint	S.A.T. / Paint				
	Meeting Room	Carpet	Paint	S.A.T.				
	Toilet	Floor Tile	Paint	Paint		Toilet, Counter, Sink, Faucet		
	Executive Office	Carpet	Paint	S.A.T.				
	Office	Carpet	Paint	S.A.T. / Paint				
	Kitchenette	Floor Tile	Paint	Paint	Base / upper Cabinetry	Sink & Faucet	under counter fridge	
	Toilet	Floor Tile	Paint	Paint		Toilet, Counter, Sink, Faucet		
	Reception	Carpet	Paint	S.A.T. / Paint				
	Office	Carpet	Paint	S.A.T. / Paint				
	Office	Carpet	Paint	S.A.T. / Paint				
	Office	Carpet	Paint	S.A.T. / Paint				
	Office	Carpet	Paint	S.A.T. / Paint				
	Kitchenette	Floor Tile	Paint	Paint	Base / upper Cabinetry	Sink & Faucet	under counter fridge	
	Toilet	Floor Tile	Paint	Paint		Toilet, Counter, Sink, Faucet		

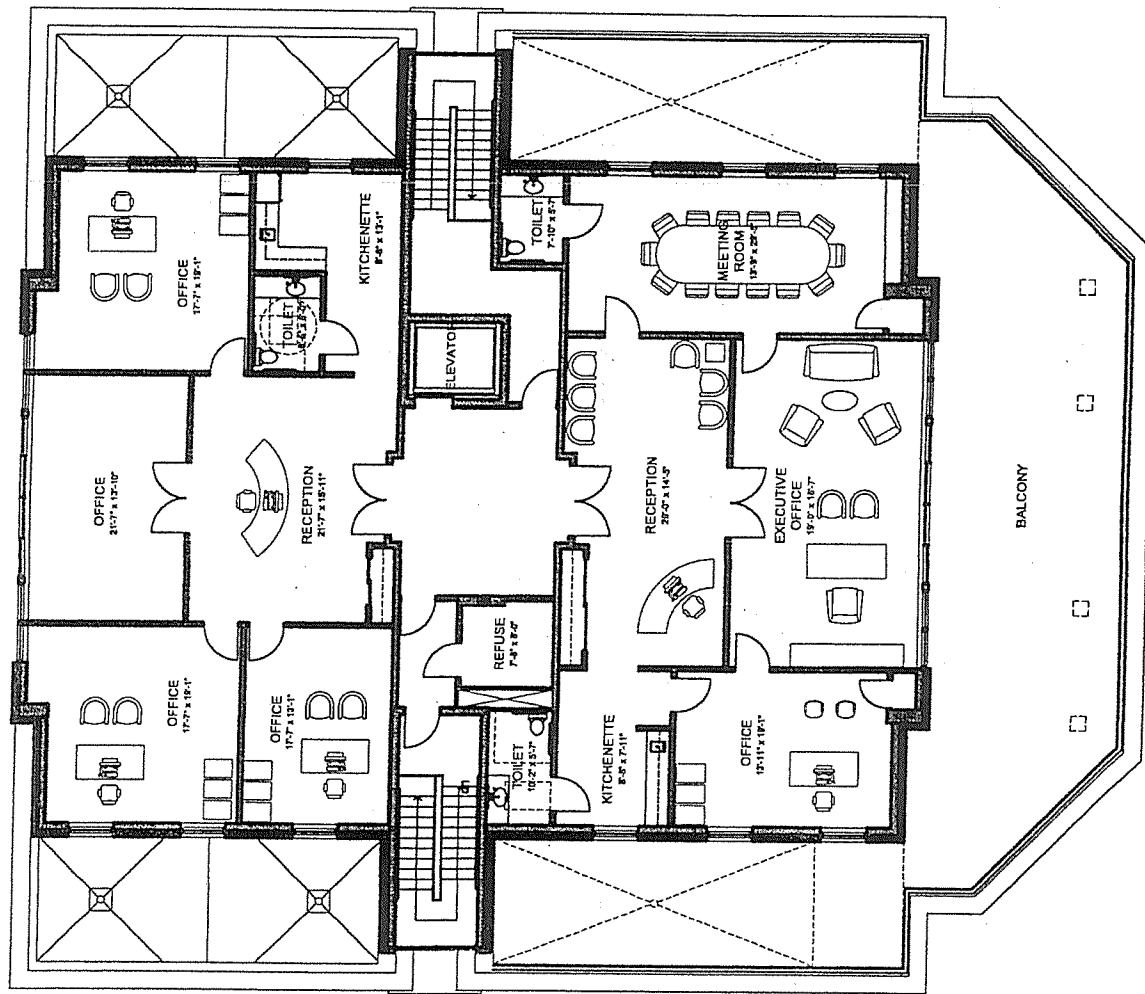


THE RESERVE - CLUBHOUSE
 SOUTH CLINTON AVENUE AND THE ERIE CANAL
 TOWN OF BRIGHTON, COUNTY OF MONROE, NEW YORK
 OCTOBER 1, 2013



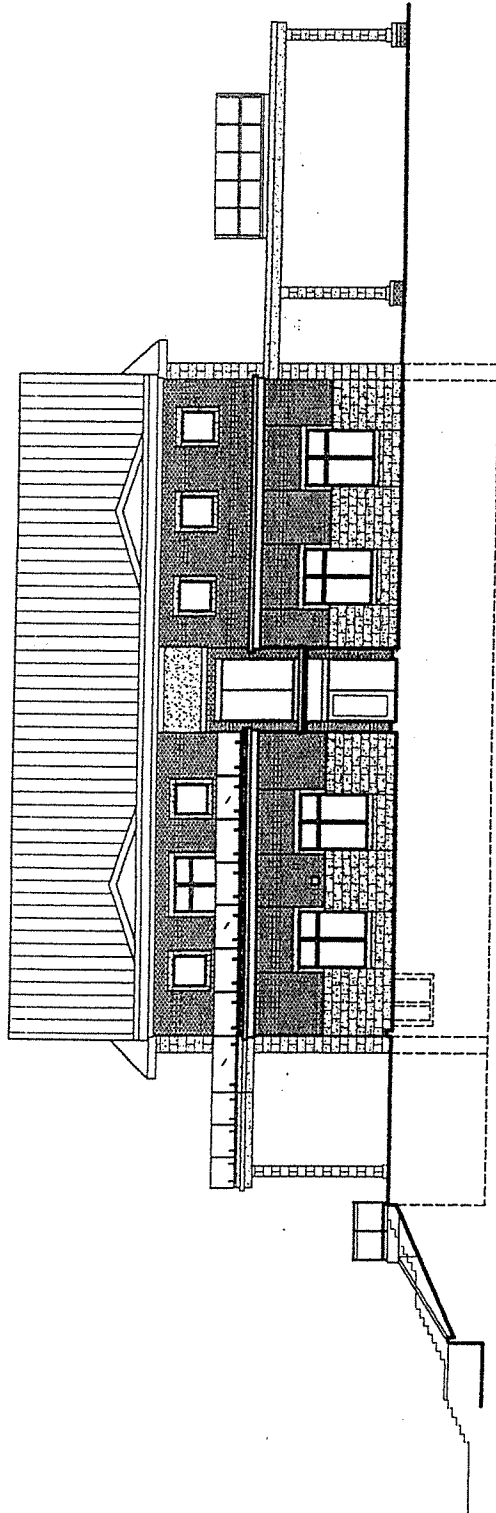
LOWER FLOOR PLAN
 SCALE: 1/16" = 1'-0"



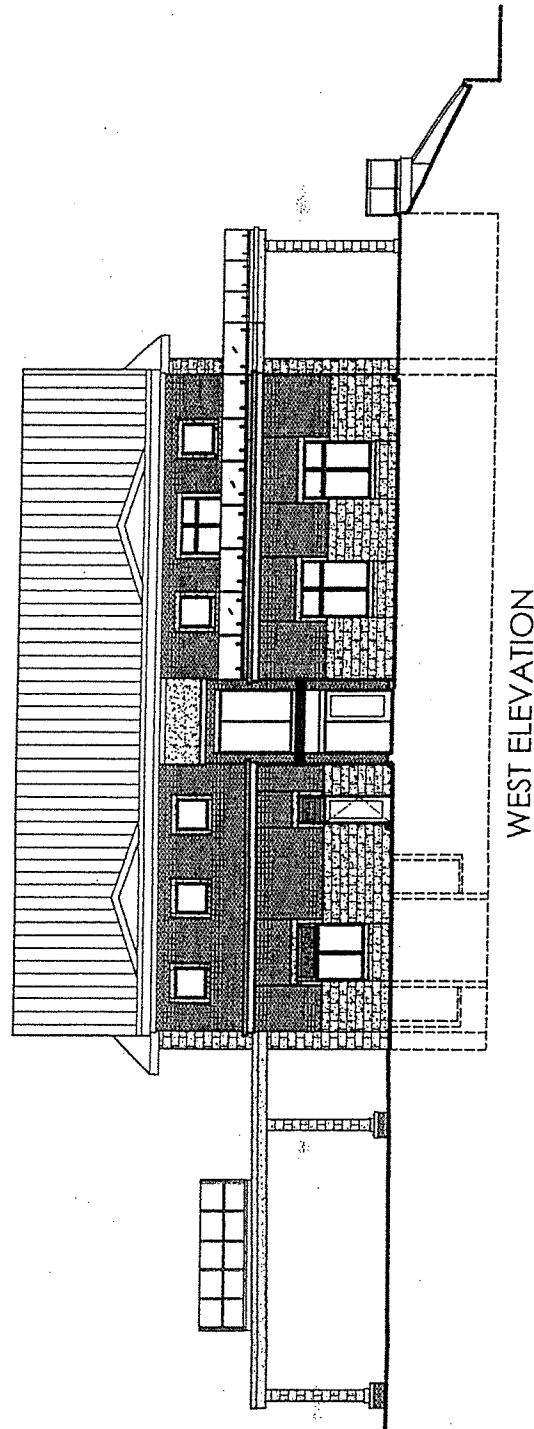


C69



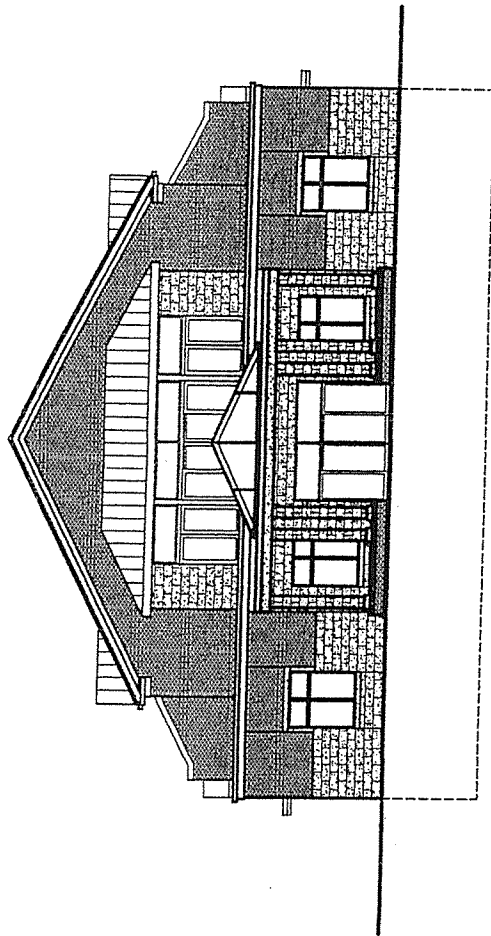


EAST ELEVATION

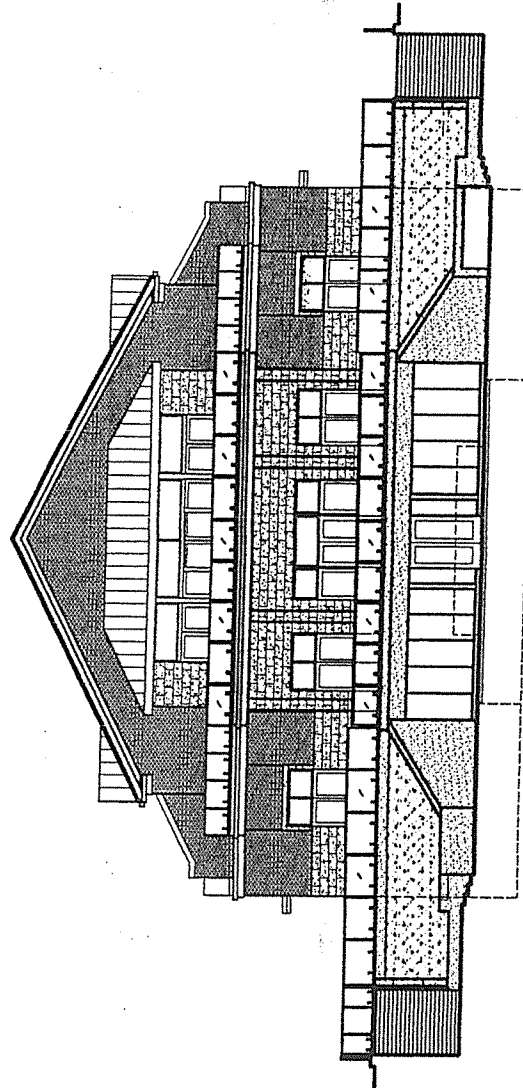


WEST ELEVATION

C70



NORTH ELEVATION



SOUTH ELEVATION

NORTH - SOUTH ELEVATION

NOT TO SCALE

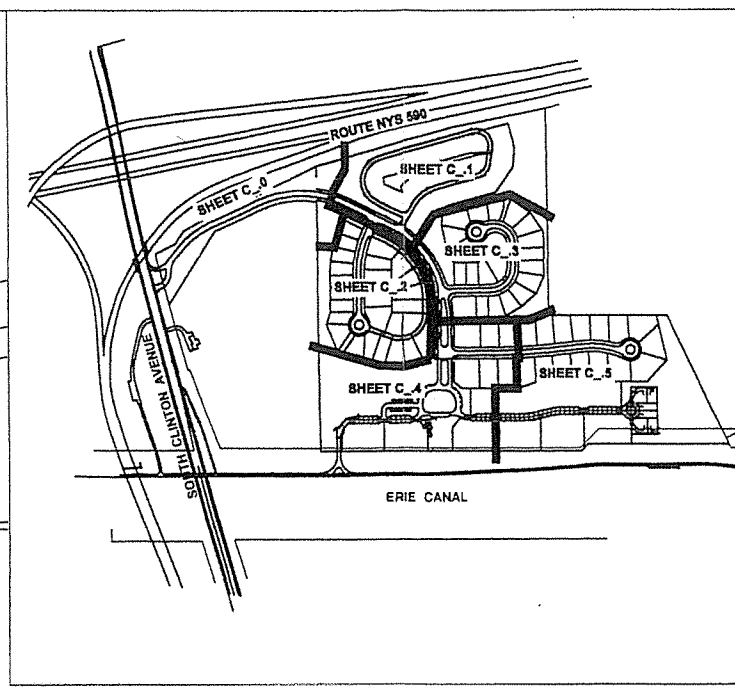
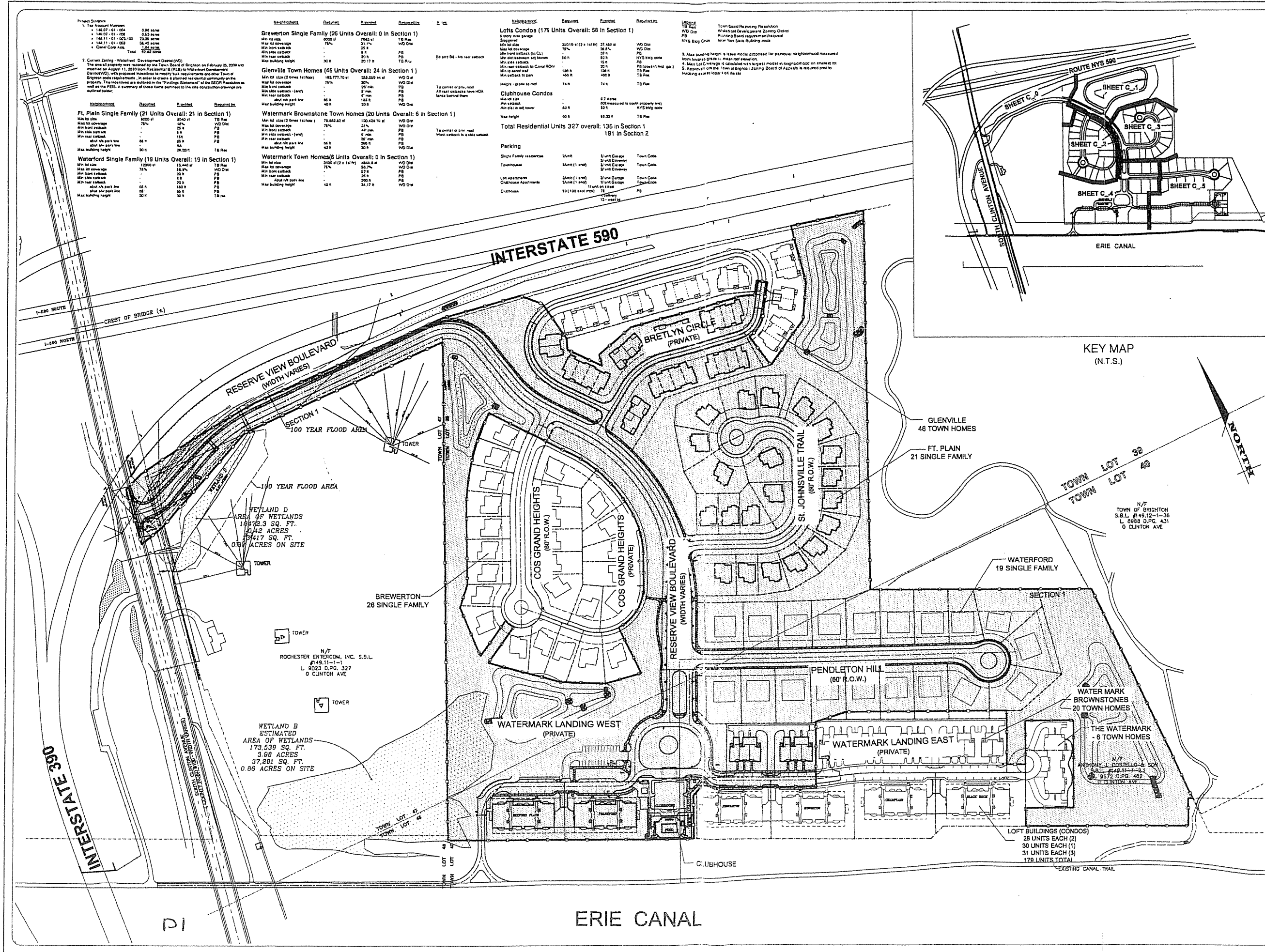
THE RESERVE - CLUBHOUSE

SOUTH CLINTON AVENUE AND THE ERIE CANAL
TOWN OF BRIGHTON, COUNTY OF MONROE, NEW YORK

OCTOBER 1, 2013

STEGELITZ JUDER

EXHIBIT D



ANTHONY J. COSTELLO & SON DEVELOPMENT

MARATHON ENGINEERING

www.marathoneng.com

BAYER ASSOCIATES

LANDSCAPE ARCHITECTURE & PLANNING

115 N. Main Street, Syracuse, NY 13202

THE RESERVE

ON THE ERIE CANAL

TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09

SCALE: 1"=120'

DRAWN: MPT

DESIGNED: RPB

DATED: 01/19/10

REVISIONS

DATE	BY	REVISION
06/14/10	MT	REVISED SECTION 1
11/19/10	MT	TOWN COMMENTS
05/31/11	MT	TOWN COMMENTS
08/04/11	MT	UPDATE TO FINAL
11/05/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV
05/05/12	MT	PB & TE COMMENTS
08/20/12	MT	PRE-APPROVAL REVIEW
01/23/13	MT	TE COMMENTS
01/17/13	MT	FIRE LANE UPDATE
02/21/13	MT	SECT. 1 MODIFICATION
05/11/13	MT	REVISED CLUBHOUSE SETBACK

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ROBERT P. BRINGLEY

DRAWING TITLE:

OVERALL AND PHASING PLAN

2 of 53

SHEET No:

C2.0

0158-09

JOB No:

DRAWING No:

- REFERENCES:
1. MONROE ABSTRACT AND TITLE ABSTRACT NO. 75938, LAST DATED 1/21/87.
 2. LIBER 275 OF MAPS, PAGE 24.
 3. STATE OF NEW YORK BARGE CANAL MAPS, CONTRACT 23, PARCEL NO'S. 3833, 1748 & 1749.
 4. THE FOLLOWING NEW YORK STATE ACQUISITION MAPS FOR THE ROCHESTER OUTER LOOP:
 - MAP 116, PARCEL 135
 - MAP 120, PARCEL 140
 - MAP 121, PARCEL 141
 - MAP 137R-1, PARCEL 169
 - MAP 138R-1, PARCEL 172
 - MAP 138R-2, PARCEL 175
 5. THE FOLLOWING DEEDS FILED IN THE MONROE COUNTY CLERKS OFFICE:
 - LIBER 876, PAGE 453
 - LIBER 2415, PAGE 515
 - LIBER 2664, PAGE 108
 - LIBER 2664, PAGE 328
 - LIBER 6387, PAGE 203
 - LIBER 7149, PAGE 261
 - LIBER 8161, PAGE 612
 6. LIBER 296 OF MAPS, PAGE 21.
 7. MAP OF A SURVEY TITLED 'BRIGHTON CROSSINGS' BY COSTICH ENGINEERING DATED 2/16/2000, LAST REVISED 10/16/2001.

- SURVEY NOTES:
1. THE CONTRACTOR SHALL LOCATE, MARK, SAFEGUARD AND PRESERVE ALL SURVEY CONTROL MONUMENTS AND R.O.W. MONUMENTS IN THE AREAS OF CONSTRUCTION FOR DESCRIPTIVE AND SURVEY DATA ON CONTROL MONUMENTS, CALL THE MONROE COUNTY GEODETIC SURVEY OFFICE.
 2. THE DEVELOPER'S AND CONTRACTOR'S ATTENTION IS DIRECTED TO LOCAL LAW NO. 6 OF 1971, REGARDING LIABILITY INCURRED THROUGH DISTURBANCE OR DESTRUCTION OF GEODETIC SURVEY MONUMENTS. COORDINATES SHOWN HEREON REFER TO THE NEW YORK STATE PLANE SYSTEM, WESTERN ZONE, TRANSVERSE MERCATOR PROJECTION USING THE FOLLOWING MONUMENTS TO ACHIEVE AN ACCURACY OF NOT LESS THAN 1 PART IN 10,000 AND HAVING A COMBINED FACTOR = 0.9999928.

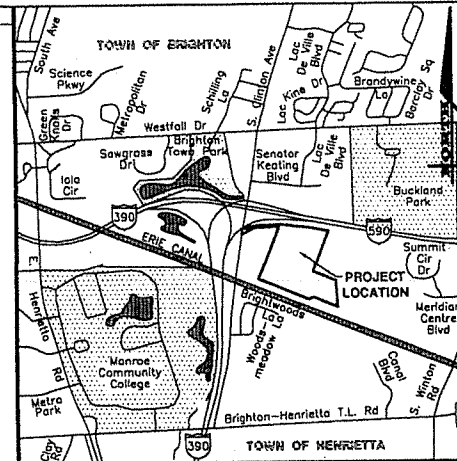
4-2-315 (1927)	N:1,134,812.48	E:763,095.27 (HELD)
4-2-316 (1927)	N:1,134,147.13	E:765,931.95 (HELD FOR DIRECTION)
 3. ALL DISTANCES SHOWN ON THIS PLAT MAP ARE REFERENCED TO THE GROUND.
 4. PORTIONS OF THIS PROJECT ARE LOCATED WITHIN A 100-YR FLOODPLAIN, REFER TO COMMUNITY PANEL #351 OF 528, MAP #36055C0351G.

UNAUTHORIZED ALTERATION OR ADDITION TO A SURVEY MAP BEARING A LICENSED LAND SURVEYOR'S SEAL IS A VIOLATION OF SECTION 7209, SUBDIVISION 2, OF THE NEW YORK STATE EDUCATION LAW.

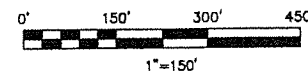
WE, GROVER & BATES ASSOCIATES DO HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES OF AN INSTRUMENT SURVEY COMPLETED ON SEPTEMBER 17, 2008.

JAMES E. BATES, Jr. LICENSE No. 49464

CERTIFICATIONS LISTED HEREON SIGNIFY THAT THIS SURVEY WAS PREPARED IN ACCORDANCE WITH THE EXISTING CODE OF PRACTICE FOR LAND SURVEYS ADOPTED BY THE G.V.L.S.A. AND THE MONROE COUNTY BAR ASSOCIATION.

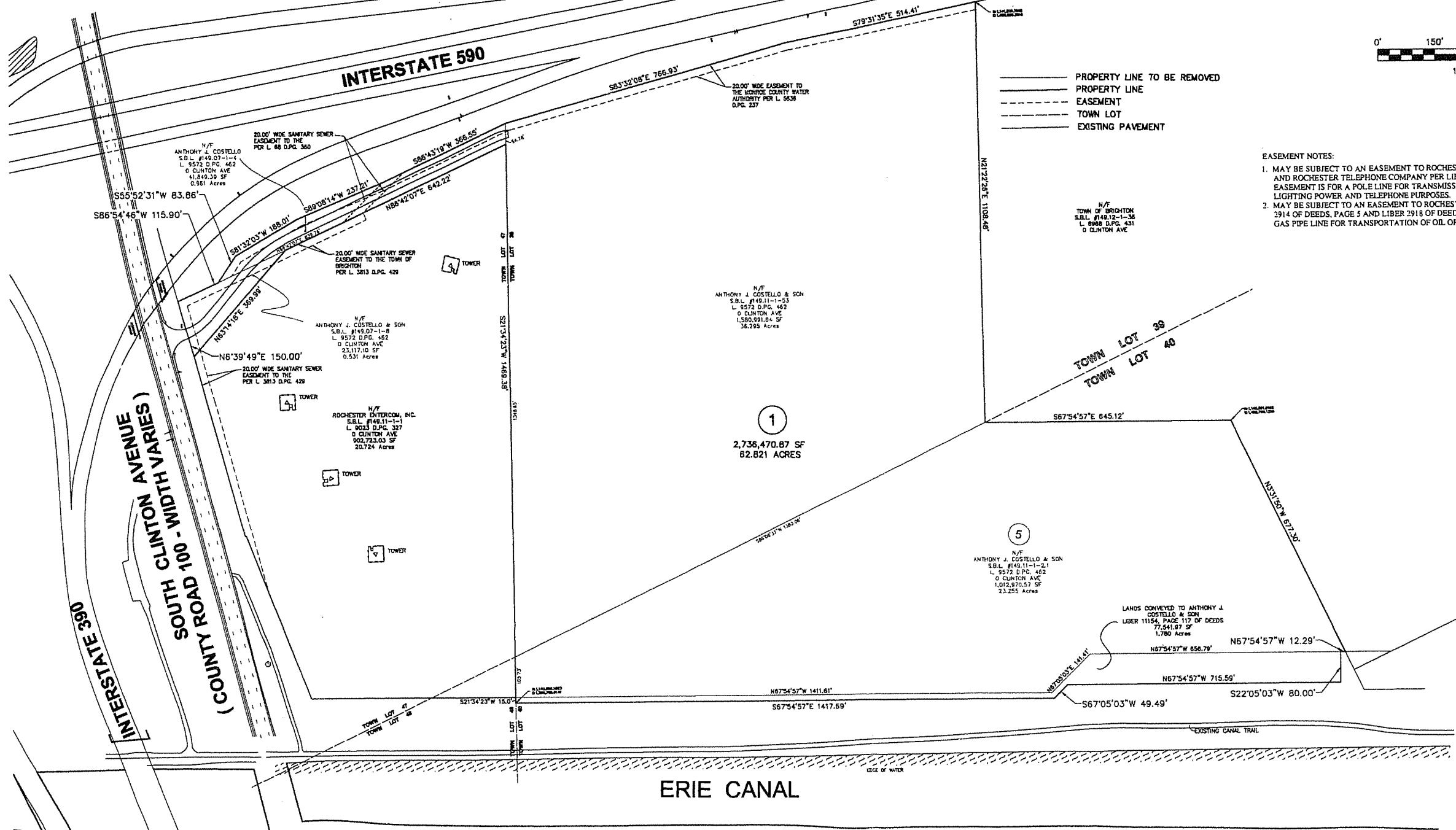


LOCATION MAP



- PROPERTY LINE TO BE REMOVED
- PROPERTY LINE
- - - - - EASEMENT
- TOWN LOT
- EXISTING PAVEMENT

- EASEMENT NOTES:
1. MAY BE SUBJECT TO AN EASEMENT TO ROCHESTER RAILWAY AND LIGHT COMPANY AND ROCHESTER TELEPHONE COMPANY PER LIBER 1042 OF DEEDS, PAGE 388. SAID EASEMENT IS FOR A POLE LINE FOR TRANSMISSION OF ELECTRIC CURRENT FOR LIGHTING POWER AND TELEPHONE PURPOSES.
 2. MAY BE SUBJECT TO AN EASEMENT TO ROCHESTER GAS AND ELECTRIC PER LIBER 2914 OF DEEDS, PAGE 5 AND LIBER 2918 OF DEEDS, PAGE 48. SAID EASEMENT IS FOR A GAS PIPE LINE FOR TRANSPORTATION OF OIL OR GAS.



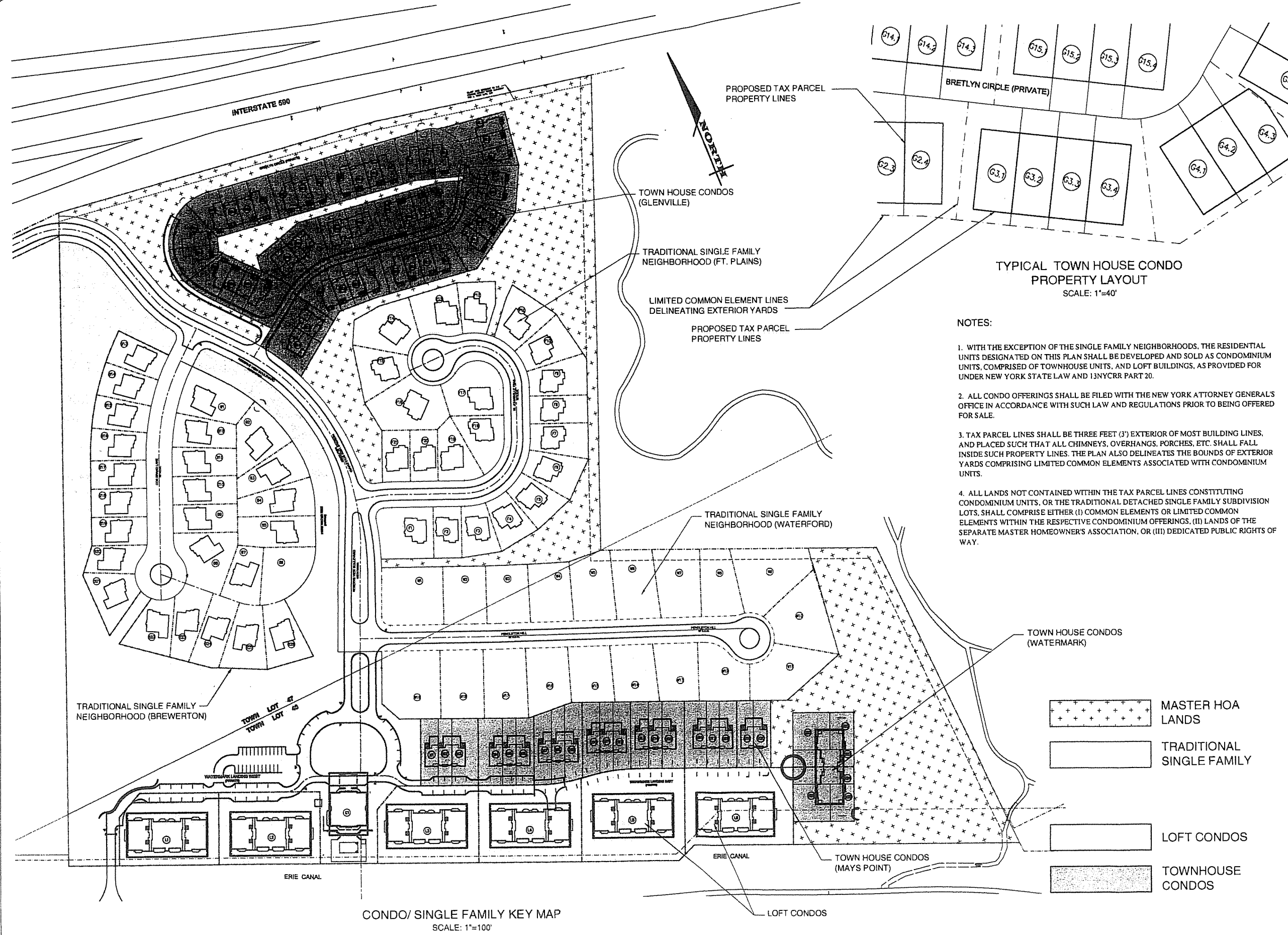
THE RESERVE SUBDIVISION - OVERALL PLAN
BEING A RE-SUBDIVISION OF LOT 5 OF THE BRIGHTON RECREATION AREA SUBDIVISION AND OTHER LANDS PARTS OF TOWN LOTS 39, 40, 47 AND 48, TOWNSHIP 13, RANGE 7
PHELPS & GORHAM PURCHASE
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09	
SCALE:	1"=150'	
DRAWN:	MPT	
DESIGNED:		
DATE:	11/19/10	
REVISIONS		
DATE	BY	REVISION
03/22/10	MT	TOWN COMMENTS
04/11/11	MT	UPDATE TO FINAL
05/31/11	MT	REVISED CANAL
08/4/11	MT	TAKING
08/22/12	MT	UPDATE TO FINAL
	MT	TOWN COMMENTS
	MT	ISSUED FOR FILING

COPYRIGHT © 2010 MARATHON ENG.

DRAWING TITLE:
**OVERALL
SUBDIVISION
MAP**

3 of 53	C3.0
SHEET No:	
0158-10	
JOB No:	DRAWING No:



PROPOSED TAX PARCEL PROPERTY LINES

TOWN HOUSE CONDOS (GLENVILLE)

TRADITIONAL SINGLE FAMILY NEIGHBORHOOD (FT. PLAINS)

LIMITED COMMON ELEMENT LINES DELINEATING EXTERIOR YARDS

PROPOSED TAX PARCEL PROPERTY LINES

TRADITIONAL SINGLE FAMILY NEIGHBORHOOD (WATERFORD)

TOWN HOUSE CONDOS (WATERMARK)

TOWN HOUSE CONDOS (MAYS POINT)

LOFT CONDOS

TYPICAL TOWN HOUSE CONDO PROPERTY LAYOUT
SCALE: 1"=40'

NOTES:

1. WITH THE EXCEPTION OF THE SINGLE FAMILY NEIGHBORHOODS, THE RESIDENTIAL UNITS DESIGNATED ON THIS PLAN SHALL BE DEVELOPED AND SOLD AS CONDOMINIUM UNITS, COMPRISED OF TOWNHOUSE UNITS, AND LOFT BUILDINGS, AS PROVIDED FOR UNDER NEW YORK STATE LAW AND 13NYCRR PART 20.
2. ALL CONDO OFFERINGS SHALL BE FILED WITH THE NEW YORK ATTORNEY GENERAL'S OFFICE IN ACCORDANCE WITH SUCH LAW AND REGULATIONS PRIOR TO BEING OFFERED FOR SALE.
3. TAX PARCEL LINES SHALL BE THREE FEET (3') EXTERIOR OF MOST BUILDING LINES, AND PLACED SUCH THAT ALL CHIMNEYS, OVERHANGS, PORCHES, ETC. SHALL FALL INSIDE SUCH PROPERTY LINES. THE PLAN ALSO DELINEATES THE BOUNDS OF EXTERIOR YARDS COMPRISING LIMITED COMMON ELEMENTS ASSOCIATED WITH CONDOMINIUM UNITS.
4. ALL LANDS NOT CONTAINED WITHIN THE TAX PARCEL LINES CONSTITUTING CONDOMINIUM UNITS, OR THE TRADITIONAL DETACHED SINGLE FAMILY SUBDIVISION LOTS, SHALL COMPRISE EITHER (I) COMMON ELEMENTS OR LIMITED COMMON ELEMENTS WITHIN THE RESPECTIVE CONDOMINIUM OFFERINGS, (II) LANDS OF THE SEPARATE MASTER HOMEOWNER'S ASSOCIATION, OR (III) DEDICATED PUBLIC RIGHTS OF WAY.

ANTHONY J. COSTELLO & SON DEVELOPMENT

MARATHON ENGINEERING
www.marathoneng.com

BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING

RESERVE
ON THE ERIE CANAL
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: AS SHOWN
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS		
DATE	BY	REVISION
1/14/11	MPT	REMOVE SINGLE FAMILY CONDOS
01/19/11	MT	REMOVE 2 PENOLETON LOTS
05/31/11	MT	TOWN COMMENTS UPDATE TO FINAL
08/4/11	MT	TOWN COMMENTS
11/6/11	MT	TOWN COMMENTS

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STATE OF NEW YORK
ROBERT P. BRINGLEY
PROFESSIONAL ENGINEER

DRAWING TITLE:
CONDO OFFERING PLAN

4 of 53
SHEET No: C3.1
0158-09
JOB No: DRAWING No.

SURVEY NOTES:

1. THE DEVELOPER'S AND CONTRACTOR'S ATTENTION IS DIRECTED TO LOCAL LAW NO. 6 OF 1971 REGARDING LIABILITY INCURRED THROUGH DISTURBANCE OR DESTRUCTION OF GEODETIC SURVEY MONUMENTS.
2. THE CONTRACTOR SHALL LOCATE, MARK, SAFEGUARD AND PRESERVE ALL SURVEY CONTROL MONUMENTS AND RIGHT-OF-WAY MONUMENTS IN THE AREAS OF CONSTRUCTION. FOR DESCRIPTIVE AND SURVEY DATA ON CONTROL MONUMENTS, CALL THE MONROE GEODETIC SURVEY OFFICE.
3. THE HORIZONTAL DATUM SHOWN HEREON IS REFERENCED TO THE NEW YORK STATE PLANE COORDINATE SYSTEM, TRANSVERSE MERCATOR PROJECTION, WESTERN ZONE, THROUGH CONTROL TIES TO THE FOLLOWING MONUMENTS USING PROCEDURES NECESSARY TO ACHIEVE AN ACCURACY OF NOT LESS THAN 1 PART IN 10,000 AND HAVING A COMBINED FACTOR = 0.9999928.
4-2-315 (1927) N=1,134,812.48 E=763,095.27 (HELD)
4-2-316 (1927) 1,168,886.378 E=765,931.95 (HELD FOR DIRECTION)
4. ALL DISTANCES SHOWN ON THIS PLAT MAP ARE REFERENCED TO THE GROUND.

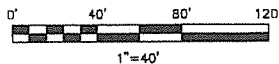
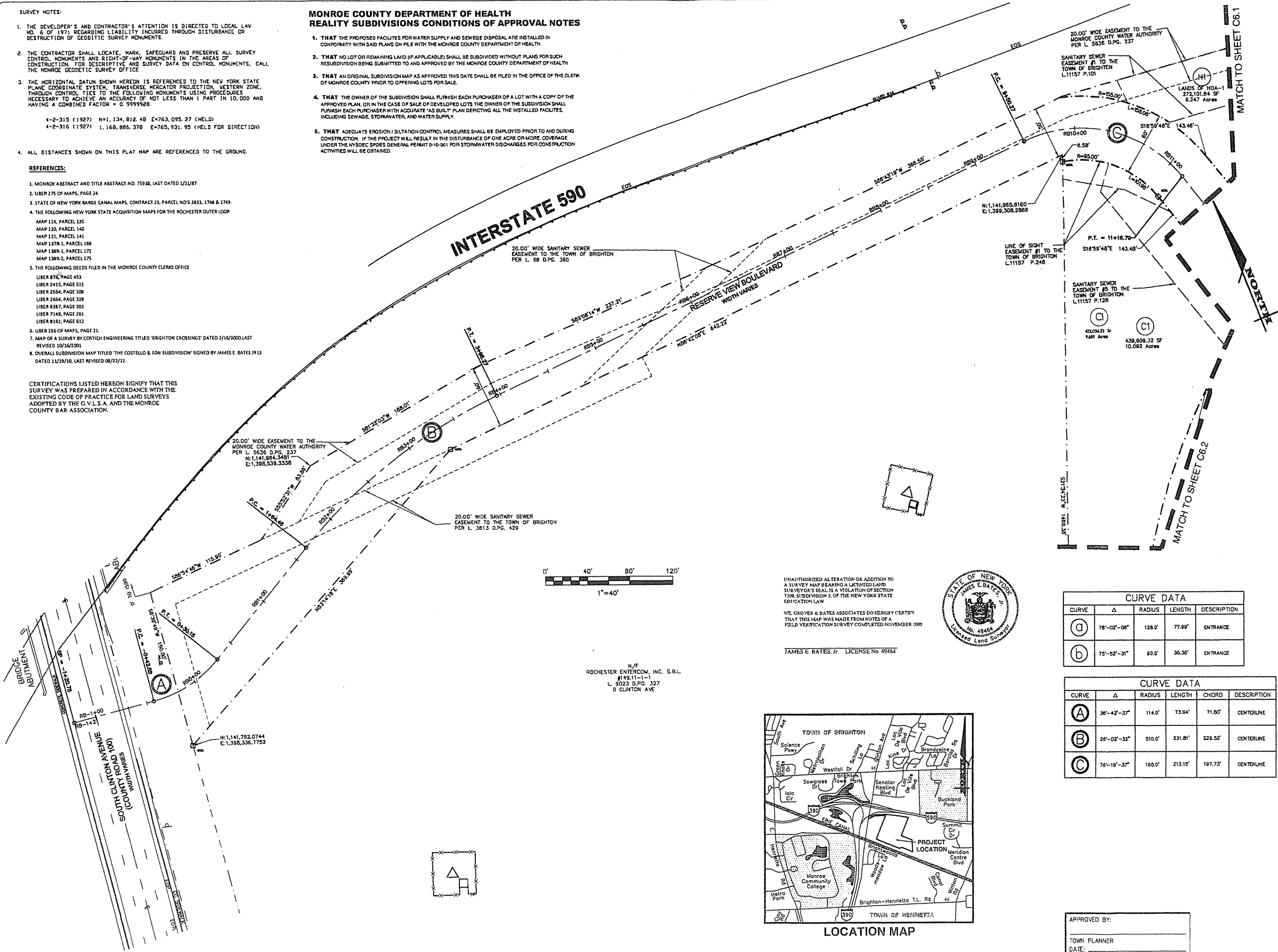
REFERENCES:

1. MONROE ABSTRACT AND TITLE ABSTRACT NO. 75930, LAST DATED 12/1/87
2. LIBER 275 OF MAPS, PAGE 24.
3. STATE OF NEW YORK BARGE CANAL MAPS, CONTRACT 23, PARCEL NOS 3833, 1748 & 1749.
4. THE FOLLOWING NEW YORK STATE ACQUISITION MAPS FOR THE ROCHESTER OUTER LOOP
MAP 116, PARCEL 135
MAP 120, PARCEL 140
MAP 121, PARCEL 141
MAP 137B-1, PARCEL 169
MAP 138B-1, PARCEL 172
MAP 138B-2, PARCEL 175
5. THE FOLLOWING DEEDS FILED IN THE MONROE COUNTY CLERK'S OFFICE
LIBER 876, PAGE 453
LIBER 2415, PAGE 535
LIBER 2654, PAGE 108
LIBER 2654, PAGE 328
LIBER 6387, PAGE 303
LIBER 7145, PAGE 261
LIBER 8161, PAGE 612
6. LIBER 296 OF MAPS, PAGE 21.
7. MAP OF A SURVEY BY COSTELLO & SON ENGINEERING TITLED 'BRIGHTON CROSSINGS' DATED 2/16/2000, LAST REVISED 10/16/2001
8. OVERALL SUBDIVISION MAP TITLED 'THE COSTELLO & SON SUBDIVISION' SIGNED BY JAMES E. BATES JR. LAST DATED 11/19/10, LAST REVISED 08/22/12.

CERTIFICATIONS LISTED HEREON SIGNIFY THAT THIS SURVEY WAS PREPARED IN ACCORDANCE WITH THE EXISTING CODE OF PRACTICE FOR LAND SURVEYS ADOPTED BY THE G.V.L.S.A. AND THE MONROE COUNTY BAR ASSOCIATION.

MONROE COUNTY DEPARTMENT OF HEALTH REALITY SUBDIVISIONS CONDITIONS OF APPROVAL NOTES

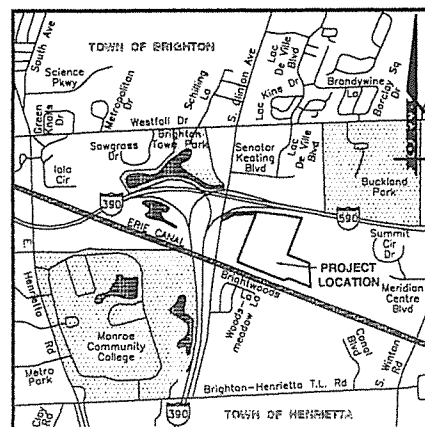
1. THAT THE PROPOSED FACILITIES FOR WATER SUPPLY AND SEWAGE DISPOSAL ARE INSTALLED IN CONFORMITY WITH SAID PLANS ON FILE WITH THE MONROE COUNTY DEPARTMENT OF HEALTH.
2. THAT NO LOT OR REMAINING LAND (IF APPLICABLE) SHALL BE SUBDIVIDED WITHOUT PLANS FOR SUCH RESUBDIVISION BEING SUBMITTED TO AND APPROVED BY THE MONROE COUNTY DEPARTMENT OF HEALTH.
3. THAT AN ORIGINAL SUBDIVISION MAP AS APPROVED THIS DATE SHALL BE FILED IN THE OFFICE OF THE CLERK OF MONROE COUNTY PRIOR TO OFFERING LOTS FOR SALE.
4. THAT THE OWNER OF THE SUBDIVISION SHALL FURNISH EACH PURCHASER OF A LOT WITH A COPY OF THE APPROVED PLAN, OR IN THE CASE OF SALE OF DEVELOPED LOTS THE OWNER OF THE SUBDIVISION SHALL FURNISH EACH PURCHASER WITH ACCURATE 'AS BUILT' PLAN DEPICTING ALL THE INSTALLED FACILITIES, INCLUDING SEWAGE, STORMWATER, AND WATER SUPPLY.
5. THAT ADEQUATE EROSION / SILTATION CONTROL MEASURES SHALL BE EMPLOYED PRIOR TO AND DURING CONSTRUCTION. IF THE PROJECT WILL RESULT IN THE DISTURBANCE OF ONE ACRE OR MORE, COVERAGE UNDER THE NYSDEC SPDES GENERAL PERMIT D-10-001 FOR STORMWATER DISCHARGES FOR CONSTRUCTION ACTIVITIES WILL BE OBTAINED.



N/T
ROCHESTER ENTERCOM, INC. S.B.L.
#143.11-1-1
L. 9023 D.P.G. 327
0 CLINTON AVE

(UNAUTHORIZED ALTERATION OR ADDITION TO A SURVEY MAP BEARING A LICENSED LAND SURVEYOR'S SEAL IS A VIOLATION OF SECTION 7209, SUBDIVISION 3 OF THE NEW YORK STATE EDUCATION LAW)
WE, GROVER & BATES ASSOCIATES DO HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES OF A FIELD VERIFICATION SURVEY COMPLETED NOVEMBER 2009

JAMES E. BATES, JR. LICENSE NO. 49464



LOCATION MAP

CURVE DATA				
CURVE	Δ	RADIUS	LENGTH	DESCRIPTION
(a)	78°-02'-06"	128.0'	77.99'	ENTRANCE
(b)	75°-52'-31"	90.0'	30.30'	ENTRANCE

CURVE DATA					
CURVE	Δ	RADIUS	LENGTH	CHORD	DESCRIPTION
(A)	38°-42'-37"	114.0'	73.04'	71.60'	CENTERLINE
(B)	28°-02'-32"	510.0'	231.81'	229.52'	CENTERLINE
(C)	78°-19'-37"	168.0'	213.15'	197.73'	CENTERLINE

APPROVED BY:
TOWN PLANNER
DATE:

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

MARATHON
ENGINEERING
www.marathoneng.com

BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
1740 Main Street, Rochester, NY 14620
716.244.1100 FAX 716.244.1101

RESERVE
ON THE ERIE CANAL
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=40'
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS		
DATE	BY	REVISION
11/6/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
05/02/12	MT	SUBDIVISION UPDATE
05/04/12	MT	MCDON PRAL
06/05/12	MT	SEPARATE SVUT
07/30/12	MT	PB & TE COMMENTS
08/02/12	MT	MCDOT ENTRANCE
08/20/12	MT	WM CROSSING
08/24/12	MT	PRE-MYLAR REVIEW
09/13/12	MT	ISSUED FOR MYLAR
10/16/12	MT	SANITARY ROUTING
11/23/12	MT	EPROS Lining
03/19/13	MT	NYSBOT COMMENTS
	MT	INVERT CLARIFICATION

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DRAWING TITLE:
**SUBDIVISION
MAP**

7 of 53
SHEET No: **C6.0**
0158-09
JOB No: DRAWING No:

REFERENCES:

1. MONROE ABSTRACT AND TITLE ABSTRACT NO. 75934, LAST DATED 1/21/87
2. UBER 275 OF MAPS, PAGE 24
3. STATE OF NEW YORK RANGE CANAL MAPS, CONTRACT 23, PARCEL NO'S 3833, 1748 & 1749
4. THE FOLLOWING NEW YORK STATE ACQUISITION MAPS FOR THE ROCHESTER OUTER LOOP
 - MAP 116, PARCEL 135
 - MAP 120, PARCEL 140
 - MAP 121, PARCEL 141
 - MAP 1378-1, PARCEL 169
 - MAP 1388-1, PARCEL 172
 - MAP 1388-2, PARCEL 175
5. THE FOLLOWING DEEDS FILED IN THE MONROE COUNTY CLERK'S OFFICE
 - UBER 876, PAGE 453
 - UBER 2415, PAGE 515
 - UBER 2664, PAGE 106
 - UBER 2664, PAGE 328
 - UBER 6387, PAGE 203
 - UBER 7349, PAGE 261
 - UBER 8161, PAGE 612
6. UBER 286 OF MAPS, PAGE 21
7. MAP OF A SURVEY BY COSTICH ENGINEERING TITLED "BRIGHTON CROSSINGS" DATED 1/16/2000, LAST REVISED 10/16/2001
8. OVERALL SUBDIVISION MAP TITLED "THE COSTELLO & SON SUBDIVISION" SIGNED BY JAMES E. BATES JR. IN 18 DATED 11/19/10, LAST REVISED 08/22/12

MONROE COUNTY DEPARTMENT OF HEALTH REALITY SUBDIVISIONS CONDITIONS OF APPROVAL NOTES

1. THAT THE PROPOSED FACILITIES FOR WATER SUPPLY AND SEWAGE DISPOSAL ARE INSTALLED IN CONFORMITY WITH SAID PLANS ON FILE WITH THE MONROE COUNTY DEPARTMENT OF HEALTH
2. THAT NO LOT OR REMAINING LAND (IF APPLICABLE) SHALL BE SUBDIVIDED WITHOUT PLANS FOR SUCH RESUBDIVISION BEING SUBMITTED TO AND APPROVED BY THE MONROE COUNTY DEPARTMENT OF HEALTH
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4. THAT THE OWNER OF THE SUBDIVISION SHALL FURNISH EACH PURCHASER OF A LOT WITH A COPY OF THE APPROVED PLAN, OR IN THE CASE OF SALE OF DEVELOPED LOTS THE OWNER OF THE SUBDIVISION SHALL FURNISH EACH PURCHASER WITH ACCURATE "AS BUILT" PLAN DEPICTING ALL THE INSTALLED FACILITIES, INCLUDING SEWAGE, STORMWATER AND WATER SUPPLY
5. THAT ADEQUATE EROSION / SILTATION CONTROL MEASURES SHALL BE EMPLOYED PRIOR TO AND DURING CONSTRUCTION IF THE PROJECT WILL RESULT IN THE DISTURBANCE OF ONE ACRE OR MORE. COVERAGE UNDER THE NYSDEC SPDES GENERAL PERMIT 0-10-01 FOR STORMWATER DISCHARGES FOR CONSTRUCTION ACTIVITIES WILL BE OBTAINED.

PRIVATE ROAD NOTES

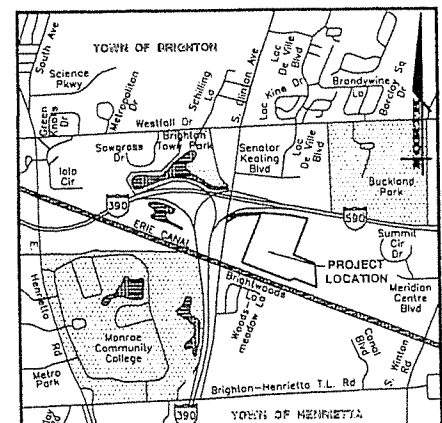
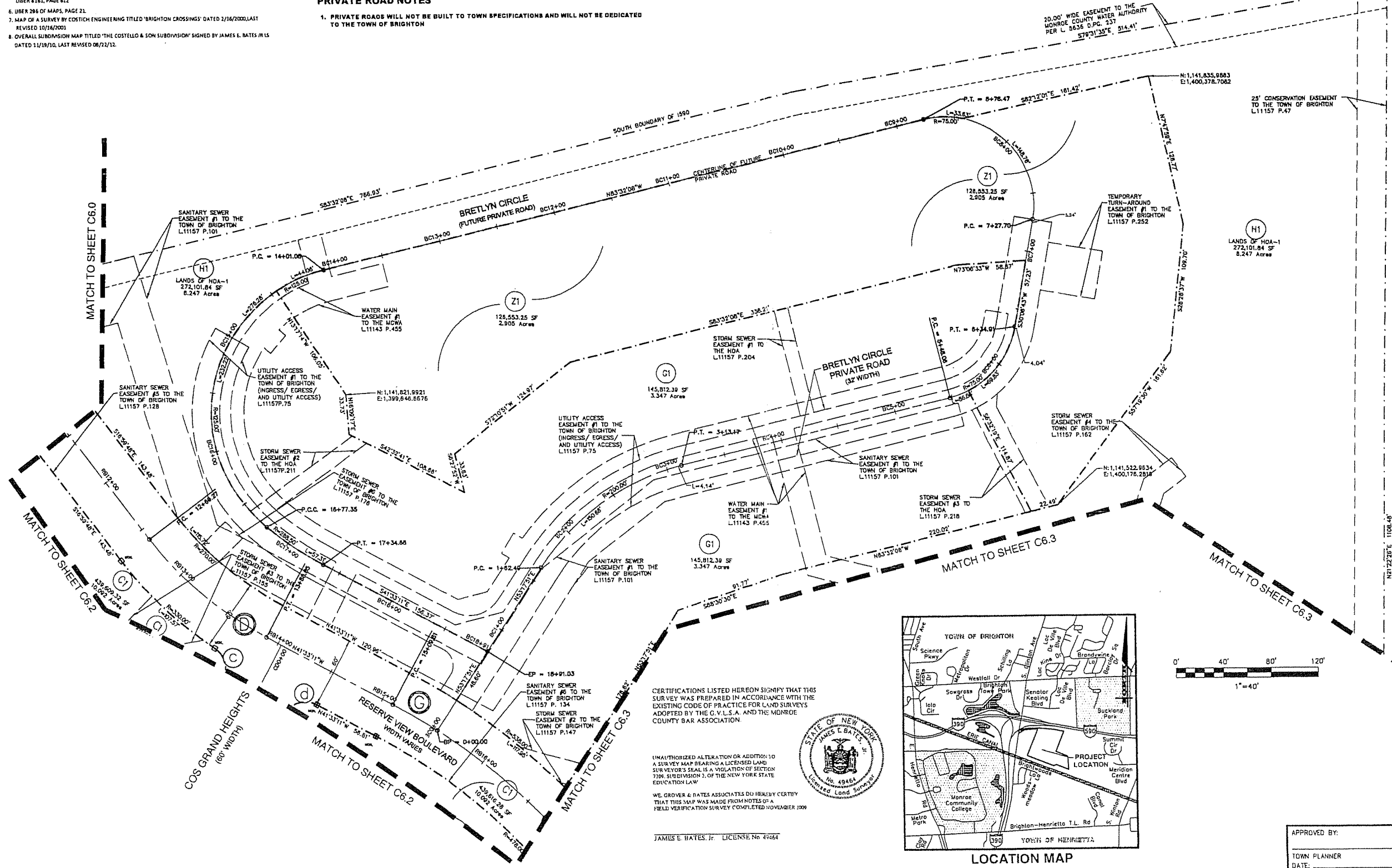
1. PRIVATE ROADS WILL NOT BE BUILT TO TOWN SPECIFICATIONS AND WILL NOT BE DEDICATED TO THE TOWN OF BRIGHTON

SURVEY NOTES

1. THE DEVELOPER'S AND CONTRACTOR'S ATTENTION IS DIRECTED TO LOCAL LAW NO. 6 OF 1971 REGARDING LIABILITY INCURRED THROUGH DISTURBANCE OR DESTRUCTION OF GEODETIC SURVEY MONUMENTS
2. THE CONTRACTOR SHALL LOCATE, MARK, SAFEGUARD AND PRESERVE ALL SURVEY CONTROL MONUMENTS AND RIGHT-OF-WAY MONUMENTS IN THE AREAS OF CONSTRUCTION. FOR DESCRIPTIVE AND SURVEY DATA ON CONTROL MONUMENTS, CALL THE MONROE GEODETIC SURVEY OFFICE
3. THE HORIZONTAL DATUM SHOWN HEREON IS REFERENCED TO THE NEW YORK STATE PLANE COORDINATE SYSTEM, TRANSVERSE MERCATOR PROJECTION, WESTERN ZONE, THROUGH CONTROL TIES TO THE FOLLOWING MONUMENTS USING PROCEDURES NECESSARY TO ACHIEVE AN ACCURACY OF NOT LESS THAN 1 PART IN 10,000 AND HAVING A COMBINED FACTOR = 0.999928.
 - 4-2-315 (1927) N=1,134,812.40 E=763,095.27 (HOLD)
 - 4-2-316 (1927) L=168,886.378 C=765,931.95 (HOLD FOR DIRECTION)
4. ALL DISTANCES SHOWN ON THIS PLAT MAP ARE REFERENCED TO THE GROUND.

CURVE DATA				
CURVE	Δ	RADIUS	LENGTH	DESCRIPTION
(C)	90°-00'-00"	20.0'	31.42'	INTERSECTION
(d)	90°-00'-00"	20.0'	31.42'	INTERSECTION

CURVE DATA					
CURVE	Δ	RADIUS	LENGTH	CHORD	DESCRIPTION
(D)	24°-33'-23"	300.0'	128.56'	127.60'	CENTERLINE
(G)	35°-44'-54"	538.0'	335.67'	330.25'	EAST R.O.W.
(G)	85°-04'-42"	508.0'	577.00'	548.48'	CENTERLINE
(G)	38°-07'-33"	478.0'	301.39'	288.42'	WEST R.O.W.



CERTIFICATIONS LISTED HEREON SIGNIFY THAT THIS SURVEY MAP WAS PREPARED IN ACCORDANCE WITH THE EXISTING CODE OF PRACTICE FOR LAND SURVEYS ADOPTED BY THE G.V.L.S.A. AND THE MONROE COUNTY BAR ASSOCIATION.

UNAUTHORIZED ALTERATION OR ADDITION TO A SURVEY MAP BEARING A LICENSED LAND SURVEYOR'S SEAL IS A VIOLATION OF SECTION 7309, SUBDIVISION 3, OF THE NEW YORK STATE EDUCATION LAW.

WE, GROVER & BATES ASSOCIATES DO HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES OF A FIELD VERIFICATION SURVEY COMPLETED NOVEMBER 2009.

JAMES E. BATES, JR. LICENSE No. 49464

APPROVED BY:
TOWN PLANNER
DATE:

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

MARATHON
ENGINEERING
www.marathoneng.com

BAYER ASSOCIATES
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110 W. Main Street, Rochester, N.Y. 14611
Tel: 716.244.7700 Fax: 716.244.7701

RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=40'
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS		
DATE	BY	REVISION
08/4/11	MT	TOWN COMMENTS
11/6/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV.
05/02/12	MT	SUBDIVISION UPDATE
06/04/12	MT	MCDON FINAL
06/05/12	MT	SEPARATE SUBUT
08/20/12	MT	FIRE-MYLAR REVIEW
08/24/12	MT	ISSUED FOR MYLAR
03/19/13	MT	INVERT CLARIFICATION
04/24/13	MT	ST2.3.1a REVISION
05/24/13	MT	ST2.4a ADD

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DRAWING TITLE:
**SUBDIVISION
MAP**

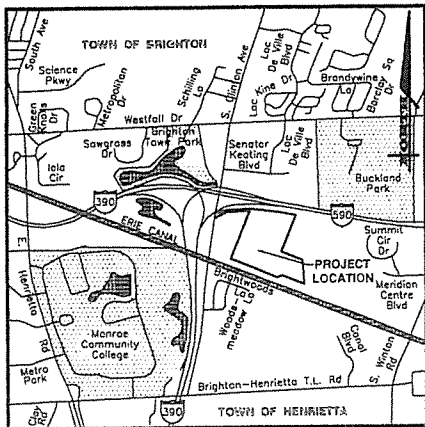
8 of 53
SHEET No: **C6.1**
0158-09
JOB No: DRAWING No:

CURVE DATA					
CURVE	Δ	RADIUS	LENGTH	CHORD	DESCRIPTION
Ⓒ	35°-44'-54"	538.0'	335.67'	330.25'	EAST R.O.W.
Ⓓ	65°-04'-42"	508.0'	377.00'	548.48'	CENTERLINE
Ⓔ	38°-07'-33"	478.0'	301.39'	298.42'	WEST R.O.W.
Ⓕ	09°-34'-42"	230.0'	38.45'	38.40'	SOUTH R.O.W.
Ⓖ	10°-39'-27"	200.0'	37.20'	37.15'	CENTERLINE
Ⓗ	06°-44'-27"	170.0'	20.00'	19.99'	NORTH R.O.W.
Ⓘ	80°-11'-57"	85.0'	148.56'	134.58'	NW R.O.W.
Ⓚ	125.0'	198.78'	177.08'	177.08'	CENTERLINE
Ⓛ	155.0'	244.01'	218.58'	218.58'	SE R.O.W.
Ⓜ	28°-58'-10"	70.0'	36.57'	36.18'	SW R.O.W.
Ⓝ	113°-28'-05"	100.0'	198.04'	187.23'	CENTERLINE
Ⓟ	106°-33'-44"	130.0'	241.78'	208.41'	NE R.O.W.
Ⓡ	256°-54'-48"	60.0'	289.04'	---	CUL-DE-SAC

CURVE DATA				
CURVE	Δ	RADIUS	LENGTH	DESCRIPTION
Ⓒ	09°-03'-41"	898.0'	110.73'	NON-PARALLEL R.O.W.
Ⓓ	81°-27'-11"	20.0'	26.43'	INTERSECTION
Ⓔ	29°-10'-56"	320.0'	183.82'	NON-PARALLEL R.O.W.
Ⓕ	03°-31'-30"	20.0'	32.85'	INTERSECTION
Ⓖ	35°-28'-22"	80.0'	37.16'	CUL-DE-SAC
Ⓗ	116°-03'-01"	80.0'	123.82'	CUL-DE-SAC
Ⓘ	11°-50'-33"	898.0'	143.80'	NON-PARALLEL R.O.W.

REFERENCES:

- MONROE ABSTRACT AND TITLE ABSTRACT NO. 75938, LAST DATED 1/22/87
- LIBER 275 OF MAPS, PAGE 24
- STATE OF NEW YORK BARGE CANAL MAPS, CONTRACT 23, PARCEL NOS. 3833, 1748 & 1749
- THE FOLLOWING NEW YORK STATE ACQUISITION MAPS FOR THE ROCHESTER OUTER LOOP
 - MAP 136, PARCEL 135
 - MAP 120, PARCEL 140
 - MAP 121, PARCEL 141
 - MAP 137R-1, PARCEL 169
 - MAP 138R-1, PARCEL 172
 - MAP 138R-2, PARCEL 175
- THE FOLLOWING DEEDS FILED IN THE MONROE COUNTY CLERK'S OFFICE
 - LIBER 876, PAGE 453
 - LIBER 2415, PAGE 515
 - LIBER 2664, PAGE 108
 - LIBER 2664, PAGE 328
 - LIBER 6387, PAGE 203
 - LIBER 7349, PAGE 261
 - LIBER 8163, PAGE 632
- LIBER 296 OF MAPS, PAGE 31
- MAP OF A SURVEY BY COSTELLO & SON ENGINEERING TITLED "BRIGHTON CROSSINGS" DATED 2/16/2000, LAST REVISED 10/16/2001
- OVERALL SUBDIVISION MAP TITLED "THE COSTELLO & SON SUBDIVISION" SIGNED BY JAMES E. BATES JR. IS DATED 11/19/10, LAST REVISED 08/22/12



LOCATION MAP

MONROE COUNTY DEPARTMENT OF HEALTH REALTY SUBDIVISIONS CONDITIONS OF APPROVAL NOTES

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CERTIFICATIONS LISTED HEREON SIGNIFY THAT THIS SURVEY WAS PREPARED IN ACCORDANCE WITH THE EXISTING CODE OF PRACTICE FOR LAND SURVEYS ADOPTED BY THE G.V.L.S.A. AND THE MONROE COUNTY BAR ASSOCIATION

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WE, GROVER & BATES ASSOCIATES DO HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES OF A FIELD VERIFICATION SURVEY COMPLETED NOVEMBER 30, 2010

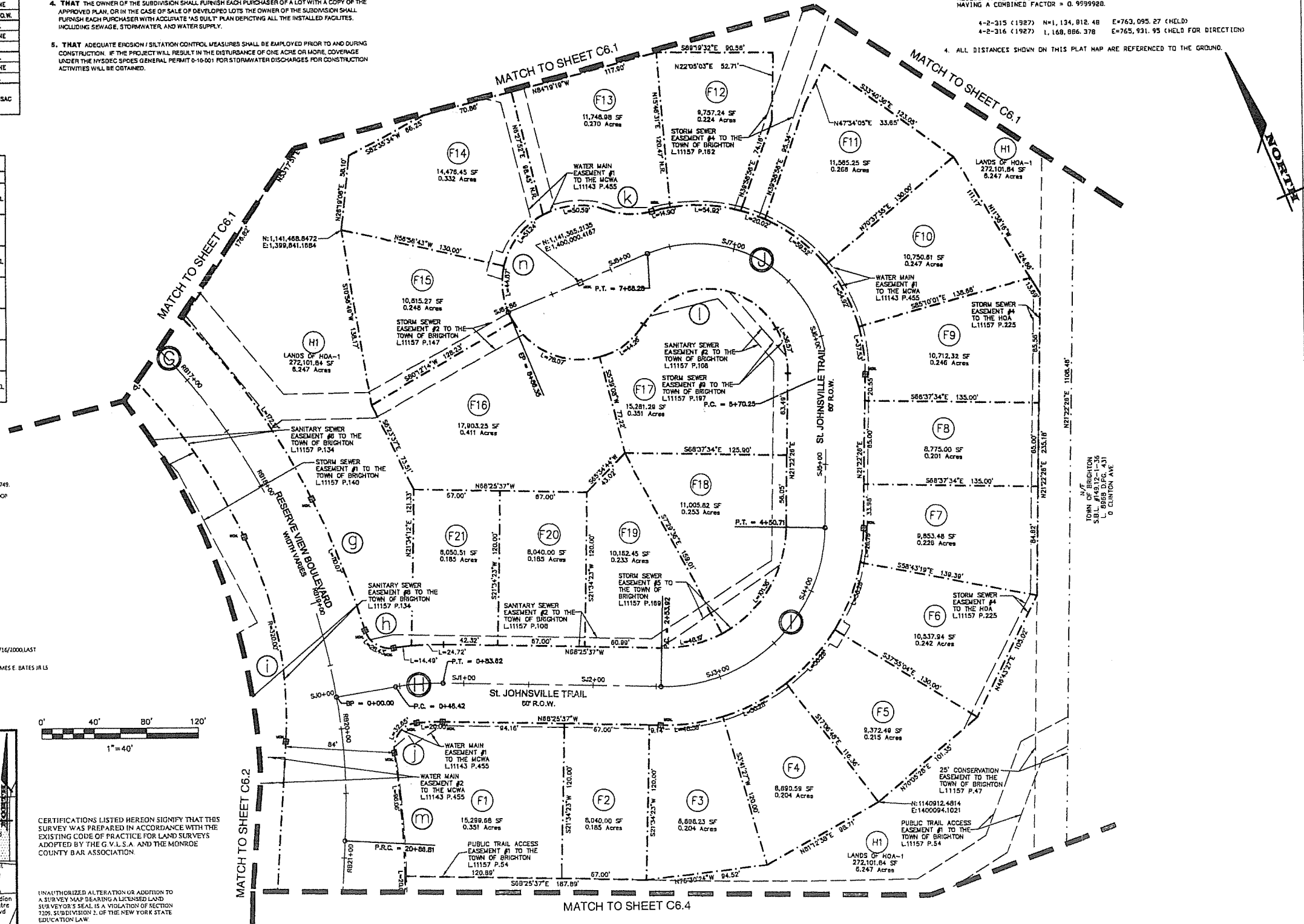
JAMES E. BATES, Jr. LICENSE No. 49464



SURVEY NOTES:

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- ALL DISTANCES SHOWN ON THIS PLAT MAP ARE REFERENCED TO THE GROUND

4-2-315 (1987) N=1,134,812.48 E=763,095.27 (HELD)
4-2-316 (1987) L=168,886.378 E=765,931.95 (HELD FOR DIRECTION)



ANTHONY J.
COSTELLO & SON
DEVELOPMENT

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BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE PLANNING
1100 West Street, Rochester, NY 14610
Phone: 716.244.1100
Fax: 716.244.1101

9th RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09	
SCALE:	1"=40'	
DRAWN:	MPT	
DESIGNED:	RPB	
DATED:	01/19/10	
REVISIONS		
DATE	BY	REVISION
05/31/11	MT	TOWN COMMENTS UPDATE TO FINAL
07/25/11	MT	MCWA COMMENTS/ MCDOH COMMENTS
08/4/11	MT	TOWN COMMENTS
11/6/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
05/02/12	MT	SUBDIVISION UPDATE
06/04/12	MT	MCDOH FINAL
06/05/12	MT	PB & TE COMMENTS
08/20/12	MT	PRE-MYLAR REVIEW
09/24/12	MT	ISSUED FOR MYLAR
01/17/12	MT	CUL-DE-SAC SPOTS
03/19/13	MT	INVERT CLARIFICATION
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DRAWING TITLE:
**SUBDIVISION
MAP**

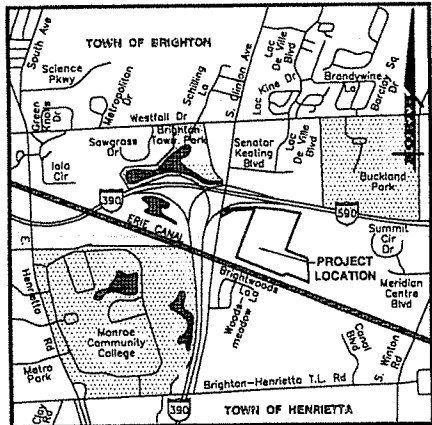
10 of 53
SHEET No: **C6.3**

0158-09
JOB No: DRAWING No:

APPROVED BY: _____

TOWN PLANNER

DATE: _____



LOCATION MAP

MONROE COUNTY DEPARTMENT OF HEALTH REALITY SUBDIVISIONS CONDITIONS OF APPROVAL NOTES

1. THAT THE PROPOSED FACILITIES FOR WATER SUPPLY AND SEWAGE DISPOSAL ARE INSTALLED IN CONFORMITY WITH SAID PLANS ON FILE WITH THE MONROE COUNTY DEPARTMENT OF HEALTH.
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REFERENCES:

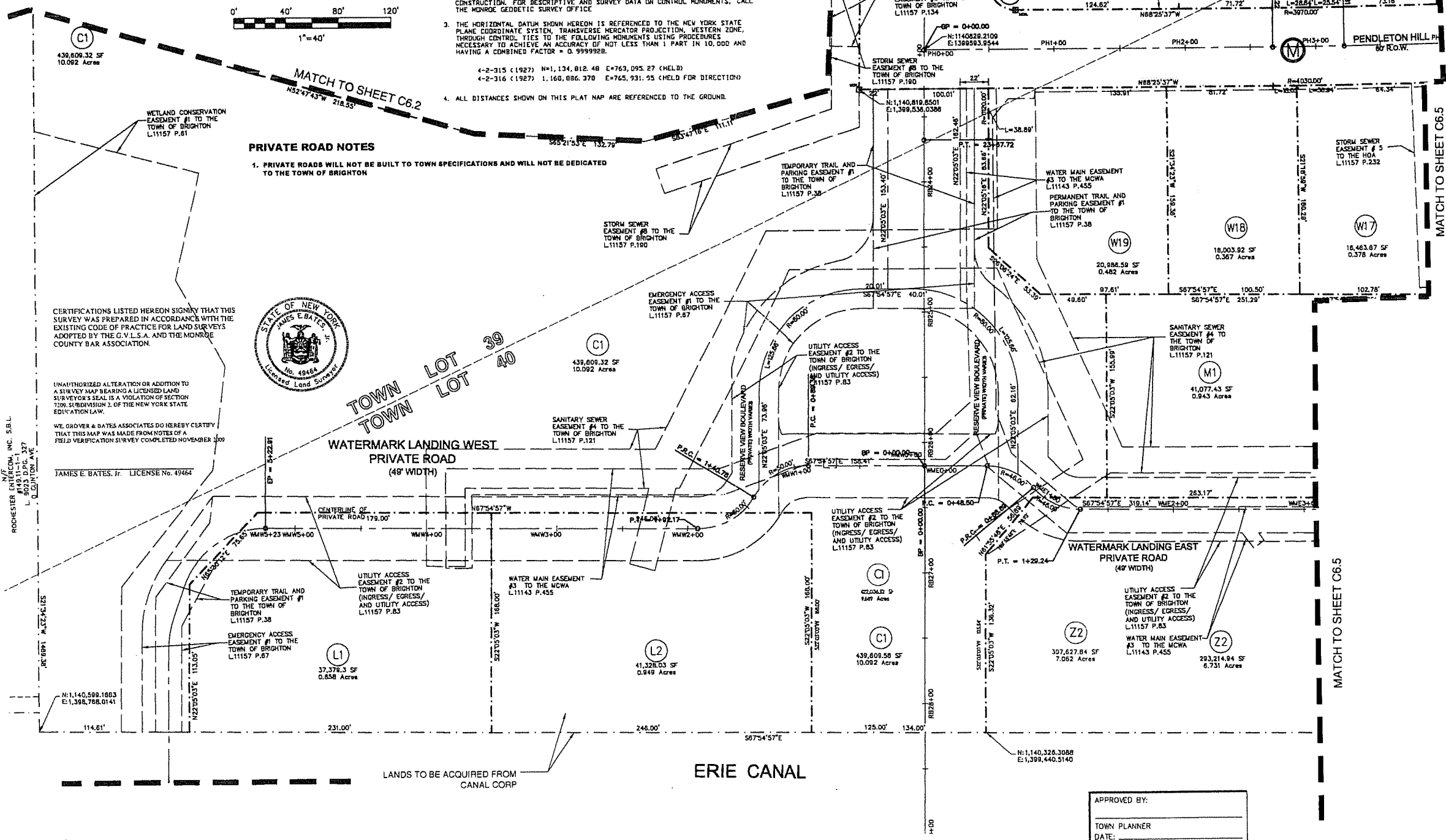
1. MONROE ABSTRACT AND TITLE ABSTRACT NO. 79938, LAST DATED 1/22/87
2. LIBER 275 OF MAPS, PAGE 24
3. STATE OF NEW YORK BARGE CANAL MAPS, CONTRACT 23, PARCEL NO'S 3833, 1748 & 1749
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LIBER 2664, PAGE 108
LIBER 2664, PAGE 328
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LIBER 8161, PAGE 612
LIBER 206 OF MAPS, PAGE 21
7. MAP OF A SURVEY BY COSTELLO ENGINEERING TITLED "BRIGHTON CROSSINGS" DATED 2/16/2000, LAST REVISED 10/16/2001
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SURVEY NOTES:

1. THE DEVELOPER'S AND CONTRACTOR'S ATTENTION IS DIRECTED TO LOCAL LAW NO. 6 OF 1971 REGARDING LIABILITY INCURRED THROUGH DISTURBANCE OR DESTRUCTION OF GEODETIC SURVEY MONUMENTS.
2. THE CONTRACTOR SHALL LOCATE, MARK, SAFEGUARD AND PRESERVE ALL SURVEY CONTROL MONUMENTS AND RIGHT-OF-WAY MONUMENTS IN THE AREAS OF CONSTRUCTION. FOR DESCRIPTIVE AND SURVEY DATA ON CONTROL MONUMENTS, CALL THE MONROE GEODETIC SURVEY OFFICE
3. THE HORIZONTAL DATUM SHOWN HEREON IS REFERENCED TO THE NEW YORK STATE PLANE COORDINATE SYSTEM, TRANSVERSE MERCATOR PROJECTION, WESTERN ZONE, THROUGH CONTROL TIES TO THE FOLLOWING MONUMENTS USING PROCEDURES NECESSARY TO ACHIEVE AN ACCURACY OF NOT LESS THAN 1 PART IN 10,000 AND HAVING A COMBINED FACTOR = 0.9999928.
4-2-315 (1927) N=1,134,812.48 E=763,095.27 (HELD)
4-2-316 (1927) 1,160,086.378 E=765,931.55 (HELD FOR DIRECTION)
4. ALL DISTANCES SHOWN ON THIS PLAT MAP ARE REFERENCED TO THE GROUND.

CURVE DATA				
CURVE	Δ	RADIUS	LENGTH	CHORD
(L)	01°-37'-23"	11,120.0'	317.85'	317.84'
(L)	01°-25'-15"	11,170.0'	280.22'	280.22'
(L)	00°-28'-51"	11,220.0'	86.84'	86.84'
(M)	06°-33'-55"	3,970.0'	478.00'	477.72'
(M)		4,000.0'	481.62'	481.33'
(M)		4,030.0'	485.23'	484.94'

CURVE DATA				
CURVE	Δ	RADIUS	LENGTH	DESCRIPTION
(P)	01°-07'-45"	20.0'	31.81'	INTERSECTION



CERTIFICATIONS LISTED HEREON SIGNIFY THAT THIS SURVEY WAS PREPARED IN ACCORDANCE WITH THE EXISTING CODE OF PRACTICE FOR LAND SURVEYS ADOPTED BY THE G.V.L.S.A. AND THE MONROE COUNTY BAR ASSOCIATION.

UNAUTHORIZED ALTERATION OR ADDITION TO A SURVEY MAP BEARING A LICENSED LAND SURVEYOR'S SEAL IS A VIOLATION OF SECTION 7096 SUBDIVISION 2 OF THE NEW YORK STATE EDUCATION LAW.

WE, GROVER & BATES ASSOCIATES DO HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES OF A FIELD VERIFICATION SURVEY COMPLETED NOVEMBER 2009

JAMES E. BATES, Jr. LICENSE No. 49464



WATERMARK LANDING WEST
PRIVATE ROAD
(48' WIDTH)

APPROVED BY:
TOWN PLANNER
DATE:

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

MARATHON
ENGINEERING
www.marathoneng.com

BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
110 W. Main Street, Rochester, NY 14604
Tel: 716.244.1111 Fax: 716.244.1112

RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=40'
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS

DATE	BY	REVISION
11/6/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV.
05/02/12	MT	SUBDIVISION UPDATE
06/04/12	MT	MCDONALD FINAL
06/05/12	MT	FB & TE COMMENTS
08/20/12	MT	PRE-MYLAR REVIEW
09/24/12	MT	ISSUED FOR MYLAR
09/28/12	MT	FIRE LANE MOD.
10/22/12	MT	ALTERNATE FIRE LANE
12/18/12	MT	FIRE LANE REVISIONS
01/23/13	MT	TE COMMENTS
03/19/13	MT	INVERT CLARIFICATION
04/01/13	MT	SECT. 1 MODIFICATION
04/24/13	MT	ST-3.40
06/28/13	MT	CLUBHOUSE SET
09/04/13	MT	CLUBHOUSE GRADING

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DRAWING TITLE:
**SUBDIVISION
MAP**

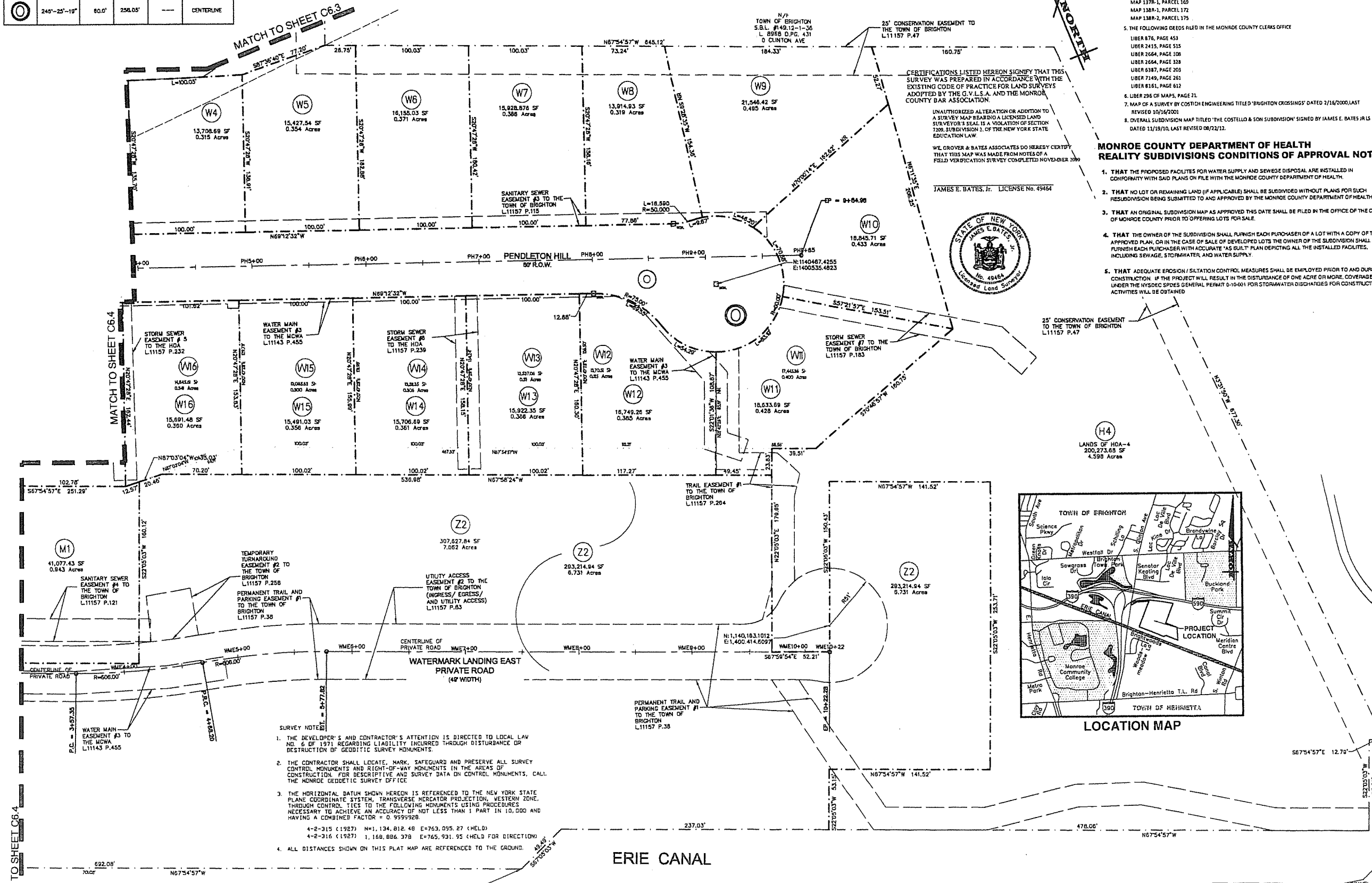
11 of 53
SHEET No: **C6.4**
0158-09
JOB No: DRAWING No:

CURVE DATA					
CURVE	Δ	RADIUS	LENGTH	CHORD	DESCRIPTION
N	22°-18'-52"	450.0'	175.39'	174.28'	NORTH R.O.W.
N	41°-38'-13"	420.0'	305.22'	288.54'	CENTERLINE
N	34°-47'-05"	390.0'	236.77'	233.15'	SOUTH R.O.W.
O	245°-25'-19"	80.0'	258.05'	---	CENTERLINE

CURVE DATA					
CURVE	Δ	RADIUS	LENGTH	CHORD	DESCRIPTION
O	53°-58'-05"	80.0'	56.52'	56.52'	CUL-DE-SAC

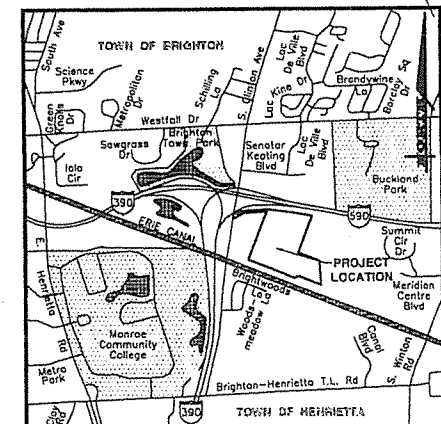
PRIVATE ROAD NOTES

1. PRIVATE ROADS WILL NOT BE BUILT TO TOWN SPECIFICATIONS AND WILL NOT BE DEDICATED TO THE TOWN OF BRIGHTON



MONROE COUNTY DEPARTMENT OF HEALTH REALITY SUBDIVISIONS CONDITIONS OF APPROVAL NOTES

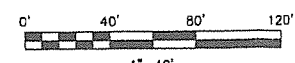
1. THAT THE PROPOSED FACILITIES FOR WATER SUPPLY AND SEWAGE DISPOSAL ARE INSTALLED IN CONFORMANCE WITH SAID PLANS ON FILE WITH THE MONROE COUNTY DEPARTMENT OF HEALTH.
2. THAT NO LOT OR REMAINING LAND (IF APPLICABLE) SHALL BE SUBDIVIDED WITHOUT PLANS FOR SUCH RESUBDIVISION BEING SUBMITTED TO AND APPROVED BY THE MONROE COUNTY DEPARTMENT OF HEALTH.
3. THAT AN ORIGINAL SUBDIVISION MAP AS APPROVED THIS DATE SHALL BE FILED IN THE OFFICE OF THE CLERK OF MONROE COUNTY PRIOR TO OFFERING LOTS FOR SALE.
4. THAT THE OWNER OF THE SUBDIVISION SHALL FURNISH EACH PURCHASER OF A LOT WITH A COPY OF THE APPROVED PLAN, OR IN THE CASE OF SALE OF DEVELOPED LOTS THE OWNER OF THE SUBDIVISION SHALL FURNISH EACH PURCHASER WITH ACCURATE "AS BUILT" PLAN DEPICTING ALL THE INSTALLED FACILITIES, INCLUDING SEWAGE, STORMWATER, AND WATER SUPPLY.
5. THAT ADEQUATE EROSION / SALTATION CONTROL MEASURES SHALL BE EMPLOYED PRIOR TO AND DURING CONSTRUCTION. IF THE PROJECT WILL RESULT IN THE DISTURBANCE OF ONE ACRE OR MORE, COVERAGE UNDER THE NYSDCS SPDES GENERAL PERMIT 0-10-001 FOR STORMWATER DISCHARGES FOR CONSTRUCTION ACTIVITIES WILL BE OBTAINED.



LOCATION MAP

- SURVEY NOTES:
1. THE DEVELOPER'S AND CONTRACTOR'S ATTENTION IS DIRECTED TO LOCAL LAW NO. 6 OF 1971 REGARDING LIABILITY INCURRED THROUGH DISTURBANCE OR DESTRUCTION OF GEODETIC SURVEY MONUMENTS.
 2. THE CONTRACTOR SHALL LOCATE, MARK, SAFEGUARD AND PRESERVE ALL SURVEY CONTROL MONUMENTS AND RIGHT-OF-WAY MONUMENTS IN THE AREAS OF CONSTRUCTION. FOR DESCRIPTIVE AND SURVEY DATA ON CONTROL MONUMENTS, CALL THE MONROE GEODETIC SURVEY OFFICE.
 3. THE HORIZONTAL DATUM SHOWN HEREON IS REFERENCED TO THE NEW YORK STATE PLANE COORDINATE SYSTEM, TRANSVERSE MERCATOR PROJECTION, WESTERN ZONE, THROUGH CONTROL TIES TO THE FOLLOWING MONUMENTS USING PROCEDURES NECESSARY TO ACHIEVE AN ACCURACY OF NOT LESS THAN 1 PART IN 10,000 AND HAVING A COMBINED FACTOR = 0.9999928.
4-2-315 (1927) N=1,134,812.48 E=763,095.27 (HELD)
4-2-316 (1927) 1,168,886.378 E=765,931.95 (HELD FOR DIRECTION)
 4. ALL DISTANCES SHOWN ON THIS PLAT MAP ARE REFERENCED TO THE GROUND.

ERIE CANAL



- REFERENCES:
1. MONROE ABSTRACT AND TITLE ABSTRACT NO. 75938, LAST DATED 1/23/87
 2. UBER 275 OF MAPS, PAGE 74
 3. STATE OF NEW YORK BARGE CANAL MAPS, CONTRACT 23, PARCEL NOS 3833, 1748 & 1749
 4. THE FOLLOWING NEW YORK STATE ACQUISITION MAPS FOR THE ROCHESTER OUTER LOOP
MAP 116, PARCEL 135
MAP 120, PARCEL 140
MAP 121, PARCEL 141
MAP 137B-1, PARCEL 160
MAP 138B-1, PARCEL 172
MAP 138B-2, PARCEL 175
 5. THE FOLLOWING DEEDS FILED IN THE MONROE COUNTY CLERKS OFFICE
LIBER 876, PAGE 453
LIBER 2415, PAGE 515
LIBER 2664, PAGE 108
LIBER 2664, PAGE 328
LIBER 6387, PAGE 203
LIBER 7149, PAGE 261
LIBER 8161, PAGE 612
 6. UBER 296 OF MAPS, PAGE 21
 7. MAP OF A SURVEY BY COSTICH ENGINEERING TITLED "BRIGHTON CROSSINGS" DATED 2/16/2000, LAST REVISED 10/16/2001
 8. OVERALL SUBDIVISION MAP TITLED "THE COSTELLO & SON SUBDIVISION" SIGNED BY JAMES E. BATES JR. IS DATED 11/19/10, LAST REVISED 08/22/12.

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

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BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING

RESERVE
ON THE ERIE CANAL
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09	
SCALE:	1"=40'	
DRAWN:	MPT	
DESIGNED:	RPB	
DATED:	01/19/10	
REVISIONS		
DATE	BY	REVISION
08/4/11	MT	TOWN COMMENTS
08/23/11	MT	SITE PLAN MOD.
11/6/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV.
05/02/12	MT	SUBDIVISION UPDATE
06/04/12	MT	MCCOH FINAL
06/05/12	MT	PB & TE COMMENTS
08/20/12	MT	PRE-MYLAR REVIEW
08/24/12	MT	ISSUED FOR MYLAR
12/18/12	MT	FIRE LANE CHANGES
03/19/13	MT	INVERT CLARIFICATION
04/02/13	MT	SECT. 1 MODIFICATION
04/03/13	MT	REMOVE N/S PARK REF.
08/04/13	MT	BASEMENT SPOOLS

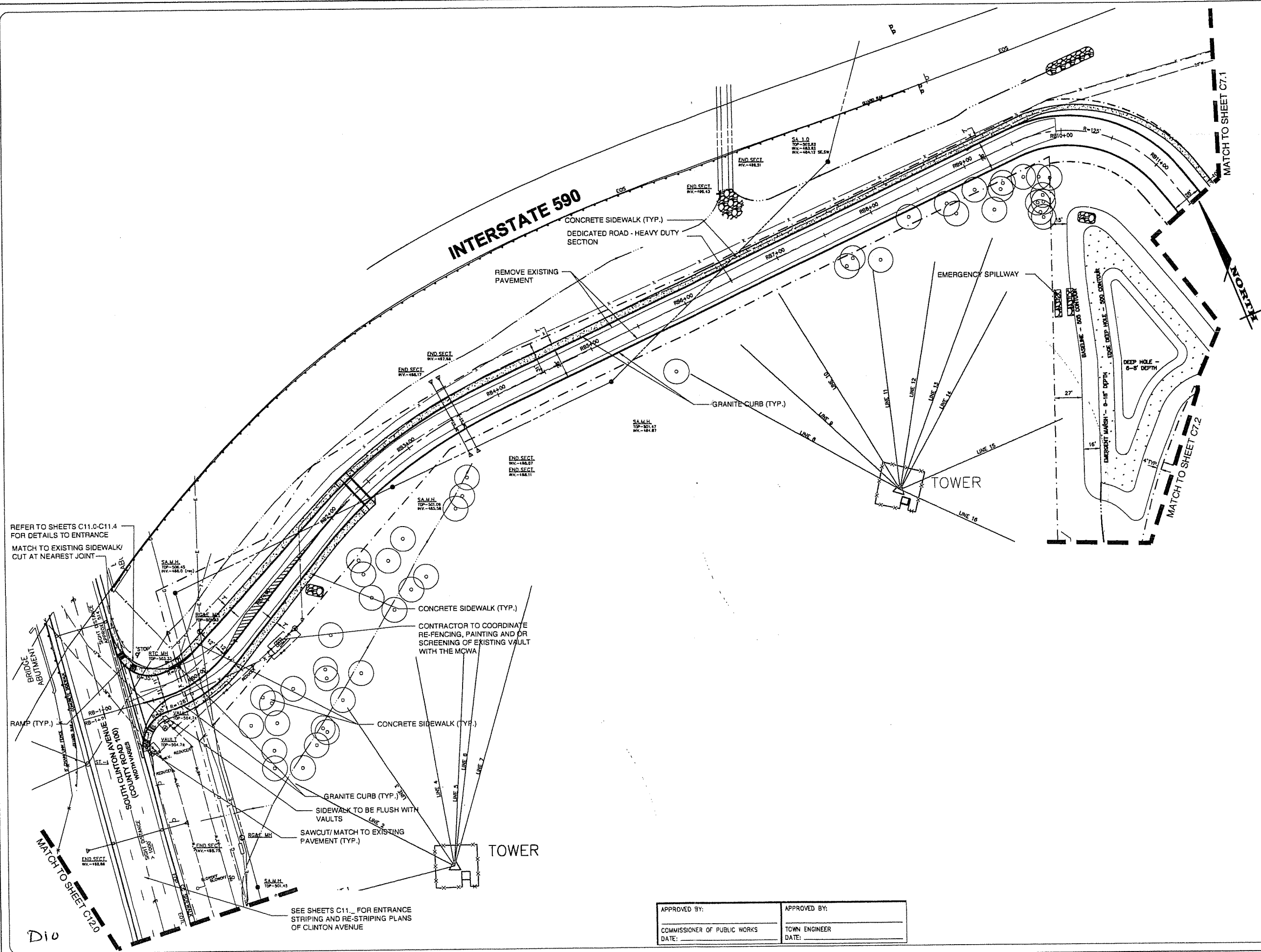
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DRAWING TITLE:
**SUBDIVISION
MAP**

12 of 53	
SHEET No:	C6.5
0158-09	
JOB No:	DRAWING No:

APPROVED BY:
TOWN PLANNER
DATE:



REVISIONS		
DATE	BY	REVISION
11/11/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
05/02/12	MT	SUBDIVISION UPDATE
06/04/12	MT	MCDOT FINAL
06/05/12	MT	SEPARATE SUT
06/05/12	MT	PB & TE COMMENTS
07/03/12	MT	MCDOT ENTRANCE
08/09/12	MT	WIL CROSSING
08/20/12	MT	PRE-MYLAR REVIEW
09/24/12	MT	ISSUED FOR MYLAR
09/13/12	MT	SANITARY ROUTING
10/16/12	MT	EPROS LINING
11/23/12	MT	NYSDOT COMMENTS
03/19/13	MT	INVERT CLARIFICATION



APPROVED BY:	APPROVED BY:
COMMISSIONER OF PUBLIC WORKS	TOWN ENGINEER
DATE:	DATE:



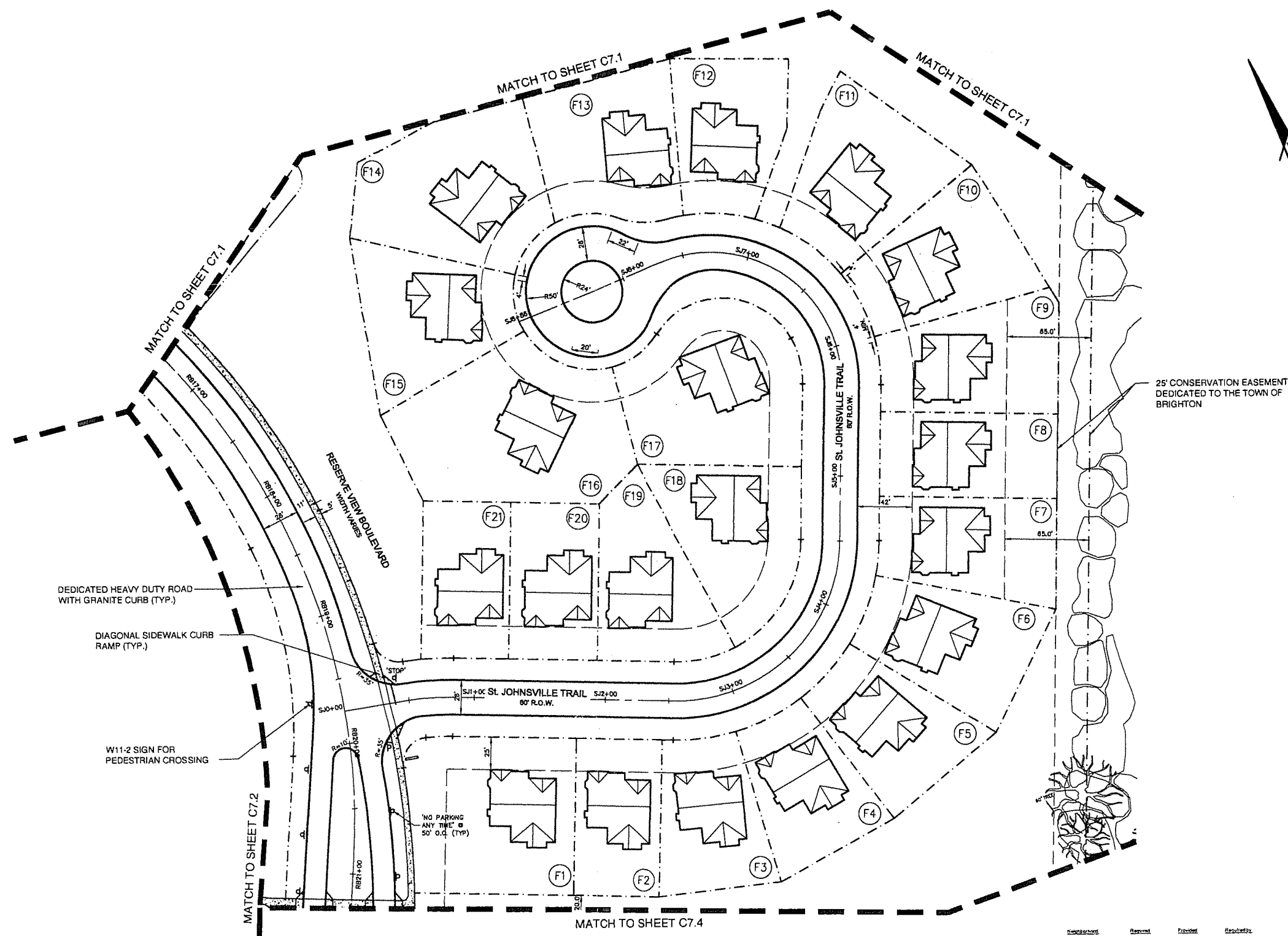
REVISIONS		
DATE	BY	REVISION
05/31/11	MT	TOWN COMMENTS UPDATE TO FINAL
07/25/11	MT	MCWA COMMENTS MCDOH COMMENTS
08/01/11	MT	TOWN COMMENTS
09/02/12	MT	FINAL COMMENTS
05/02/12	MT	SUBDIVISION UPDATES
06/04/12	MT	MCDOH FINAL
06/05/12	MT	PB & T COMMENTS
08/20/12	MT	PRE-MYLAR REVIEW
02/04/12	MT	ISSUED FOR MYLAR
01/27/11	MT	CUL-DE-SAC SPOTS
03/19/13	MT	INVERT CLARIFICATION

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DRAWING TITLE:
SITE PLAN

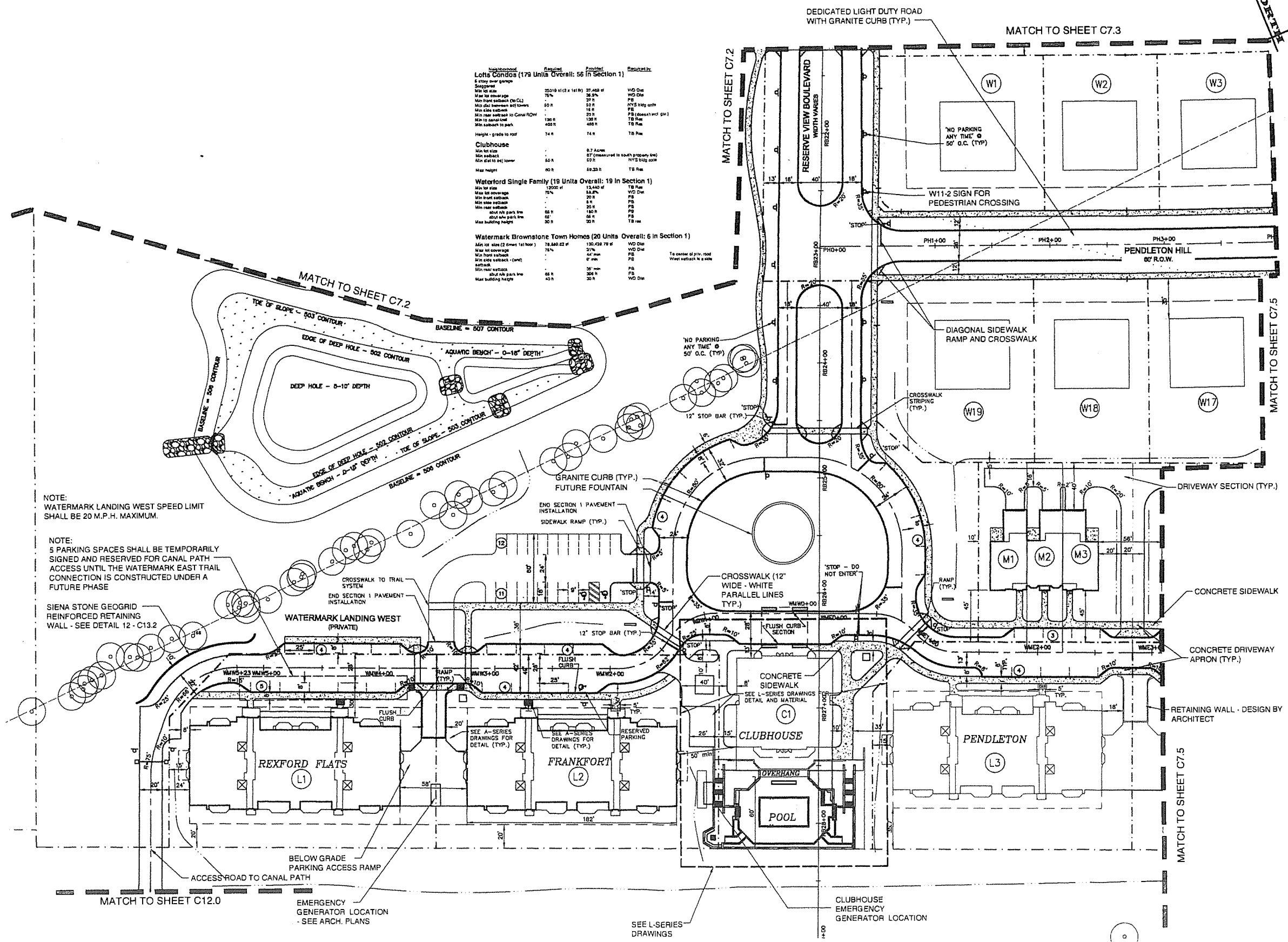
16 of 53	C7.3.0
SHEET No:	
0158-09	DRAWING No:
JOB No:	



<u>Neighborhood</u>	<u>Approved</u>	<u>Provided</u>	<u>Rejected</u>
Ft. Plain Single Family (21 Units Overall: 21 in Section 1)			
Min lot size	8000 sq ft	8040 sq ft	TB Req
Min lot coverage	75%	40%	WB Div
Min front setback	-	25' N	PB
Min side setback	-	5' N	PB
Min rear setback	-	15' N	PB
about 1/4 acre lot	30 ft	15' N	PB
Max height	35 ft	24' N	PB
Max height height	60 ft	28.33 ft	TB Req

APPROVED BY:	APPROVED BY:
COMMISSIONER OF PUBLIC WORKS	TOWN ENGINEER
DATE:	DATE:

012



High School	Required	Provided	Required by
Lofts Condos (179 Units Overall: 56 in Section 1)			
Min lot size	25,010 sq ft (2 x 141 ft)	27,400 sq ft	VD Ord
Min lot coverage	75%	36.5%	VD Ord
Min front setback (on CL)	50 ft	27 ft	PD
Min side setback	50 ft	15 ft	PD
Min rear setback to Canal R/W	50 ft	20 ft	PD (doesn't incl. car)
Min lot area	1,380 sq ft	1,380 sq ft	TD Plan
Min setback to park	450 ft	450 ft	TD Plan
Height - grade to roof	74 ft	74 ft	TD Plan
Clubhouse			
Min lot size	0.7 Acres	0.7 Acres	VD Ord
Min setback	50 ft	50 ft	NY 250 sq ft
Min rear setback	50 ft	50 ft	NY 250 sq ft
Min height	40 ft	40 ft	TD Plan
Waterford Single Family (19 Units Overall: 19 in Section 1)			
Min lot size	12,000 sq ft	13,440 sq ft	TD Plan
Min lot coverage	75%	31%	VD Ord
Min front setback	50 ft	44 ft	PD
Min side setback	50 ft	20 ft	PD
Min rear setback	50 ft	20 ft	PD
Min rear setback to Canal R/W	50 ft	20 ft	PD
Min lot area	68 ft	68 ft	PD
Min setback to park	50 ft	50 ft	PD
Min building height	30 ft	30 ft	TD Plan
Watermark Brownstone Town Homes (20 Units Overall: 6 in Section 1)			
Min lot size (2 times lot area)	78,840 sq ft	120,424 sq ft	VD Ord
Min lot coverage	75%	31%	VD Ord
Min front setback	50 ft	44 ft	PD
Min side setback (land)	50 ft	20 ft	PD
Min rear setback	50 ft	20 ft	PD
Min rear setback to Canal R/W	50 ft	20 ft	PD
Min lot area	68 ft	68 ft	PD
Min setback to park	50 ft	50 ft	PD
Min building height	30 ft	30 ft	TD Plan

NOTE:
WATERMARK LANDING WEST SPEED LIMIT
SHALL BE 20 M.P.H. MAXIMUM.

NOTE:
5 PARKING SPACES SHALL BE TEMPORARILY
SIGNED AND RESERVED FOR CANAL PATH
ACCESS UNTIL THE WATERMARK EAST TRAIL
CONNECTION IS CONSTRUCTED UNDER A
FUTURE PHASE

SIENA STONE GEOGRID
REINFORCED RETAINING
WALL - SEE DETAIL 12 - C13.2

WATERMARK LANDING WEST
(PRIVATE)

REX FORD FLATS
(L1)

FRANKFORD
(L2)

CLUBHOUSE
(C1)

PENDLETON
(L3)

POOL

MATCH TO SHEET C12.0

BELOW GRADE
PARKING ACCESS RAMP

EMERGENCY
GENERATOR LOCATION
- SEE ARCH. PLANS

SEE L-SERIES
DRAWINGS

CLUBHOUSE
EMERGENCY
GENERATOR LOCATION

MATCH TO SHEET C7.5

D13

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

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Tel: 212.691.1100 Fax: 212.691.1101

RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

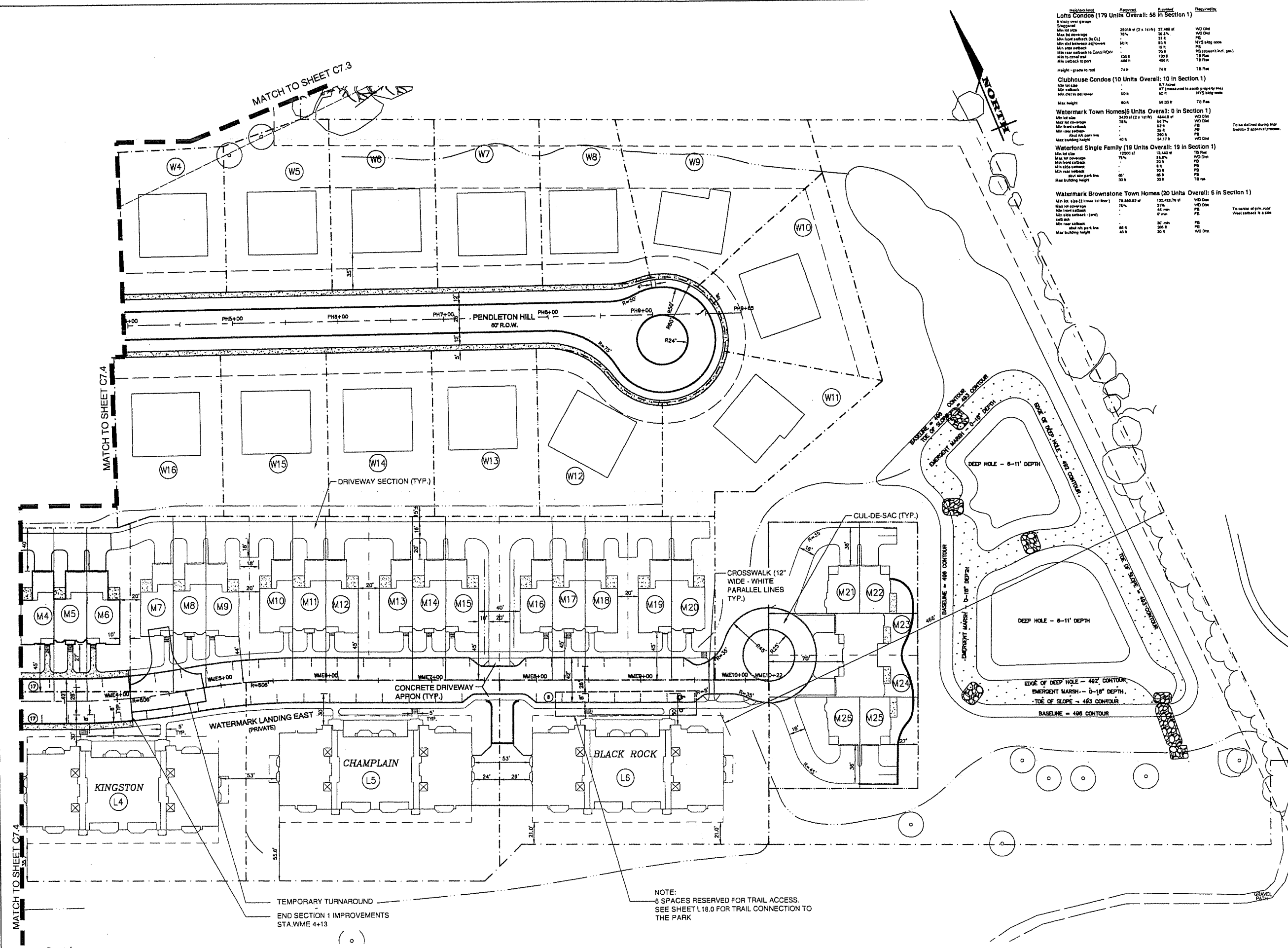
JOB NO:	0158-09
SCALE:	1"=40'
DRAWN:	MPT
DESIGNED:	RPB
DATED:	01/19/10

DATE	BY	REVISION
11/15/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV.
05/02/12	MT	SUBDIVISION UPDATE
05/04/12	MT	MCDONALD FINAL
05/05/12	MT	PA & TE COMMENTS
05/20/12	MT	PRE-MYLAR REVIEW
08/24/12	MT	ISSUED FOR MYLAR
09/28/12	MT	FIRE LANE MOD.
10/22/12	MT	ALTERNATE FIRE LANE
12/18/12	MT	FIRE LANE REVISIONS
01/23/13	MT	TE COMMENTS
03/19/13	MT	INVERT CLARIFICATION
04/01/13	MT	SECT. 1 MODIFICATION
04/24/13	MT	ST-3.4b
06/28/13	MT	CLUBHOUSE SET
09/04/13	MT	CLUBHOUSE GRADING

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DRAWING TITLE:
SITE PLAN

17 of 53	C7.4.0
SHEET No:	
0158-09	
JOB No:	DRAWING No:



Neighborhood	Proposed	Permitted	Revised By
Lots/Condos (179 Units Overall: 56 in Section 1)			
Grassland	25,018 sq ft (2 x 121 ft)	27,480 sq ft	WD Dist
Min lot area	78%	36.2%	WD Dist
Min lot coverage	78%	27%	PS
Min front setback (to CL)	80 ft	80 ft	NYS 240 code
Min side setback	10 ft	10 ft	PS
Min rear setback (to Canal ROW)	130 ft	130 ft	PS (doesn't incl. par.)
Min rear setback to Canal ROW	130 ft	130 ft	TB Row
Min setback to park	400 ft	400 ft	TB Row
Height - grade to road	74 ft	74 ft	TB Row
Clubhouse/Condos (10 Units Overall: 10 in Section 1)			
Min lot area	0.7 Acres	0.7 Acres	NYS 240 code
Min lot coverage	87% (measured to south property line)	87%	NYS 240 code
Min front setback	50 ft	50 ft	TB Row
Min side setback	50 ft	50 ft	TB Row
Min rear setback	50 ft	50 ft	TB Row
Min building height	60 ft	60 ft	TB Row
Watermark Town Homes (6 Units Overall: 6 in Section 1)			
Min lot area	3,420 sq ft (2 x 121 ft)	4,844.8 sq ft	WD Dist
Min lot coverage	78%	84.7%	WD Dist
Min front setback	78 ft	82 ft	PS
Min side setback	10 ft	10 ft	PS
Min rear setback	10 ft	10 ft	PS
Min building height	40 ft	54.17 ft	WD Dist
Waterford Single Family (19 Units Overall: 19 in Section 1)			
Min lot area	12,000 sq ft	13,440 sq ft	TB Row
Min lot coverage	75%	84.8%	WD Dist
Min front setback	75 ft	75 ft	PS
Min side setback	10 ft	10 ft	PS
Min rear setback	10 ft	10 ft	PS
Min building height	30 ft	30 ft	TB Row
Watermark Brownstone Town Homes (20 Units Overall: 6 in Section 1)			
Min lot area	79,888.82 sq ft	130,428.76 sq ft	WD Dist
Min lot coverage	78%	21%	WD Dist
Min front setback	78 ft	44 ft	PS
Min side setback	10 ft	10 ft	PS
Min rear setback	10 ft	10 ft	PS
Min building height	40 ft	30 ft	WD Dist

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

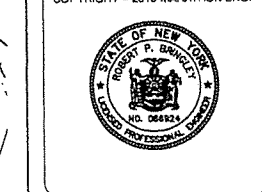
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BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
1914 Main Street, Room 200, New York, NY 10019
Tel: 212-691-1000 Fax: 212-691-1001

The RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09	
SCALE:	1"=40'	
DRAWN:	MPT	
DESIGNED:	RPB	
DATED:	01/19/10	
REVISIONS		
DATE	BY	REVISION
08/4/11	MT	TOWN COMMENTS
08/23/11	MT	SITE PLAN MCO.
11/16/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV.
05/02/12	MT	SUBDIVISION UPDATE
05/04/12	MT	MCDOSH FINAL
05/05/12	MT	PB & TE COMMENTS
08/20/12	MT	PRE-MYLAR REVIEW
09/24/12	MT	ISSUED FOR MYLAR
12/19/12	MT	FIRE LANE CHANGES
03/19/13	MT	INVERT CLARIFICATION
04/02/13	MT	SECT. 1 MODIFICATION
04/09/13	MT	REMOVE BUS PARK REF.
06/04/13	MT	BASEMENT SPOILS

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DRAWING TITLE:
SITE PLAN

18 of 53
SHEET No: **C7.5.0**

0158-09
JOB No: DRAWING No:

- NOTES:
1. DETAILS - REFER TO THE FOLLOWING FOR CONSTRUCTION DETAILS.
- | 1.1 SANITARY | DRAWING | DETAIL |
|---------------|--------------|----------|
| A. TRENCHING | C13.1 | S1.1 |
| B. MANHOLES | C13.1 | S2.1, S4 |
| C. LATERALS | C13.1, C13.3 | S2.2, 2 |
| D. CLEANOUTS | C13.1 | S5.1 |
| E. CONNECTION | C13.1 | S6 |
- | 1.2 STORM | DRAWING | DETAIL |
|-------------------|---------|------------------------|
| A. TRENCHING | C13.1 | H9.1, H9.2 |
| B. MANHOLES | C13.1 | H8 |
| C. DROP INLETS | C13.1 | H6.1, H6.2, H6.3, H6.4 |
| D. LATERALS | C13.1 | H6.6, H6.5 |
| E. OUTLET CONTROL | C13.3 | 1 |
- | 1.3 WATER | DRAWING | DETAIL |
|------------------------|---------|--------|
| A. TRENCHING | C13.2 | 3 |
| B. THRUST BLOCKS | C13.2 | 1, 5 |
| C. HYDRANTS | C13.2 | 7 |
| D. VALVES | C13.2 | 4 |
| E. SAMPLING/DISINFECT. | C13.2 | 6 |
- | 1.3 PAVEMENTS | DRAWING | DETAIL |
|--------------------|---------|-------------|
| A. DEDICATED ROADS | C13.0 | H1.1, H1.3 |
| B. PRIVATE ROADS | C13.0 | H2.1 |
| C. SIDEWALK | C13.0 | H5.X SERIES |
| D. CUA-DE-SAC | C13.0 | H7.1, H7.2 |

2. LOCATION - THE DIMENSIONS SPECIFIED ARE TO THE CENTER OF THE UTILITY. THE INTENT IS TO GUIDE THE CONSTRUCTION STAKEOUT PROCESS. DISCREPANCIES BETWEEN DESIGN AND STAKEOUT SHALL BE REFERRED TO THE DESIGN ENGINEER FOR RESOLUTION.
3. ELEVATION - THE CONTRACTOR SHALL COORDINATE AND VERIFY ALL STRUCTURE TOPS AND INVERTS PRIOR TO ORDERING STRUCTURES.
4. DROP INLETS - THE INLET STRUCTURES SHALL BE FIELD LOCATED BASED ON THE GRAPHIC DEPICTED ON THE UTILITY DRAWING AND ROAD SECTIONS. REFER TO THE GRADING PLAN FOR THE PROPOSED STRUCTURE TOP AND COORDINATE WITH THE PROFILE.
5. DEDICATION - ALL SANITARY SEWER MAINS AND DESIGNATED PORTIONS OF THE STORM SEWER SYSTEM (ALL INLETS IN PAVEMENT THAT CONVEY STORMWATER TO A DEDICATED MAIN ARE INCLUDED) ARE PROPOSED TO BE DEDICATED TO THE TOWN OF BRIGHTON.
6. INSTALLATION - AFTER ROAD COMPLETION NO OPEN CUTS WILL BE ALLOWED FOR UTILITY INSTALLATION. ALL SANITARY STUBS FOR FUTURE SECTION SHALL BE INSTALLED AND TESTED ACCORDING TO THE TOWN OF BRIGHTON SPEC. FOR DEDICATION.
7. DOWNSPOUTS - ALL REAR YARD DOWNSPOUTS SHALL BE DAYLIGHTED AT GRADE. FRONT YARDS CAN BE CONNECTED TO THE STORM LATERAL IF NECESSARY TO PROMOTE PEDESTRIAN SAFETY ESPECIALLY IN TOWNHOUSE NEIGHBORHOODS.
8. RECORD DRAWINGS - CONTRACTOR SHALL PROVIDE REDLINE DRAWINGS FOR PREPARATION OF RECORD DRAWINGS THAT INCLUDE ALL DEVIATIONS IN CONSTRUCTION FROM DESIGN PLANS, STATIONS OF ALL INSTALLED SERVICES, THE DIMENSIONS FOR ALL VALVES, SERVICE BOXES, LATERAL ENDS, AND CLEANOUTS; AS WELL AS ANY OTHER PERTINENT INFORMATION THAT MAY BE REQUESTED.
9. SAMPLING/DISINFECTION - PROVIDE SAMPLING/DISINFECTION TAPS AT POINT OF CONNECTION, ENDS AND EVERY 1,000' OF CONTINUOUS WATER MAIN. ANY STUB OVER 50' ALSO REQUIRES A SAMPLING TAP.
10. SIGNAGE - ALL STOP SIGNS, NO PARKING AND STREET SIGNS SHALL BE INSTALLED TO MUTCD, RYS SUPPLEMENT, AND TOWN OF BRIGHTON STANDARDS.
11. LATERALS - ALL LATERALS SHALL HAVE MIN 4" OF COVER IN ORDER TO HAVE MAINS ACCEPTED FOR DEDICATION.

CONTRACTOR SHALL CONNECT TO EXISTING MANHOLE VIA CORE-BORE AND GROUT AND SHALL REFORM BENCH AFTER CONNECTION. UTILITY OWNER SHALL BE NOTIFIED PRIOR TO EXCAVATION AND SHALL OBSERVE ALL WORK PERFORMED.

CONTRACTOR SHALL USE SHEETING TO INSTALL SANITARY AND LEAVE IN PLACE 36" BELOW GRADE

NOTE:
CONTRACTOR SHALL COORDINATE ENTRANCE WORK WITH THE CITY WATER MAIN PROJECT IF WORK IS OCCURRING DURING THE SAME TIME

SANITARY SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION/OFFSET	UTILITY STATION	TOP	INVERTS	SIZE	
SA 1.0	RB7+84 62' L	0+20	502.82	483.83 NE 484.12 SE SW	EXIST	
SA 2.0	RB7+84 4' R	0+88	507.10	484.48 N 484.78 E	4' DIA	
SA 3.0	RB10+30 22' R	3+06	503.00	485.61 W 486.11 S	6" DIA	
SA 4.0	RB10+26 17' L	3+33	508.70	496.11 W 486.41 S 493.95 E	5' DIA	
SA 5.0	RB13+70 40' R	4+46	509.50	486.83 N 486.83 E	4' DIA	

APPROVED BY: MONROE COUNTY HEALTH DEPARTMENT

APPROVED BY:
MONROE COUNTY WATER AUTHORITY
DATE:



BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
1114 N. Main Street, Suite 100, Brighton, NY 14204
Tel: 716.835.1114 Fax: 716.835.1115
www.bayerassociates.com

RESERVE
ON THE ERIE CANAL
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=40'
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS		
DATE	BY	REVISION
11/6/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
05/02/12	MT	SUBDIVISION UPDATE
05/04/12	MT	MCDON FINAL
05/05/12	MT	SEPARATE SUBUT
05/05/12	MT	PB & TE COMMENTS
07/30/12	MT	MCDOT ENTRANCE
08/09/12	MT	WM CROSSING
08/20/12	MT	PRE-MYLAR REVIEW
08/24/12	MT	ISSUED FOR MYLAR
09/13/12	MT	SANITARY ROUTING
10/16/12	MT	EPHROS LUNGS
11/23/12	MT	NYSDOT COMMENTS
03/19/13	MT	INVERT CLARIFICATION

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DRAWING TITLE:
UTILITY PLAN

19 of 53
SHEET No: C7.0
JOB No: 0158-09
DRAWING No:

- NOTES:
1. DETAILS - REFER TO THE FOLLOWING FOR CONSTRUCTION DETAILS:
 - 1.1 SANITARY
 - A. TRENCHING
 - B. MANHOLES
 - C. LATERALS
 - D. CLEANOUTS
 - E. CONNECTION
 - 1.2 STORM
 - A. TRENCHING
 - B. MANHOLES
 - C. DROP INLETS
 - D. LATERALS
 - E. OUTLET CONTROL
 - 1.3 WATER
 - A. TRENCHING
 - B. THURST BLOCKS
 - C. HYDRANTS
 - D. VALVES
 - E. SAMPLING/ DISINFECT.
 - 1.4 PAVEMENTS
 - A. DEDICATED ROADS
 - B. PRIVATE ROADS
 - C. SIDEWALK
 - D. CURB/DE SACS

2. LOCATION - THE DIMENSIONS SPECIFIED ARE TO THE CENTER OF THE UTILITY. THE INTENT IS TO GUIDE THE CONSTRUCTION STAKEOUT PROCESS. DISCREPANCIES BETWEEN DESIGN AND STAKEOUT SHALL BE REFERRED TO THE DESIGN ENGINEER FOR RESOLUTION.
3. ELEVATION - THE CONTRACTOR SHALL COORDINATE AND VERIFY ALL STRUCTURE TOPS AND INVERTS PRIOR TO ORDERING STRUCTURES.
4. DROP INLETS - THE INLET STRUCTURES SHALL BE FIELD LOCATED BASED ON THE GRAPHIC DEPICTED ON THE UTILITY DRAWINGS AND ROAD SECTIONS. REFER TO THE GRADING PLAN FOR THE PROPOSED STRUCTURE TOP AND COORDINATE WITH THE PROFILE.
5. DEDICATION - ALL SANITARY SEWER MAINS AND DESIGNATED PORTIONS OF THE STORM SEWER SYSTEM SHALL INLETS IN PAVEMENT THAT CONVEY STORMWATER TO A DEDICATED MAIN ARE INCLUDED AND PROPOSED TO BE DEDICATED TO THE TOWN OF BRIGHTON.
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9. SAMPLING/ DISINFECT. - PROVIDE SAMPLING/ DISINFECT. TAPS AT POINT OF CONNECTION ENDS AND EVERY 1,000' OF CONTINUOUS WATER MAIN. ANY STUB OVER BY ALSO REQUIRES A SAMPLING TAP.
10. SIGNAGE - ALL STOP SIGNS, NO PARKING AND STREET SIGNS SHALL BE INSTALLED TO MAINT. NYS SUPPLEMENT, AND TOWN OF BRIGHTON STANDARDS.
11. LATERALS - ALL LATERALS SHALL HAVE MIN. 4" OF COVER IN ORDER TO HAVE MAINS ACCEPTED FOR DEDICATION.

STORM SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION/ OFFSET	UTILITY STATION	TOP	INVERTS	SIZE	
ST 1.1.2	BC15+70 35' R	-X0+33	509.20	503.20	4' DIA	
ST 1.1.3	BC14+88 35' R	X0+71	509.50	503.82	4' DIA	
ST 1.1.4	BC12+44 14' R	X3+08	509.50	505.00	4' DIA	
ST 1.1.1	BC16+60 28' R	W0+63 -X1+60	508.50	502.33 N.E.S.W 502.88 NE	5' DIA	
ST 1.1.1.1	BC18+58 20' R	W2+69	507.40	503.38	5' DIA	
ST 2.1	N/A	N/A	506.60	498.66 N 500.14 W 498.68 S	5' DIA	
ST 2.2	N/A	N/A	507.00	500.78 E 500.78 N	5' DIA	
ST 2.3	BC5+70 7' R	V2+40 S0+00	507.70	501.54	5' DIA	
ST 2.3.1	BC4+27 6' R	S1+35	507.80	502.35	4' DIA	
ST 2.3.2	BC2+87 14' L	S2+80	508.15	503.15	4' DIA	
ST 2.4	BC8+30 7' R	V3+13	507.80	502.01 503.28	4' DIA	
ST 2.5	BC7+68 19' R	V4+58	508.20	502.96	4' DIA	
ST 2.6	BC8+33 17' R	V5+38	508.40	503.48	5' DIA	
ST 2.7	BC9+88 14' R	V6+98	509.20	504.52	4' DIA	
ST 2.8	BC11+68 14' R	V8+80	509.70	505.70	4' DIA	

INLET SCHEDULE		
STRUCTURE No.	TOP	INVERTS
ST 1.1.1.1a	506.70	503.59
ST 1.1.1.1b	506.80	503.84
ST 1.1.1.1c	506.80	503.51
ST 2.3.2a	507.90	503.21
ST 2.3.2b	507.90	503.33
ST 2.3c	507.2	503.00
ST 2.3d	507.2	503.00
ST 2.4a	507.5	503.50

APPROVED BY: MONROE COUNTY HEALTH DEPARTMENT

JOB NO: 0158-09
SCALE: 1"=40'
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS		
DATE	BY	REVISION
08/4/11	MT	TOWN COMMENTS
11/8/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
04/17/12	MT	CONDO LOT REV.
05/02/12	MT	SUBDIVISION UPDATE
06/04/12	MT	MCDON FINAL
06/05/12	MT	SEPARATE SITE
08/20/12	MT	PRE-MYLAR REVIEW
08/24/12	MT	ISSUED FOR MYLAR
03/19/13	MT	INVERT CLARIFICATION
04/24/13	MT	ST2.3.1a REVISION
05/24/13	MT	ST2.4a ADD

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DRAWING TITLE:
UTILITY PLAN

20 of 53
SHEET No: **C7.1**
0158-09
JOB No: DRAWING No:

APPROVED BY:
MONROE COUNTY WATER AUTHORITY
DATE:

SANITARY SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION/ OFFSET	UTILITY STATION	TOP	INVERTS	SIZE	
SA 4.1.0	BC16+50 45' R	H2+19	509.60	496.54 SW 498.34 NE	5' DIA	
SA 4.1.1	BC0+53 16' R	H4+78	506.80	497.95 NE 497.75 NW	5' DIA	
SA 4.1.2	BC1+76 15' R	H5+98	507.70	498.70 NE 498.50 SW	4' DIA	
SA 4.1.3	BC2+87 14' R	H7+00	508.30	499.36 E 499.16 SW	4' DIA	
SA 4.1.4	BC5+44 16' R	H9+53	507.90	500.50 W	4' DIA	
SA 6.0	RB12+68 44' R	4+97	508.20	487.81 NW 487.91 SE	4' DIA	
SA 7.0	RB13+75 36' R	S+77 B0+00	507.50	495.17 SW 488.40 NW 488.50 SE	5' DIA	
SA 4.1	BC14+69 49' R	G0+95	509.00	495.35 E, S 495.10 W	4' DIA	
SA 4.4	BC12+97 24' R	G3+65	509.50	498.50 E 498.38 W	4' DIA	
SA 4.5	BC9+97 24' R	G5+65	507.50	498.13 E 497.93 S	4' DIA	
SA 4.6	BC8+36 30' R	G8+36	506.50	498.12 S 498.93 W	4' DIA	
SA 4.7	BC7+66 32' R	G9+33	508.50	498.74 S 499.54 N	4' DIA	
SA 4.8	BC6+16 20' R	G11+01	508.00	500.50	4' DIA	

NOTE: LOTS G10.4, G15.1, G4.1 AND G4.2 ARE EXCEPTION PARCELS. WATER SERVICES FROM THE MAIN TO THE ROW LINE TO BE INSTALLED BY THE MCWA FOR A QUOTED AMOUNT AT THE TIME OF BUILDING CONSTRUCTION.

SANITARY SEWER SCHEDULE					
STRUCTURE No.	CENTERLINE STATION/OFFSET	UTILITY STATION	TOP	INVERTS	SIZE
SA B.0	RB16+82 37' R	10+04	508.00	489.55 NE 489.95 S	4' DIA
SA 9.0	RB19+47 36' R	12+48 FD+00	507.90	491.04 NE 491.14 S	5' DIA
SA 9.1	SJ0+50 30' L	FD+87	508.90	499.80 E 499.78 W	4' DIA
SA 9.2	SJ2+49 27' L	F2+91	509.10	501.06 NE 500.88 W	4' DIA
SA 9.3	SJ4+11 28' L	F4+11	508.90	501.82 N 501.82 SW	4' DIA
SA 9.4	SJ5+89 30' L	F5+75	510.70	502.78 N 502.58 S	4' DIA
SA 9.5	SJ7+02 29' L	F6+51	511.30	503.30 W 503.10 S	4' DIA
SA 9.8	SJ8+77 12' L	F6+07	512.10	504.00 E	4' DIA

STORM SEWER SCHEDULE					
STRUCTURE No.	CENTERLINE STATION/OFFSET	UTILITY STATION	TOP	INVERTS	SIZE
ST 1.4c	RB17+57 43' L		506.60	501.67 N.E. 502.92 W	4' DIA
ST 1.4d	RB17+90 105' L		507.2	501.32	4' DIA
ST B101			508.9	500.10	5' DIA
ST 2.1.1.1	SJ8+83 0	T1+68	512.25	500.87	5' DIA
ST 2.1.1	SJ7+00 17' L	U2+28 TD+00	511.20	499.82 W.N. 501.41 E	6' DIA
ST 2.1.2	SJ5+81 19' L	U3+13	510.60	501.84	5' DIA
ST 2.1.3	SJ5+08 21' L	U3+92	510.40	502.23	4' DIA
ST 2.1.4	SJ4+08 15' L	U4+88	509.70	502.70	4' DIA
ST 2.1.5	SJ2+52 17' L	U6+14	508.90	503.34	4' DIA
ST 2.1.6	SJ0+80 17' L	U7+88	508.20	504.20	4' DIA

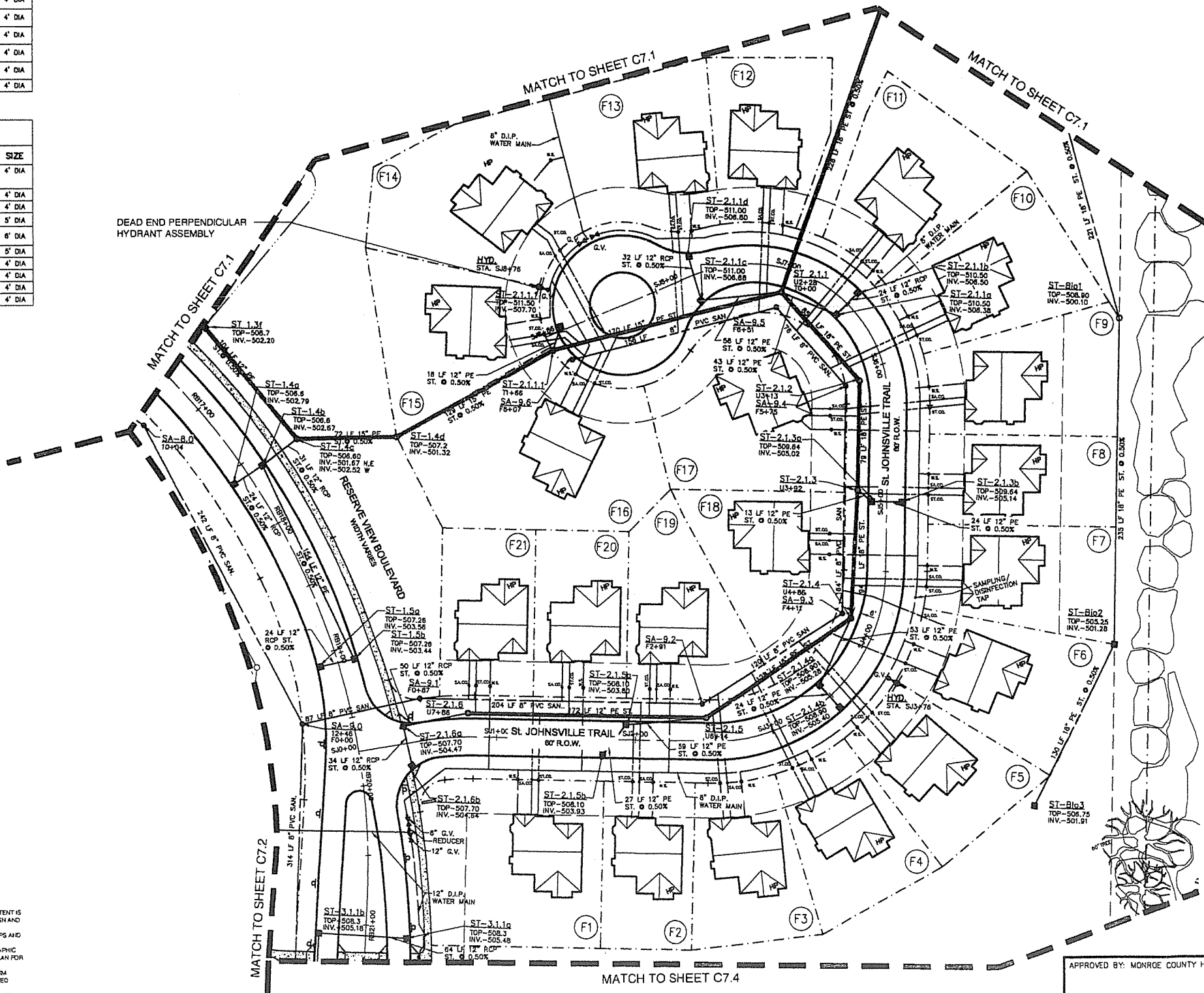
- NOTES
1. DETAILS - REFER TO THE FOLLOWING FOR CONSTRUCTION DETAILS

DETAILS	DRAWING	DETAIL
A. TRENCHING	C13.1	S1.1
B. MANHOLES	C13.1	S2.1, S4
C. LATERALS	C13.1, C13.2	S2.2, S5
D. CLEANOUTS	C13.1	S5.1
E. CONNECTION	C13.1	S6
 2. STORM

DETAILS	DRAWING	DETAIL
A. TRENCHING	C13.1	H9.1, H9.2
B. MANHOLES	C13.1	H9
C. DROP INLETS	C13.1	H6.1, H6.2, H6.3, H6.4
D. LATERALS	C13.1	H6.5, H6.6
E. OUTLET CONTROL	C13.3	1
 3. WATER

DETAILS	DRAWING	DETAIL
A. TRENCHING	C13.2	3
B. THURST BLOCKS	C13.2	1.5
C. HYDRANTS	C13.2	7
D. VALVES	C13.2	1
E. SAMPLING/DISINFECT	C13.2	6
 4. PAVEMENTS

DETAILS	DRAWING	DETAIL
A. DEDICATED ROADS	C13.0	H1.1, H1.3
B. PRIVATE ROADS	C13.0	H2.1
C. SIDEWALK	C13.0	H3.1, H3.2
D. CURB/SEAD	C13.0	H1.1, H1.3
3. LOCATION - THE DIMENSIONS SPECIFIED ARE TO THE CENTER OF THE UTILITY. THE INTENT IS TO GUIDE THE CONSTRUCTION STAKEOUT PROCESS. DISCREPANCIES BETWEEN DESIGN AND STAKEOUT SHALL BE REFERRED TO THE DESIGN ENGINEER FOR RESOLUTION.
4. ELEVATION - THE CONTRACTOR SHALL COORDINATE AND VERIFY ALL STRUCTURE TOPS AND INVERTS PRIOR TO ORDERING STRUCTURES.
5. DEDICATION - ALL SANITARY SEWER MAINS AND DESIGNATED PORTIONS OF THE STORM SEWER SYSTEM (ALL INLETS IN PAVEMENT THAT CONVEY STORMWATER TO A DEDICATED MAIN ARE INCLUDED) ARE PROPOSED TO BE DEDICATED TO THE TOWN OF BRIGHTON.
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7. DOWNSPOTS - ALL REAR YARD DOWNSPOTS SHALL BE DAYLIGHTED AT GRADE. FRONT YARDS CAN BE CONNECTED TO THE STORM LATERAL IF NECESSARY TO PROMOTE PEDESTRIAN SAFETY ESPECIALLY IN TOWNHOUSE NEIGHBORHOODS.
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9. SAMPLING/DISINFECTION - PROVIDE SAMPLING/DISINFECTION TAPS AT POINT OF CONNECTION, ENDS AND EVERY 1,000' OF CONTINUOUS WATER MAIN. ANY STUB OVER 50' ALSO REQUIRES A SAMPLING TAP.
10. SIGNAGE - ALL STOP SIGNS, NO PARKING AND STREET SIGNS SHALL BE INSTALLED TO MATCH NYS SUPPLEMENT, AND TOWN OF BRIGHTON STANDARDS.
11. LATERALS - ALL LATERALS SHALL HAVE MIN 4" OF COVER IN ORDER TO HAVE MAINS ACCEPTED FOR DEDICATION.



APPROVED BY: MONROE COUNTY HEALTH DEPARTMENT

APPROVED BY:
MONROE COUNTY WATER AUTHORITY
DATE:

ANTHONY J.
COSTELLO & SON
DEVELOPMENT

MARATHON
ENGINEERING
www.marathoneng.com

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RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09	
SCALE:	1"=40'	
DRAWN:	MPT	
DESIGNED:	RPB	
DATED:	01/19/10	
REVISIONS		
DATE	BY	REVISION
05/31/11	MT	TOWN COMMENTS UPDATE TO FINAL
07/25/11	MT	MCWA COMMENTS/ MCDOH COMMENTS
08/04/11	MT	TOWN COMMENTS
11/01/11	MT	TOWN COMMENTS
02/14/12	MT	FINAL COMMENTS
05/02/12	MT	SUBDIVISION UPDATE
05/04/12	MT	MCDOH FINAL
05/05/12	MT	PB & TE COMMENTS
05/20/12	MT	PRE-MYLAR REVIEW
08/24/12	MT	ISSUED FOR MYLAR
01/17/12	MT	CUL-DE-SAC SPOTS
03/19/13	MT	INVERT CLARIFICATION

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DRAWING TITLE:
UTILITY PLAN

22 of 53
SHEET No: **C7.3**

0158-09
JOB No: DRAWING No:

STORM SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION	UTILITY STATION	TOP	INVERTS	SIZE	
ST 3.1.1	RB22+62	Q0+90	510.00	504.20	4' DIA	
ST 3.1	RB23+51	R1+50	509.20	503.75 W, N 504.64 S	5' DIA	
ST 3.2	RB24+09	41' R	R2+12	510.50	504.95	4' DIA
ST 3.3	RB25+63	41' R	R3+88	514.80	508.0 E, W 505.72 N	4' DIA
ST 3.4	WW2+57	135' R		508.80	504.61	4' DIA
ST 3.5	WW2+55	18' L		509.50	505.40	4' DIA

STORM SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION	UTILITY STATION	TOP	INVERTS	SIZE	
ST 4.8	PH3+83	15' L	P8+25	507.70	500.74 E, W 503.07 S	4' DIA
ST 4.7	PH2+58	17' L	P9+52	508.7	501.78	4' DIA
ST 4.8	PH0+78	17' L	P11+30	509.3	503.20	4' DIA

STORM SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION	UTILITY STATION	TOP	INVERTS	SIZE	
ST 4.1.5	WE1+30	8' L	H12+24	510.90	503.0	5' DIA
ST 4.1.8	WE0+32	81' R	H13+27	513.20	507.20	4' DIA

SANITARY SEWER SCHEDULE						
STRUCTURE No.	CENTERLINE STATION	UTILITY STATION	TOP	INVERTS	SIZE	
SA 10.0	RB22+71	50' R	15+60	509.80	492.55 N 493.38 W	5' DIA
SA 11.0	RB22+71	85' L	16+70 W0+00	506.40	493.48 E 493.68 S	5' DIA
SA 11.1	PH3+94	27' L	W3+28	507.80	494.94 W 495.04 E	4' DIA
SA 12.0	RB24+51	87' L	18+48 LOFT0+00	510.00	494.48 N 494.58 S	5' DIA
SA 12.1	RB24+53	113' R	LOFT1+80	507.90	493.57 E 495.67 SW	4' DIA
SA 12.2	WW2+10	47' R	LOFT3+88	510.10	495.52 N 495.62 S	4' DIA
SA 12.2.1	WW2+23	24' L		509.80	498.0 N	4' DIA
SA 12.3	WW3+60	47' R	LOFT5+30	505.50	497.59 E 497.89 S	5' DIA
SA 12.4	WW3+80	24' R	LOFT8+08	508.10	498.20 N	4' DIA
SA 13.0	WE1+49	38' L	CLUB0+00 20+28	509.80	495.38 N 495.68 SW	5' DIA
SA 13.1	WE0+92	54' R	CLUB1+10	512.60	496.56 NE	4' DIA

- NOTES:
1. DETAILS - REFER TO THE FOLLOWING FOR CONSTRUCTION DETAILS:
 - 1.1 SANITARY: DRAWING DETAIL
 - A. TRENCHING C13.1
 - B. MANHOLES C13.1
 - C. LATERALS C13.1, C13.3
 - D. CLEANOUTS C13.1
 - E. CONNECTION C13.1
 - 1.2 STORM: DRAWING DETAIL
 - A. TRENCHING C13.1
 - B. MANHOLES C13.1
 - C. DROP INLETS C13.1
 - D. LATERALS C13.1
 - E. OUTLET CONTROL C13.3
 - 1.3 WATER: DRAWING DETAIL
 - A. TRENCHING C13.2
 - B. THURST BLOCKS C13.2
 - C. HYDRANTS C13.2
 - D. VALVES C13.2
 - E. SAMPLING/DISINFECT C13.2
 - 1.4 PAVEMENTS: DRAWING DETAIL
 - A. DEDICATED ROADS C13.0
 - B. PRIVATE ROADS C13.0
 - C. SIDEWALK C13.0
 - D. CUL-DE-SAC C13.0
 2. LOCATION - THE DIMENSIONS SPECIFIED ARE TO THE CENTER OF THE UTILITY. THE INTENT IS TO GUIDE THE CONSTRUCTION STAKEOUT PROCESS. DISCREPANCIES BETWEEN DESIGN AND STAKEOUT SHALL BE REFERRED TO THE DESIGN ENGINEER FOR RESOLUTION.
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 8. RECORD DRAWINGS - CONTRACTOR SHALL PROVIDE REDLINE DRAWINGS FOR PREPARATION OF RECORD DRAWINGS THAT INCLUDE ALL DEVIATIONS IN CONSTRUCTION FROM DESIGN PLANS. STATIONS OF ALL INSTALLED SERVICES, THE DIMENSIONS FOR ALL VALVES, SERVICE BOXES, LATERAL ENDS, AND CLEANOUTS, AS WELL AS ANY OTHER PERTINENT INFORMATION THAT MAY BE REQUESTED.
 9. SAMPLING/DISINFECT - PROVIDE SAMPLING/DISINFECT TAPS AT POINT OF CONNECTION, ENDS AND EVERY 1,000' OF CONTINUOUS WATER MAIN. ANY SUB OVER 50' ALSO REQUIRES A SAMPLING TAP.
 10. SIGNAGE - ALL STOP SIGNS, NO PARKING AND STREET SIGNS SHALL BE INSTALLED TO MATCH NYS SUPPLEMENT, AND TOWN OF BRIGHTON STANDARDS.
 11. LATERALS - ALL LATERALS SHALL HAVE MIN. 4" OF COVER IN ORDER TO HAVE MAINS ACCEPTED FOR DEDICATION.

APPROVED BY: MONROE COUNTY HEALTH DEPARTMENT

APPROVED BY:

COMMISSIONER OF PUBLIC WORKS

DATE:

APPROVED BY:

TOWN ENGINEER

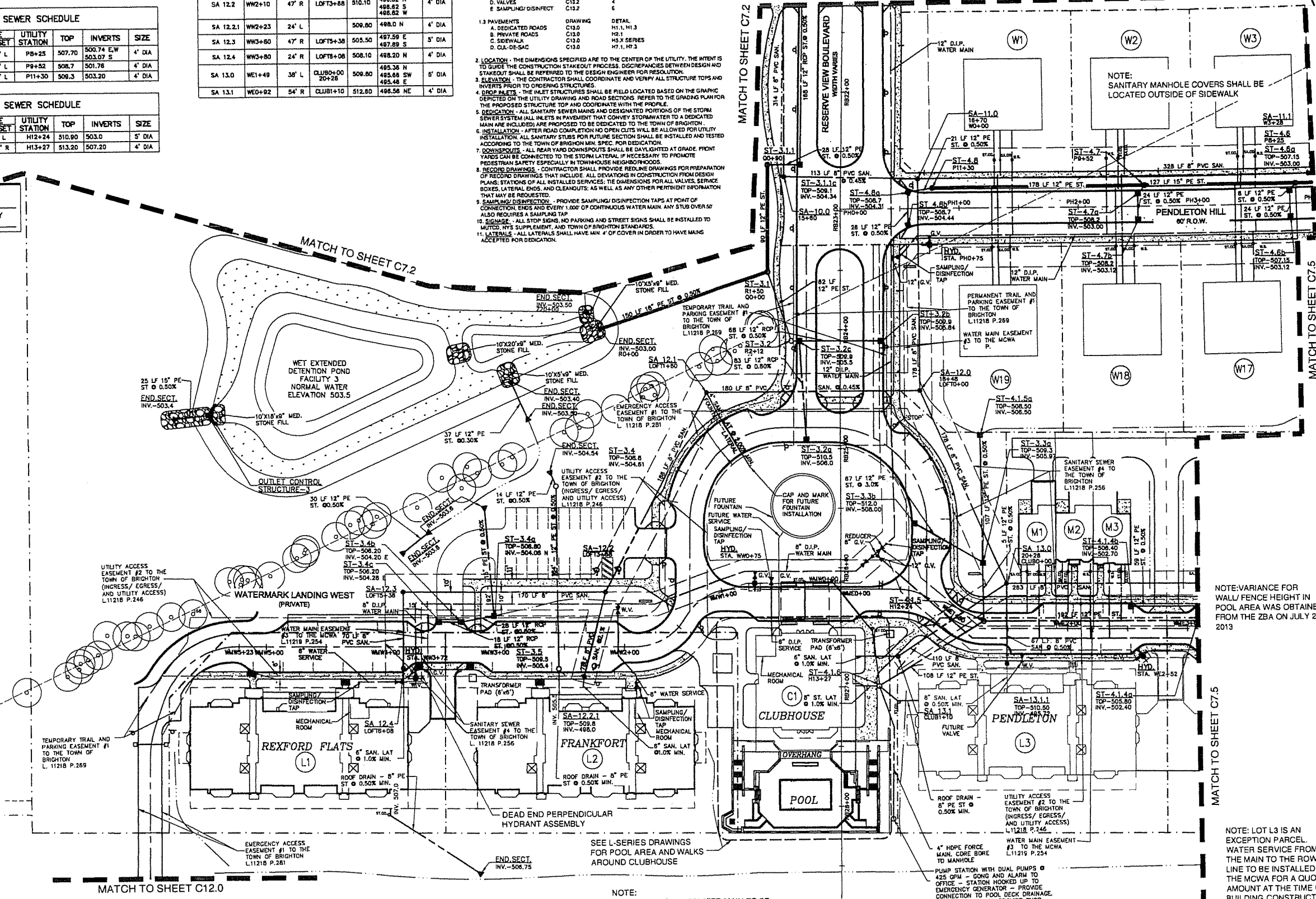
DATE:

MATCH TO SHEET C7.3

APPROVED BY:

MONROE COUNTY WATER AUTHORITY

DATE:



NOTE: VARIANCE FOR WALL/FENCE HEIGHT IN POOL AREA WAS OBTAINED FROM THE ZBA ON JULY 2, 2013

MATCH TO SHEET C7.5

NOTE: LOT L3 IS AN EXCEPTION PARCEL. WATER SERVICE FROM THE MAIN TO THE ROW LINE TO BE INSTALLED BY THE MCWA FOR A QUOTED AMOUNT AT THE TIME OF BUILDING CONSTRUCTION.

ANTHONY J. COSTELLO & SON DEVELOPMENT

MARATHON ENGINEERING
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BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING

RESERVE
- ON THE ERIE CANAL -
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09
SCALE:	1"=40'
DRAWN:	MPT
DESIGNED:	RPB
DATED:	01/19/10
REVISIONS	
DATE	BY REVISION
11/8/11	MT TOWN COMMENTS
02/14/12	MT FINAL COMMENTS
04/17/12	MT CONDO LOT REV.
05/02/12	MT SUBDIVISION UPDATE
06/04/12	MT MCDOH FINAL
06/05/12	MT PB & TE COMMENTS
08/20/12	MT PRE-MYLAR REVIEW
08/24/12	MT ISSUED FOR MYLAR
09/28/12	MT FIRE LANE MOD.
10/22/12	MT ALTERNATE FIRE LANE
12/18/12	MT FIRE LANE REVISIONS
01/23/13	MT COMMENTS
03/19/13	MT INVERT CLARIFICATION
04/01/13	MT SECT. 1 MODIFICATION
04/24/13	MT ST-3.4b
06/28/13	MT CLUBHOUSE SET
09/04/13	MT CLUBHOUSE GRADING



DRAWING TITLE:
UTILITY PLAN

23 of 53
SHEET No: C7.4
JOB No: 0158-09
DRAWING No:

APPROVED BY: MONROE COUNTY HEALTH DEPARTMENT

APPROVED BY:

MONROE COUNTY WATER AUTHORITY
DATE:

STORM SEWER SCHEDULE					
STRUCTURE No.	CENTERLINE STATION/OFFSET	UTILITY STATION	TOP	INVERTS	SIZE
ST 4.2	20' R	P0+30	497.30	493.30	5' DIA
ST 4.3	PH8+67	P2+31	503.2	495.33	5' DIA
ST 4.4	PH8+10	P3+89	504.4	496.80	4' DIA
ST 4.5	PH8+82	P5+31	505.4	497.97 E.W 500.07 S	5' DIA

STORM SEWER SCHEDULE					
STRUCTURE No.	CENTERLINE STATION/OFFSET	UTILITY STATION	TOP	INVERTS	SIZE
ST 4.1	WE10+10	H1+78	504.20	494.33E.S 499.50 W	5' DIA
ST 4.1.1	WE10+22	H3+35	508.10	495.34	6' DIA
ST 4.1.2	WE7+87	H5+82	503.60	498.47	5' DIA
ST 4.1.3	WE8+27	H7+28	506.50	498.44	4' DIA
ST 4.1.4	WE3+21	H10+32	506.30	499.97	5' DIA

- NOTES:
1. DETAILS - REFER TO THE FOLLOWING FOR CONSTRUCTION DETAILS:
 - 1.1 SANITARY
 - A. TRENCHING
 - B. MANHOLES
 - C. LATERALS
 - D. CLEANOUTS
 - E. CONNECTION
 - 1.2 STORM
 - A. TRENCHING
 - B. MANHOLES
 - C. DROP INLETS
 - D. LATERALS
 - E. OUTLET CONTROL
 - 1.3 WATER
 - A. TRENCHING
 - B. TRUNK BLOCKS
 - C. HYDRANTS
 - D. VALVES
 - E. SAMPLING/DISINFECT.
 - 1.4 PAVEMENTS
 - A. DEDICATED ROADS
 - B. PRIVATE ROADS
 - C. SIDEWALK
 - D. CUL-DE-SAC
 2. LOCATION - THE DIMENSIONS SPECIFIED ARE TO THE CENTER OF THE UTILITY. THE INTENT IS TO GUIDE THE CONSTRUCTION STAKEOUT PROCESS. DISCREPANCIES BETWEEN DESIGN AND STAKEOUT SHALL BE REFERRED TO THE DESIGN ENGINEER FOR RESOLUTION.
 3. ELEVATION - THE CONTRACTOR SHALL COORDINATE AND VERIFY ALL STRUCTURE TOPS AND INVERTS PRIOR TO ORDERING STRUCTURES.
 4. DROP INLETS - THE INLET STRUCTURES SHALL BE FIELD LOCATED BASED ON THE GRAPHIC DEPICTED ON THE UTILITY DRAWING AND ROAD SECTIONS. REFER TO THE GRADING PLAN FOR THE PROPOSED STRUCTURE TOP AND COORDINATE WITH THE PEOPLE.
 5. DEDICATION - ALL SANITARY SEWER MAINS AND DESIGNATED PORTIONS OF THE STORM SEWER SYSTEM (ALL INLETS IN PAVEMENT THAT CONVEY STORMWATER TO A DEDICATED MAIN) ARE INCLUDED AND PROPOSED TO BE DEDICATED TO THE TOWN OF BRIGHTON.
 6. INSTALLATION - AFTER ROAD COMPLETION NO OPEN CUTS WILL BE ALLOWED FOR UTILITY INSTALLATION. ALL SANITARY STUBS FOR FUTURE SECTION SHALL BE INSTALLED AND TESTED ACCORDING TO THE TOWN OF BRIGHTON MIN. SPEC. FOR DEDICATION.
 7. DOWNSPOUTS - ALL REAR YARD DOWNSPOUTS SHALL BE DAYLIGHTED AT GRADE. FRONT YARDS CAN BE CONNECTED TO THE STORM LATERAL IF NECESSARY TO PROMOTE PEDESTRIAN SAFETY ESPECIALLY IN TOWNHOUSE NEIGHBORHOODS.
 8. RECORD DRAWINGS - CONTRACTOR SHALL PROVIDE RECORD DRAWINGS FOR PREPARATION OF RECORD DRAWINGS THAT INCLUDE: ALL DEVIATIONS IN CONSTRUCTION FROM DESIGN PLANS; STATIONS OF ALL INSTALLED SERVICES; THE DIMENSIONS FOR ALL VALVES, SERVICE BOXES, LATERAL ENDS, AND CLEANOUTS; AS WELL AS ANY OTHER PERTINENT INFORMATION THAT MAY BE REQUESTED.
 9. SAMPLING/DISINFECT - PROVIDE SAMPLING/DISINFECT TAPS AT POINT OF CONNECTION, FIELD AND EVERY 1,000' OF CONTINUOUS WATER MAIN. ANY STUB OVER 5' ALSO REQUIRES A SAMPLING TAP.
 10. SIGNS - ALL STOP SIGNS, NO PARKING AND STREET SIGNS SHALL BE INSTALLED TO MATCH ITS SUPPLEMENT AND TOWN OF BRIGHTON STANDARDS.
 11. LATERALS - ALL LATERALS SHALL HAVE MIN. 4" OF COVER IN ORDER TO HAVE MAINS ACCEPTED FOR DEDICATION.

MATCH TO SHEET C7.3

NOTE:
SANITARY MANHOLE COVERS SHALL BE LOCATED OUTSIDE OF SIDEWALK

MATCH TO SHEET C7.4

MATCH TO SHEET C7.4



BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
130 N. Main Street, Suite 100, Brighton, MA 01501
(413) 461-1111

RESERVE
ON THE ERIE CANAL -
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO:	0158-09
SCALE:	1"=40'
DRAWN:	MPT
DESIGNED:	RPB
DATED:	01/19/10
REVISIONS	
DATE	BY
08/4/11	MT
08/23/11	MT
11/1/11	MT
02/14/12	MT
04/17/12	MT
05/02/12	MT
05/04/12	MT
05/05/12	MT
08/20/12	MT
08/24/12	MT
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03/19/13	MT
04/02/13	MT
04/03/13	MT
05/04/13	MT

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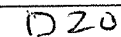
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UTILITY PLAN

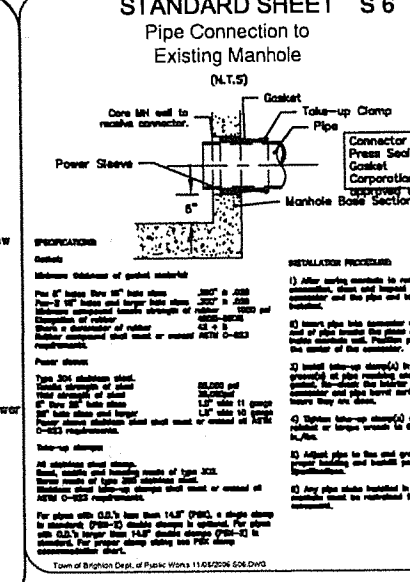
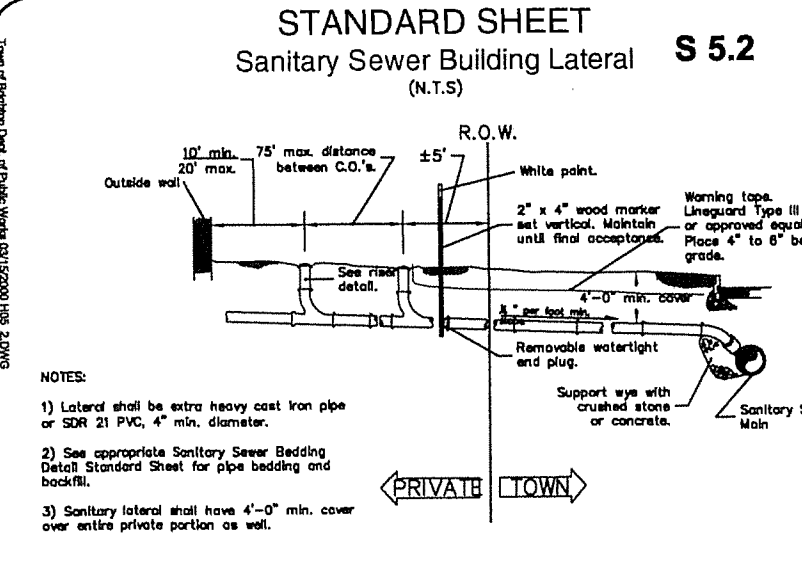
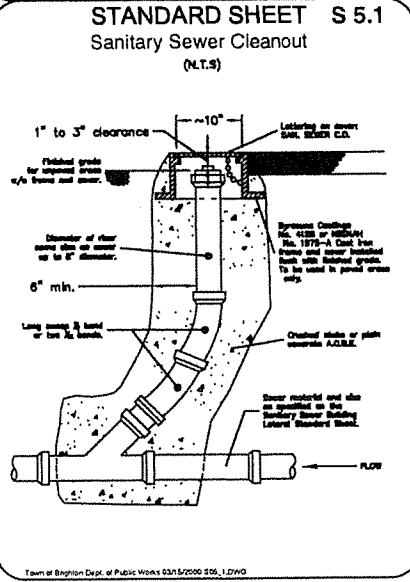
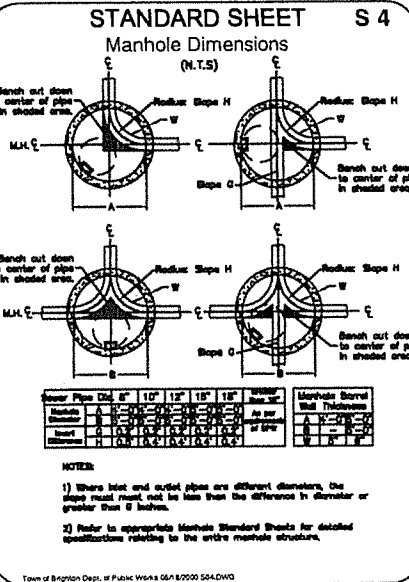
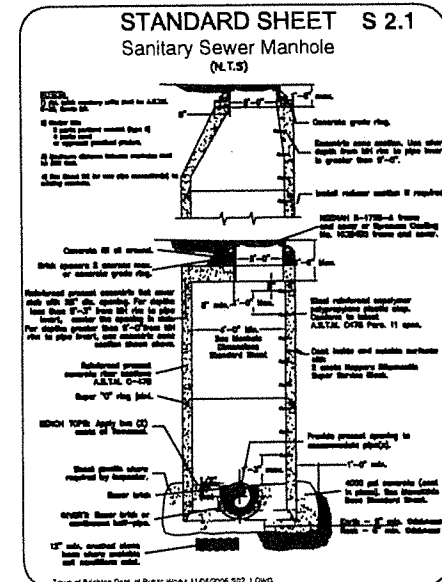
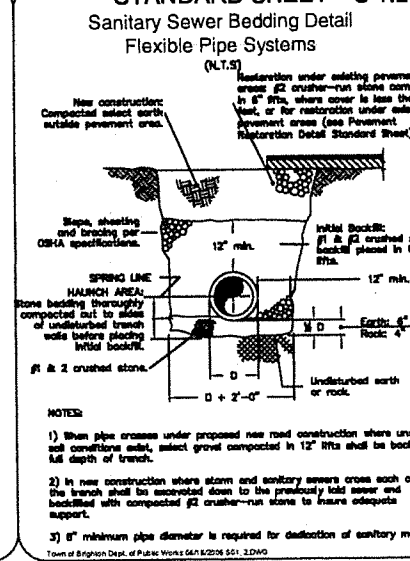
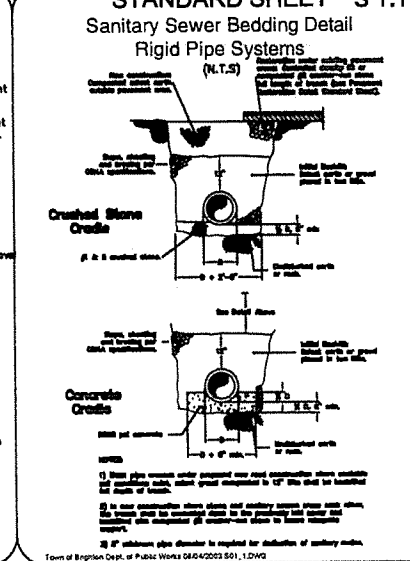
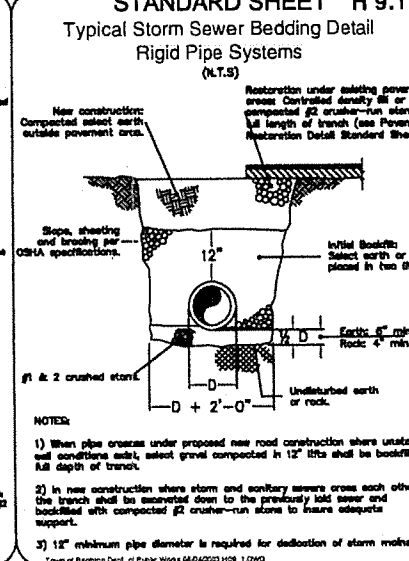
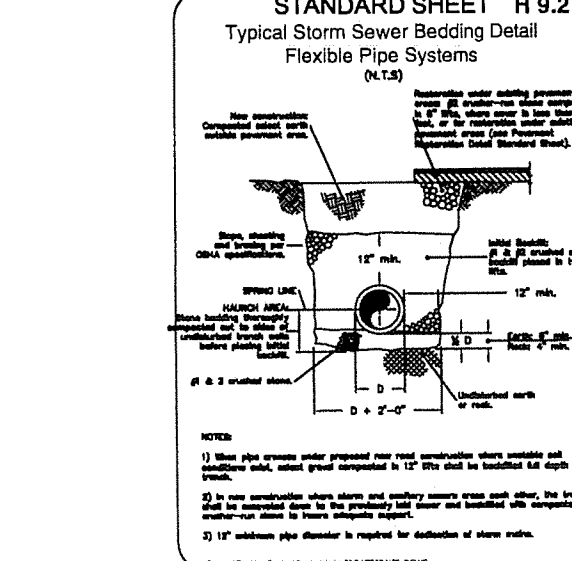
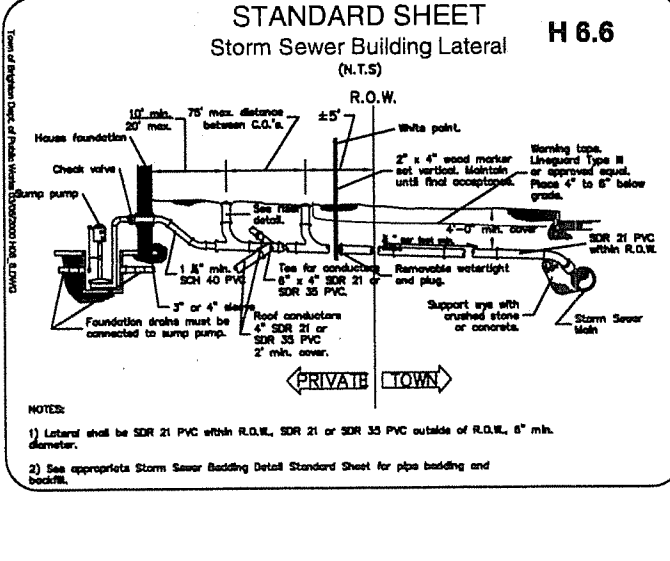
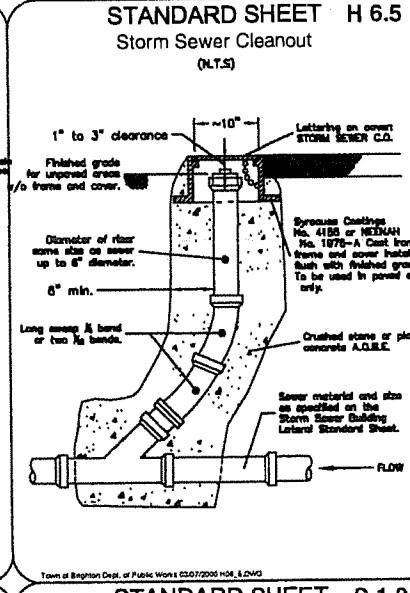
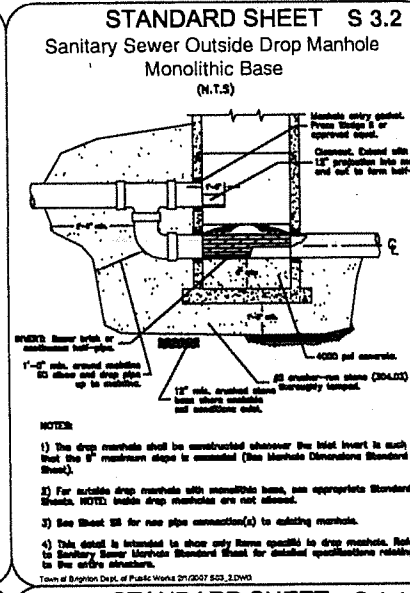
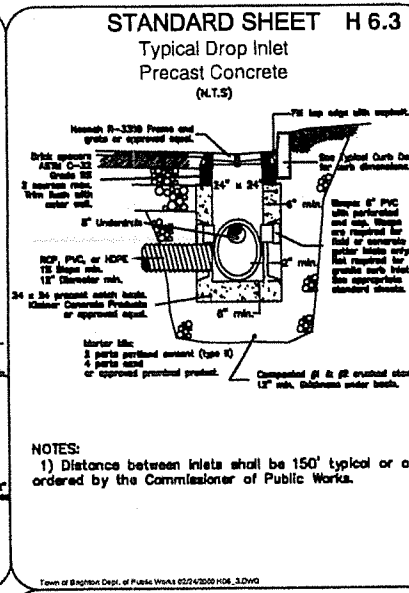
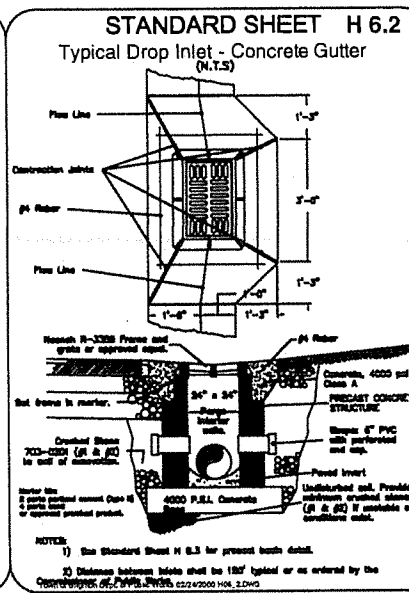
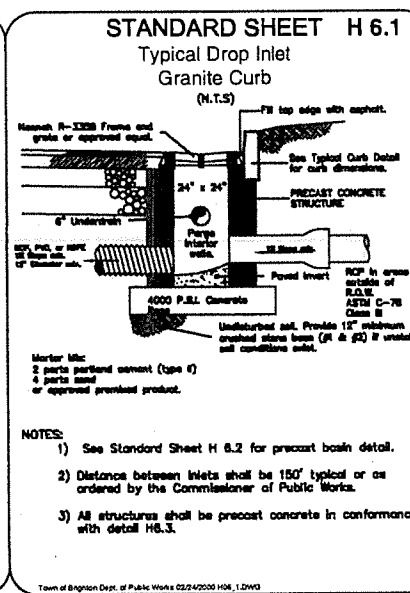
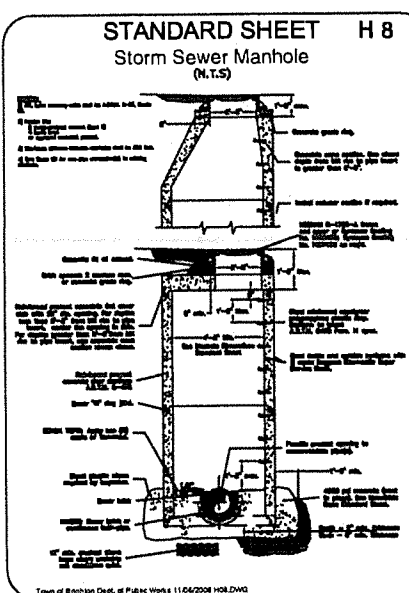
24 of 53
SHEET No: **C7.5**
0158-09
JOB No: DRAWING No:

APPROVED BY: _____
COMMISSIONER OF PUBLIC WORKS
DATE: _____

APPROVED BY: _____
TOWN ENGINEER
DATE: _____

SANITARY SEWER SCHEDULE					
STRUCTURE No.	CENTERLINE STATION/OFFSET	UTILITY STATION	TOP	INVERTS	SIZE
SA 11.2	PH6+70	W6+04	505.8	496.28 W 496.36 E	4' DIA
SA 11.3	PH7+85	W7+28	504.5	496.84 W 497.04 E	4' DIA
SA 11.4	PH9+45	W8+78	503.5	497.72	4' DIA
SA 14.0	WE4+63	22+88	509.60	497.08 W 497.18 E 497.38 S	4' DIA
SA 15.0	WE6+42	25+45	505.00	497.98 W 498.09 E 498.29 S	4' DIA
SA 16.0	WE9+69	28+45	507.60	498.46 W 498.76 S	5' DIA
SA 17.0	WE9+60	28+96	507.60	500.00 N 500.30 E	5' DIA
SA 19.0	WE10+59	30+23	508.60	500.70 W	4' DIA





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LANDSCAPE ARCHITECTURE & PLANNING

RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=120'
DRAWN: MPT
DESIGNED: RPB
DATED: 11/30/09

REVISIONS

DATE	BY	REVISION
11/19/10	MT	TOWN COMMENTS
05/31/11	MT	TOWN COMMENTS
11/16/11	MT	TOWN COMMENTS

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ROBERT P. BRINGLEY

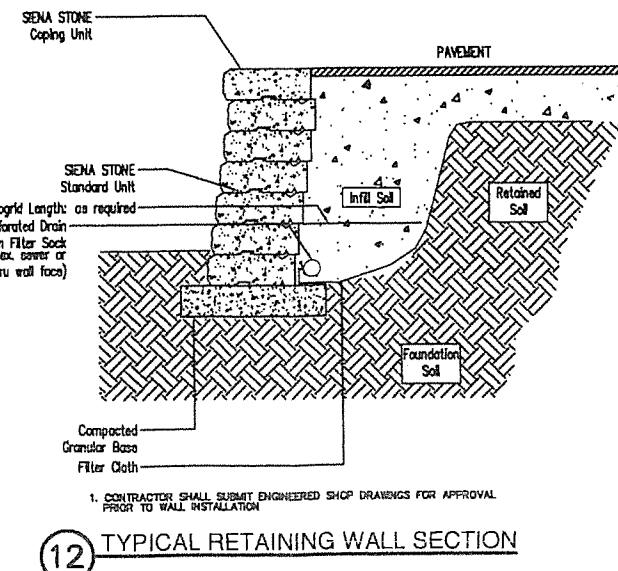
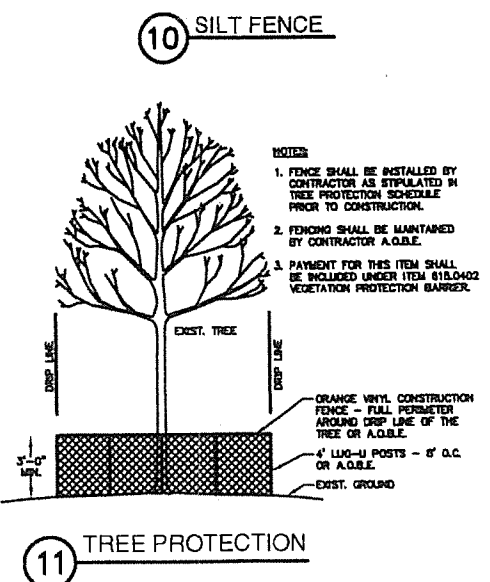
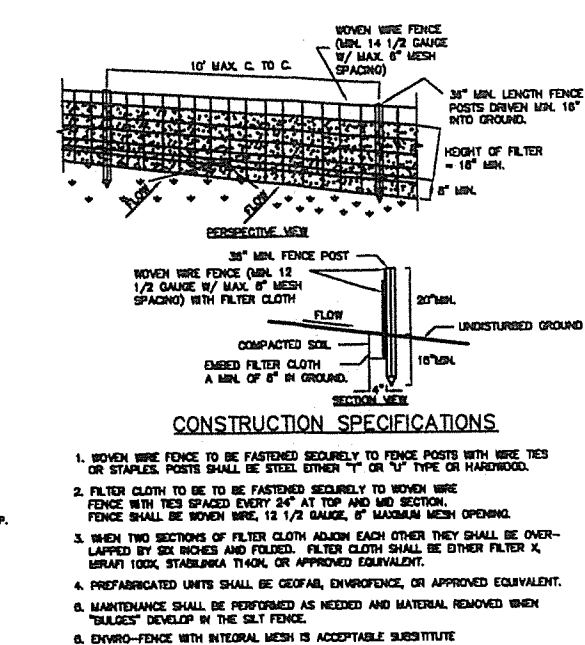
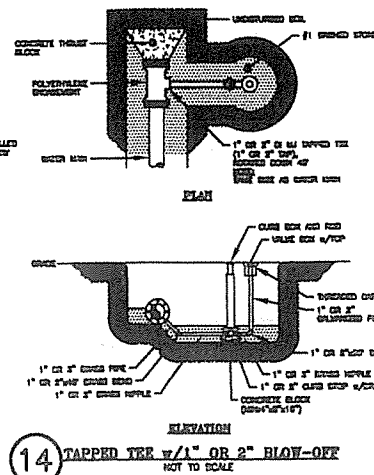
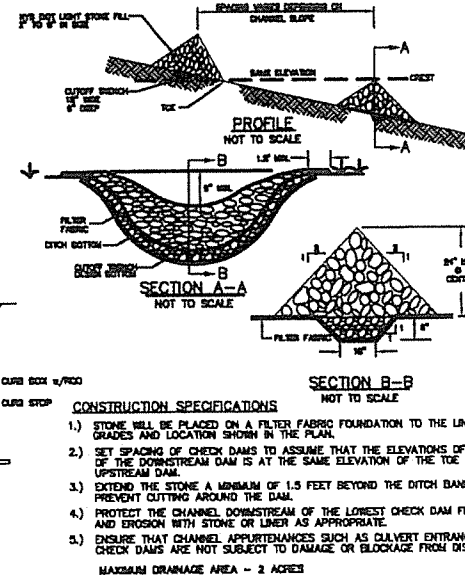
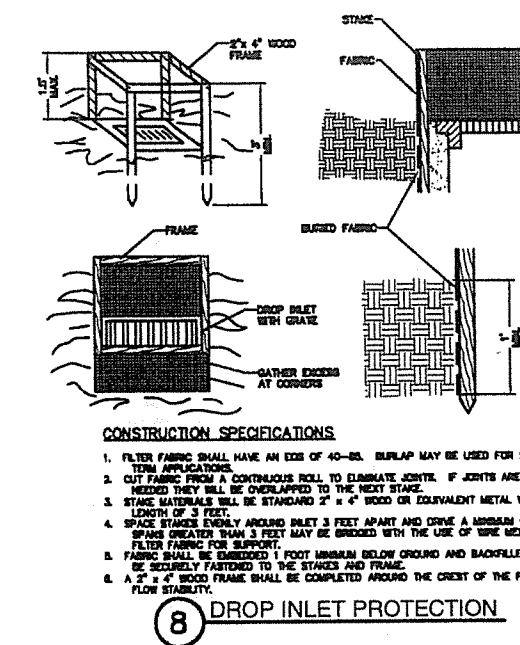
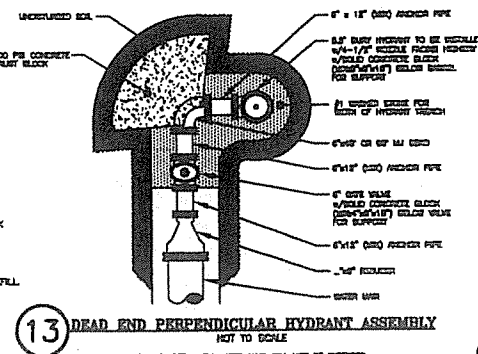
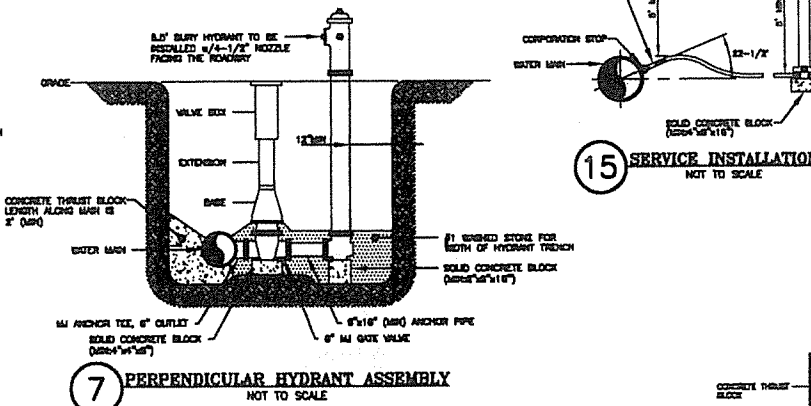
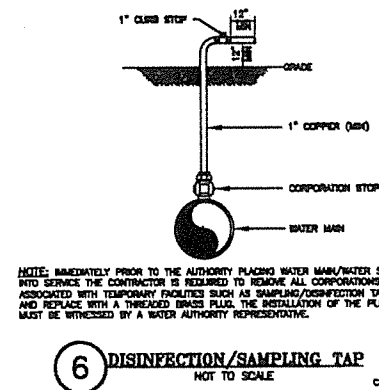
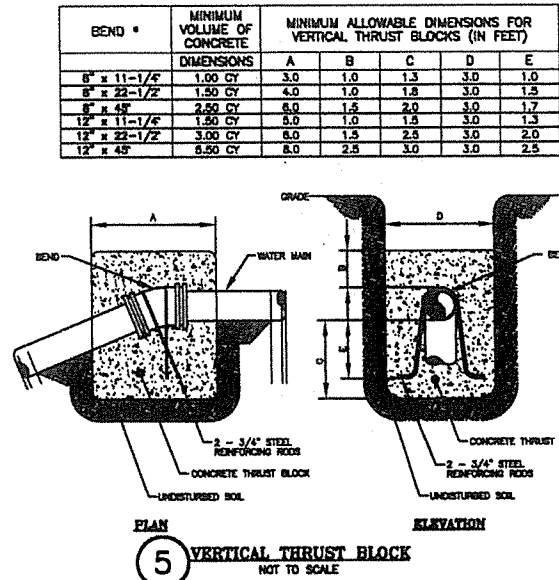
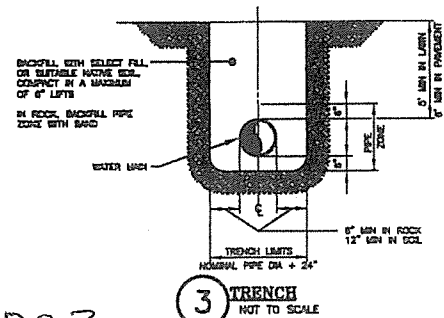
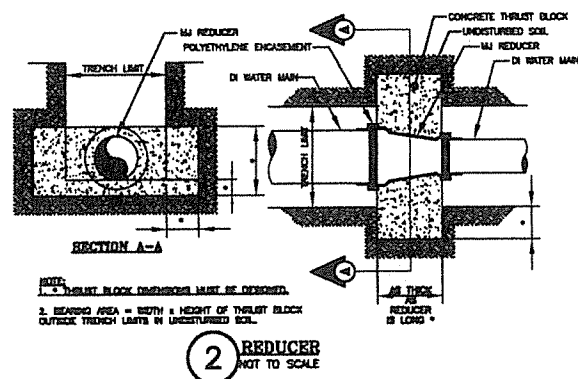
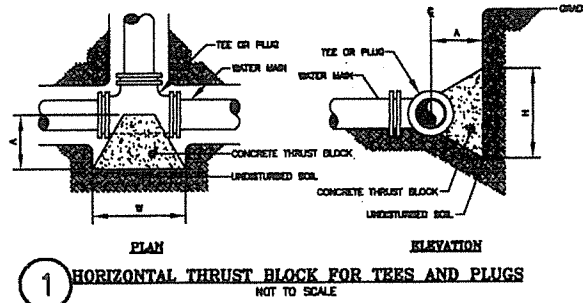
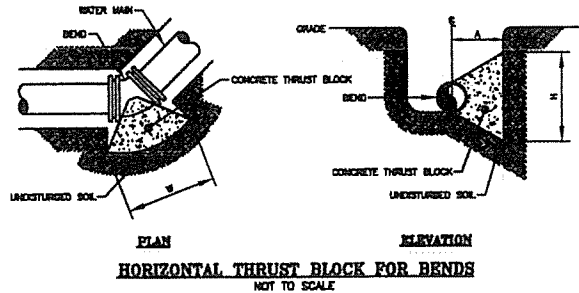
DRAWING TITLE:
CONSTRUCTION DETAILS

49 of 53
SHEET No: C13.1
0158-09
JOB No: DRAWING No:

MINIMUM HORIZONTAL THRUST BLOCK DIMENSIONS, IN FEET, TO BE POURED AGAINST UNDISTURBED SOIL			
FITTING *	H	W	A
8" x 11-1/4" BEND	1.0	1.0	1.5
8" x 22-1/2" BEND	1.0	1.5	1.5
8" x 45" BEND	1.5	2.0	1.5
8" x 90" BEND	2.0	2.5	1.5
8" TEE OR PLUG	1.5	2.5	1.0
12" x 11-1/4" BEND	1.0	1.5	1.5
12" x 22-1/2" BEND	1.5	2.0	1.5
12" x 45" BEND	2.0	3.0	1.5
12" x 90" BEND	2.5	4.0	1.5
12" TEE OR PLUG	2.0	3.5	1.5

NOTE: WIDTH (W) OF BLOCK SHALL NOT EXCEED TWICE THE HEIGHT (H).

* COMPLETE ONLY THOSE DIMENSIONS FOR EACH TYPE OF FITTINGS THAT WILL ACTUALLY BE INSTALLED.



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THE RESERVE
— ON THE ERIE CANAL —
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=120'
DRAWN: MPT
DESIGNED: RPB
DATED: 11/30/09

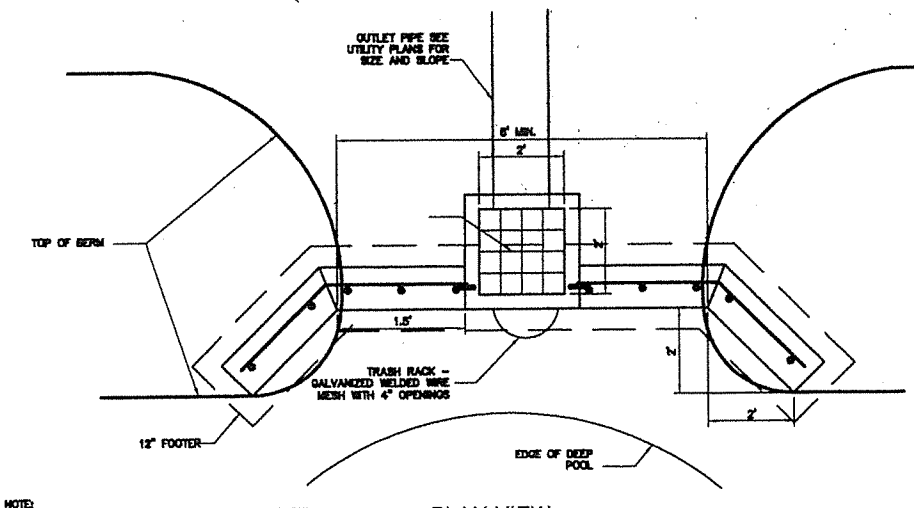
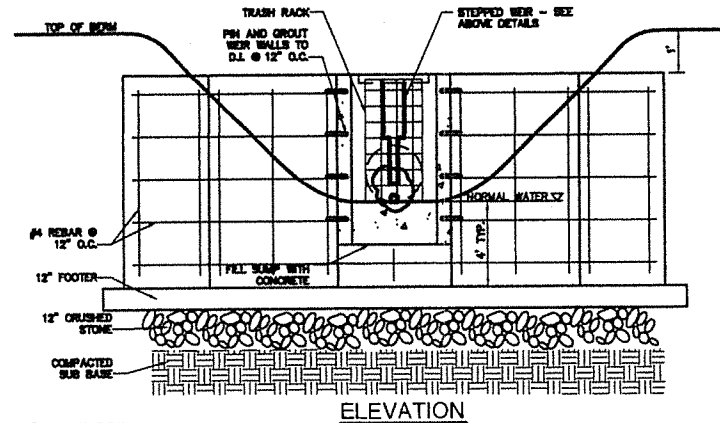
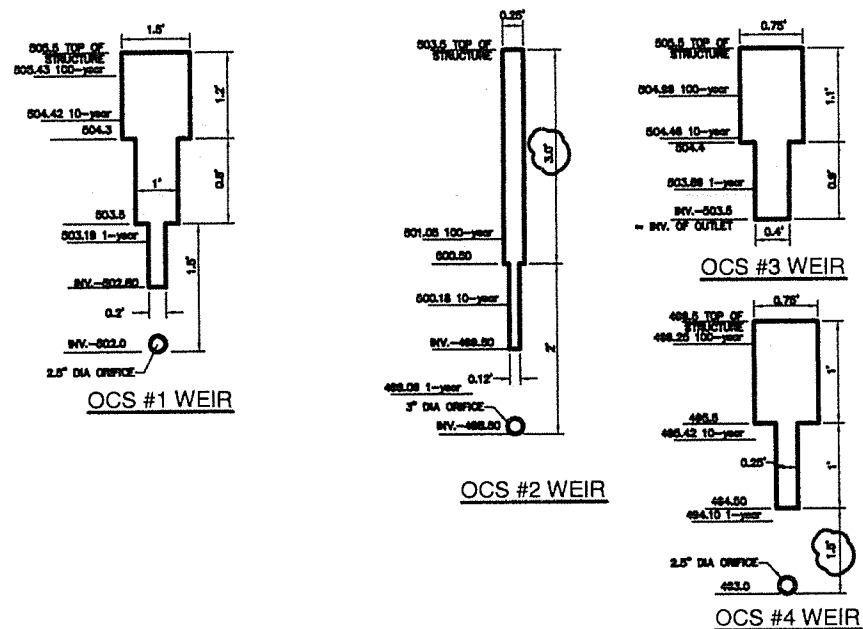
DATE	BY	REVISION
11/19/10	MT	TOWN COMMENTS
05/31/11	MT	TOWN COMMENTS
07/25/11	MT	MCWA COMMENTS/
11/05/11	MT	TOWN COMMENTS

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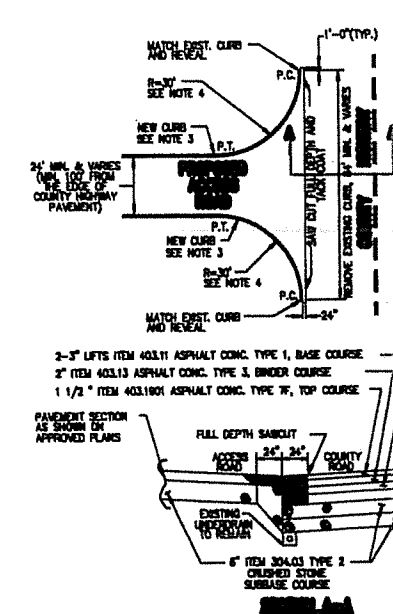
DRAWING TITLE:
CONSTRUCTION DETAILS

50 of 53
SHEET No: C13.2
0158-09
JOB No: DRAWING No:



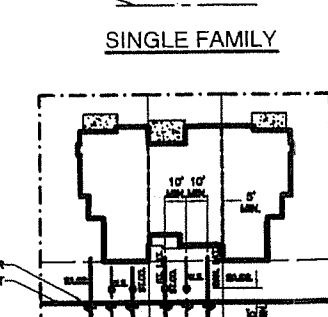
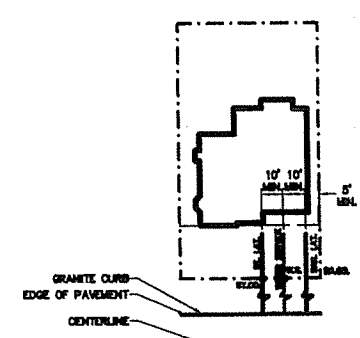
1 OUTLET CONTROL STRUCTURES

NOTE:
1. THE CONTRACTOR SHALL SUBMIT SHOP DRAWINGS FOR APPROVAL TO THE TOWN OF BRIGHTON DPW FOR ALL OUTLET CONTROL STRUCTURES PRIOR TO INSTALLING.
2. CONTRACTOR SHALL SUPPLY CONCRETE BLOCKING TO ENSURE THE ANTI-CLOGGING DEVICE (REVERSE PITCH PIPE) STAYS CLEAR OF BOTTOM OF SHAFT.



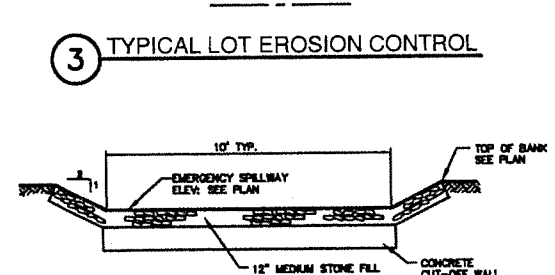
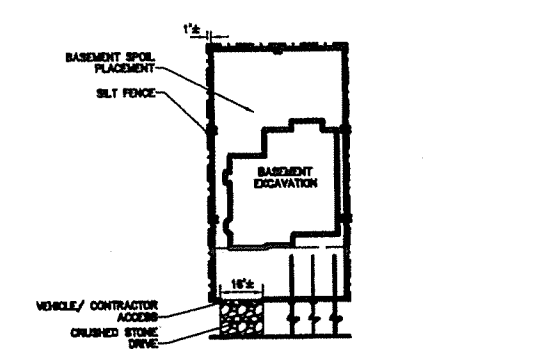
NOTES:
1. ALL ACCESS ROADS SHALL MEET THE COUNTY HIGHWAY AT A RIGHT ANGLE (90°) UNLESS OTHERWISE AUTHORIZED BY THE COUNTY SUPERINTENDENT OF HIGHWAYS OR DESIGNEE.
2. RIGHT-OF-WAY WIDTH VARIES.
3. NEW CURBS SHALL MATCH EXISTING CURB MATERIAL FROM P.C. TO P.T.
4. RADII MAY VARY DEPENDING ON PROPOSED VEHICLE USAGE FOR ACCESS ROAD.

ACCESS ROAD CONNECTION WITH CURB TO A COUNTY HIGHWAY WITH CURB

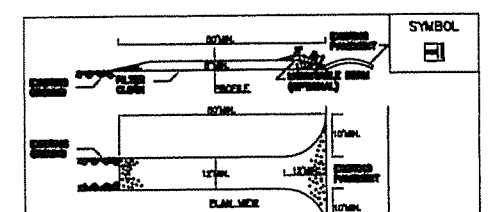


NOTE:
WHENEVER POSSIBLE SERVICES SHALL NOT BE PLACED UNDER DRIVEWAYS, CLEARDRIPS AND SERVICE BOX SHALL BE PLACED AT 5' BEHIND SIDEWALKS, 10' BEHIND CURBS OR ON PAVEMENT LINE, WHICHEVER IS FARTHEST FROM ROADWAY. TOWN'S ON-SITE REPRESENTATIVE SHALL MAKE FINAL DETERMINATION IN CASE OF UTILITY CONFLICT

2 TYPICAL SERVICE LAYOUT



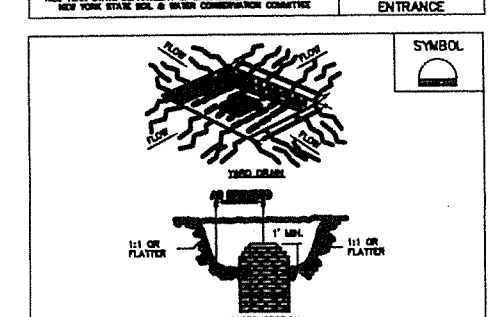
4 EMERGENCY SPILLWAY



CONSTRUCTION SPECIFICATIONS
1. STONE SIZE - USE 3" STONE, OR EQUIVALENT ON RECYCLED CONCRETE EQUIVALENT.
2. LENGTH - NOT LESS THAN 30 FEET (EXCEPT ON A SINGLE RESIDENCE LOT WHERE A 30 FOOT MINIMUM LENGTH WOULD APPLY).
3. THICKNESS - NOT LESS THAN 8" (8" INCHES).
4. WIDTH - TWELVE (12) FEET MINIMUM, BUT NOT LESS THAN THE FULL WIDTH AT POINTS WHERE TURNING OR CORNER OCCURS, TWENTY-FOUR (24) FEET IF SINGLE ENTRANCE TO SITE.
5. FILTER CLOTH - WILL BE PLACED OVER THE ENTIRE AREA PRIOR TO PLACING OF STONE.
6. SURFACE WATER - ALL SURFACE WATER FLOWING ON OR OVER THE STABILIZED CONSTRUCTION ENTRANCE SHALL BE PAVED ACROSS THE ENTRANCE, IF PAVING IS IMPRACTICAL, A MOUNTABLE BERM WITH 6:1 SLOPE WILL BE FORMED.
7. MAINTENANCE - THE ENTRANCE SHALL BE MAINTAINED IN A CONDITION WHICH WILL PREVENT TRACKING OF FLOODING OF SEDIMENT ONTO PUBLIC RIGHTS-OF-WAY, ALL SEDIMENT SHALL BE REMOVED OR TRACTED OFF TO PUBLIC RIGHTS-OF-WAY SHALL BE REMOVED IMMEDIATELY.
8. WHEN MAINTENANCE IS REQUIRED, IT SHALL BE DONE ON AN AREA STABILIZED WITH STONE AND WHICH DRAINS INTO AN APPROVED SEDIMENT TRAPPING DEVICE.
9. PERIODIC INSPECTION AND MAINTENANCE SHALL BE PROVIDED AFTER EACH RAIN.

U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
NEW YORK STATE SOIL & WATER CONSERVATION COMMITTEE

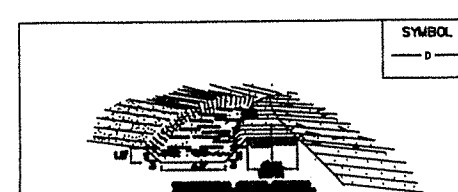
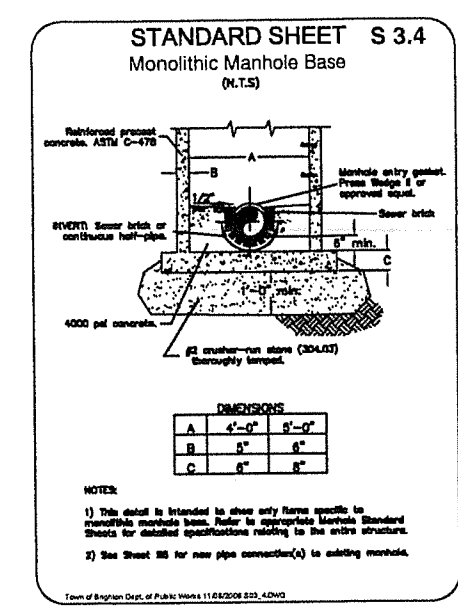
STABILIZED CONSTRUCTION ENTRANCE



CONSTRUCTION SPECIFICATIONS
1. THE CATCH BASIN SHALL BE DESIGNED TO BE 10' LONG, 4' WIDE AND 4' DEEP.
2. THE CATCH BASIN SHALL BE 10' LONG, 4' WIDE AND 4' DEEP.
3. THE CATCH BASIN SHALL BE 10' LONG, 4' WIDE AND 4' DEEP.
4. THE CATCH BASIN SHALL BE 10' LONG, 4' WIDE AND 4' DEEP.
5. THE CATCH BASIN SHALL BE 10' LONG, 4' WIDE AND 4' DEEP.
6. ALL CATCH BASINS SHALL BE 10' LONG, 4' WIDE AND 4' DEEP.

U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
NEW YORK STATE SOIL & WATER CONSERVATION COMMITTEE

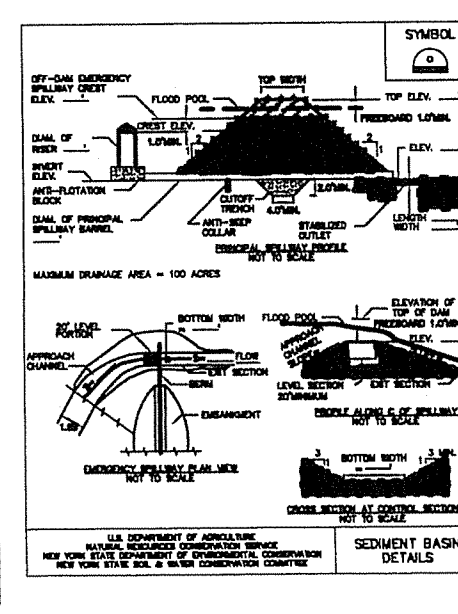
CATCH BASIN SEDIMENT TRAP 5'-11"



CONSTRUCTION SPECIFICATIONS
1. ALL TREES, BRUSH, STAMPS, OBSTRUCTIONS, AND OTHER OBSTRUCTIBLE MATERIAL SHALL BE REMOVED AND DEPOSED OF SO AS NOT TO INTERFERE WITH THE PROPER FUNCTIONING OF THE DIVERSION.
2. THE DIVERSION SHALL BE EXCAVATED OR SHAPED TO LINE, GRADE, AND CROSS SECTION AS REQUIRED TO MEET THE OVERALL DESIGNED HEAD, AND BE FREE OF BANK PROJECTIONS OR OTHER IRREGULARITIES WHICH WILL IMPAIR NORMAL FLOW.
3. FILL SHALL BE COMPACTED AS NEEDED TO PREVENT UNDESIRABLE SETTLEMENT THAT WOULD CAUSE DAMAGE IN THE COMPLETE DIVERSION.
4. ALL EARTH REMOVED AND NOT NEEDED IN CONSTRUCTION SHALL BE SPREAD OR DEPOSED OF SO THAT IT WILL NOT INTERFERE WITH THE FUNCTIONING OF THE DIVERSION.
5. STABILIZATION SHALL BE DONE ACCORDING TO THE APPROPRIATE STANDARD AND SPECIFICATIONS FOR VEGETATIVE PRACTICES.
A. FOR DESIGN VELOCITIES OF LESS THAN 3.5 FT. PER SEC., REEDS AND BULRUSHES MAY BE USED FOR THE ESTABLISHMENT OF THE VEGETATION.
IT IS RECOMMENDED THAT SUCH CONDITIONS FORM, TEMPORARY DIVERSIONS OR OTHER MEANS SHOULD BE USED TO PREVENT WATER FROM ENTERING THE DIVERSION DURING THE ESTABLISHMENT OF THE VEGETATION.
B. FOR DESIGN VELOCITIES OF MORE THAN 3.5 FT. PER SEC., THE DIVERSION SHALL BE STABILIZED WITH ROCK WITH SEDIMENT PROTECTED BY ALICE OR CLOVER MATTING OR WITH SEDIMENT AND BULRUSHES INCLUDING TEMPORARY DIVERSION OF THE WATER LEVEL, THE VEGETATION IS ESTABLISHED.

U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
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NEW YORK STATE SOIL & WATER CONSERVATION COMMITTEE

DIVERSION



CONSTRUCTION DETAILS
SEDIMENT BASIN DETAILS

U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
NEW YORK STATE SOIL & WATER CONSERVATION COMMITTEE

ANTHONY J. COSTELLO & SON DEVELOPMENT

MARATHON ENGINEERING
www.marathoneng.com

BAYER ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
18 W. Main Street, Room 200, New York, NY 10014
Tel: 212.691.1800

RESERVE
- ON THE EXISTING CANAL -
TOWN OF BRIGHTON MONROE COUNTY NEW YORK

JOB NO: 0158-09
SCALE: 1"=120'
DRAWN: MPT
DESIGNED: RPB
DATED: 11/30/09

REVISIONS

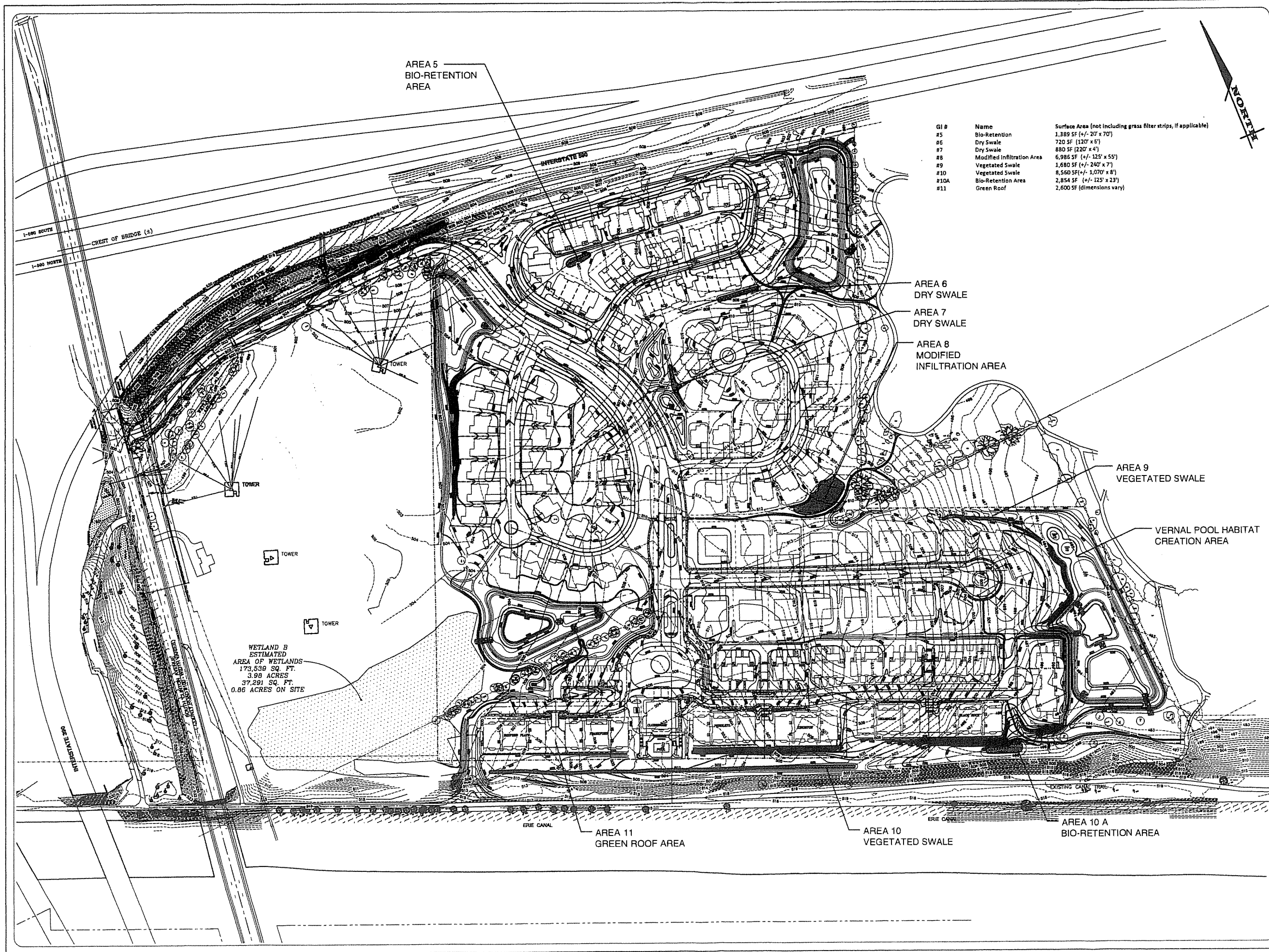
DATE	BY	REVISION
11/19/10	MT	TOWN COMMENTS
05/31/11	MT	TOWN COMMENTS UPDATE TO FINAL
07/25/11	MT	NCWA COMMENTS/MCOOH COMMENTS
08/03/11	MT	MCOOH COMMENTS
11/05/11	MT	TOWN COMMENTS
05/30/12	MT	OC STRUCTURES

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ROBERT P. BRINGLEY

DRAWING TITLE:
CONSTRUCTION DETAILS

51 of 53
SHEET NO: C13.3
0158-09
JOB NO: DRAWING NO:



JOB NO: 0158-09
SCALE: 1"=120'
DRAWN: MPT
DESIGNED: RPB
DATED: 01/19/10

REVISIONS		
DATE	BY	REVISION
11/19/10	MT	TOWN COMMENTS
05/31/11	MT	TOWN COMMENTS
11/6/11	MT	UPDATE TO FINAL
02/14/12	MT	TOWN COMMENTS
05/20/12	MT	FINAL COMMENTS

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ROBERT P. BRINGLEY

DRAWING TITLE:
**GREEN
INFRASTRUCTURE
PLAN**

52 of 53
SHEET No: **C14.0**
0158-09
JOB No: DRAWING No:

EXHIBIT E

Google

To see all the details that are visible on the screen, use the "Print" link next to the map.

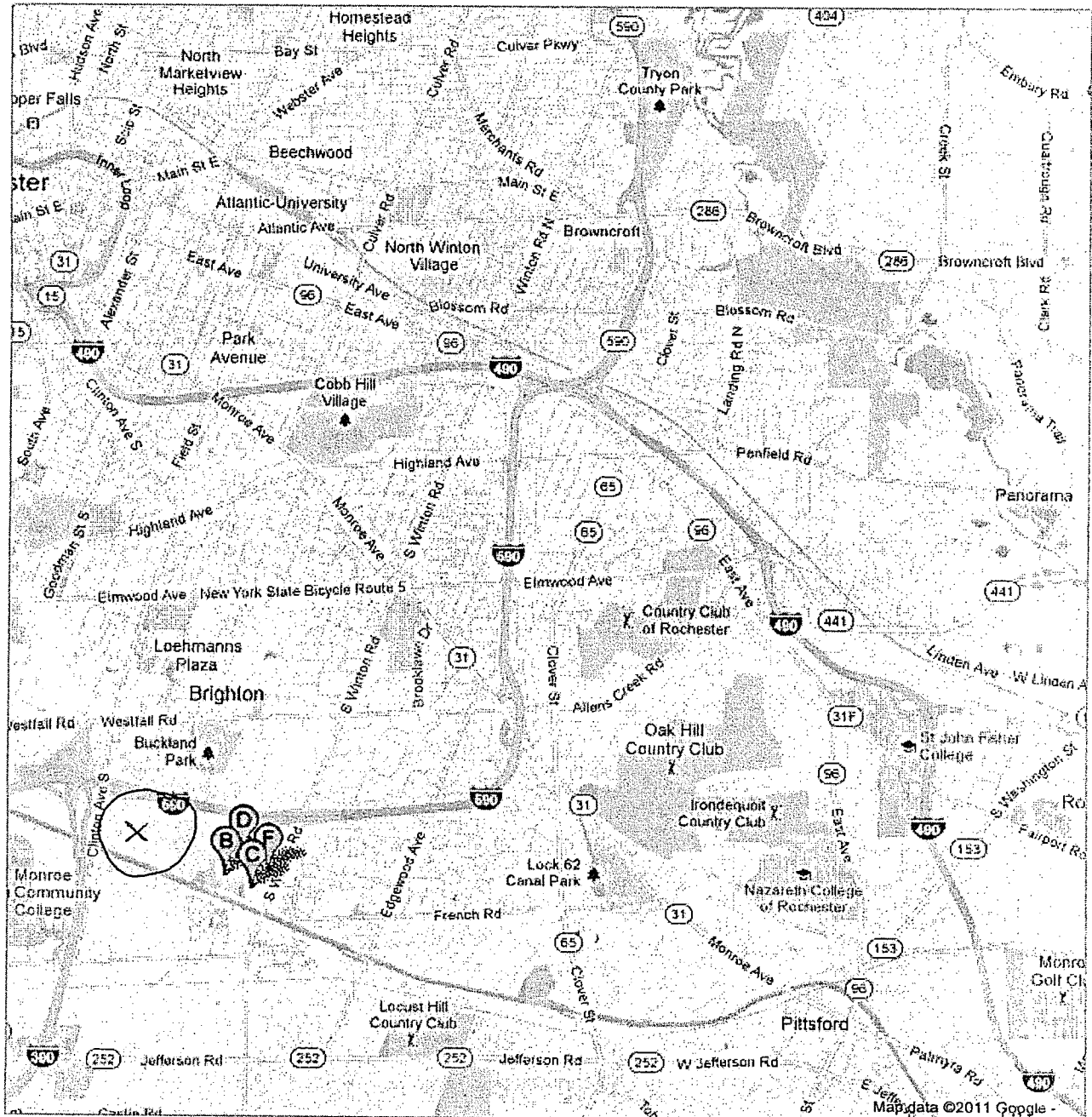


EXHIBIT F

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*** THIS SECTION IS CURRENT THROUGH CH. 45, 04/28/2003 ***
*** WITH THE EXCEPTION OF CHS. 1-3 ***

GENERAL BUSINESS LAW

ARTICLE 36-B. WARRANTIES ON SALES OF NEW HOMES

GO TO CODE ARCHIVE DIRECTORY FOR THIS JURISDICTION

NY CLS Gen Bus § 777 (2003)

§ 777. Definitions

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unliveable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter,

or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

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

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777-b. Exclusion or modification of warranties

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court

finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

EXHIBIT G

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

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

THIS DECLARATION made this _____ day of _____, 201_ by Anthony J. Costello & Son (Joseph) Development, LLC, a limited liability company organized and existing under the laws of the State of Nevada, having its principal offices at Suite 300, One Airport Way, Rochester, New York 14624 (the "Sponsor").

WITNESSETH

WHEREAS, the Sponsor is the owner of certain real property in the Town of Brighton, Monroe County, New York, more particularly described in "Schedule A" annexed hereto and made a part hereof; and

WHEREAS the Sponsor desires to develop said real property as a residential community known as Section I of The Reserve on the Erie Canal (the "Development"), containing a combination of detached single family dwellings and associated lots ("Single Family Dwelling Units"), and townhome condominium and loft condominium buildings and units therein ("Townhome Units" and "Loft Units", and collectively, "Condominium Building"), together with a clubhouse facility ("Clubhouse Building") including exterior pool and surrounding grounds, private roadways, landscaped and green areas, walkways, stormwater ponds and related facilities, as well as additional private roads, landscaped and green areas, walkways, and stormwater ponds and related facilities, and Development Signage, outside of the Clubhouse Building, all available for the benefit and use of said community; and

WHEREAS, the Sponsor desires to provide for the operation and maintenance of said Clubhouse Building and other areas and facilities, together with certain exterior portions of certain Single Family Dwelling Units, certain portions of the Condominium Common Elements exterior of the Loft Units and buildings, and certain portions of exterior Limited Common Elements associated with Townhome Units, so as to best preserve the value thereof and of all property subject to this Declaration, by the creation of an association which shall be empowered to administer, and to own and/or maintain such areas and facilities, and which shall also administer and enforce certain covenants and restrictions, and collect and disburse certain assessments to fund such activities, functions, and purposes, all as set forth herein; and

WHEREAS, the Sponsor has incorporated The Reserve Association Inc., pursuant to the Not-for-Profit Corporation Law of the State of New York, for such functions and purposes;

NOW, THEREFORE, the Sponsor declares that the real property described in **Schedule A** shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, for purposes of protecting the value and desirability of said real property and of all such Units to be constructed and sold therein, and which easements, restrictions, covenants, and conditions shall run with the real property and all such Units and shall be binding on all parties having any right, title, or interest in such real property or any portions thereof, together with their heirs, successors, and assigns forever, and which shall inure to the benefit of the Association and each Owner of any Unit.

ARTICLE ONE - DEFINITIONS

Section 1.01 Definitions

In addition to any further terms defined above, the following words, phrases, or terms shall have the following meanings when used in this Declaration, or in the Association's By-Laws, or in any amendments or supplements thereto:

"Affiliate" means any Person who is a Family Member, or who controls, is controlled by, or is under common control with, the named Person or a Family Member of the named Person. The terms "control," "controlled", or "controlling", shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or of more than fifty percent (50%) of the beneficial interests of any other entity.

"Amend," "amended" or "amendment" refer to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor, or any Successor Sponsor, or the Board, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator, or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction (including those pertaining to health, safety or the environment), now or hereafter in effect.

"Assessment" means the charges payable to the Board as corresponding to each Unit's equal share of Common Expenses.

"Association" means The Reserve Association Inc., the homeowners association of which all Unit Owners in the Development will be Members.

"Board of Directors" or "Board" means the governing body of the Association, which will consist of seven (7) persons to be elected by the Unit Owners after the Initial Control Period.

"By-Laws" means the rules of operation of the Association which govern the election of the Board of Directors and the powers delegated to the Board for the Association operation.

"Clubhouse Building and Property" means (i) the Clubhouse Building; and (ii) all areas within Lot C-1 of the Development which are exterior of the Clubhouse Building.

"Common Elements" or "Limited Common Elements" means such Elements as comprise a portion of the property subject to a specified Condominium within the Development.

"Covered Areas" shall mean and refer to all property and improvements within (i) the area as described in **Schedule A**, and (ii) within additional adjoining areas and property owned by the New York State Canal Corporation or the Town of Brighton, which are now or hereafter to be owned and/or operated, administered, maintained, repaired, replaced, preserved, altered, or improved by the Association for the benefit of the community comprised of all Unit Owners as residents of the Development and Members of the Association. The Covered Areas comprise the following:

- a. the Clubhouse Building and Property, which is in turn comprised of:
 - (i) all interior areas, facilities, fixtures, equipment, and furnishings within the Clubhouse Building.
 - (ii) all areas within Lot C-1 of the Development which are exterior of the Clubhouse Building, being comprised of (a) all exterior amenities located within the grounds immediately surrounding the Clubhouse Building, (b) the private roadways comprising the entirety of the private drive segment of Reserve View Boulevard and associated sidewalk, medians and islands, and a portion of Watermark Landing West and associated sidewalks, and all on-street parking spaces contained therein and (c) the emergency

vehicle access drive for the Development extending from the southerly terminus of Watermark Landing West to the southerly boundary line of the Development, and (d) landscaped areas, green areas and associated trails, and stormwater facilities and areas.

b. The entirety of the area within the Development designated as HOA-4, and that portion of the area within Section I of the Development designated as HOA-1, comprising additional landscaped areas, green areas and associated trails, and stormwater facilities and areas.

c. all Development signage and lighting thereof.

d. any irrigation systems, together with associated piping and components, as installed by the Sponsor in the initial construction or improvement of any areas throughout the Development.

e. Within Lot L1 of the Development, all Common Elements within Rexford Condominium which are exterior of such Condominium building, being comprised of (i) all exterior sidewalks, drives, lawn areas and landscaping (as limited to that originally installed by the Sponsor), and any fencing, walls, and gates, and (ii) the private roadway comprising a portion of Watermark Landing West and all on-street parking spaces contained therein.

f. Within Lot L2 of the Development, all Common Elements within Frankfort Condominium which are exterior of such Condominium building, being comprised of (i) all exterior sidewalks, drives, lawn areas and landscaping (as limited to that originally installed by the Sponsor), and any fencing, walls, and gates, and (ii) the private roadway comprising a portion of Watermark Landing West and all on-street parking spaces contained therein.

g. That portion of the Common Elements and Limited Common Elements associated with Glenville Condominium One which are exterior of the Townhome Buildings and are comprised of (i) all Unit Limited Common Elements comprised of exterior yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing thereof, and (ii) the private roadway comprising the segment of Bretlyn Circle within Glenville Condominium One.

h. That portion of the Common Elements and Limited Common Elements associated with the Watermark Brownstones One which are exterior of the Townhome Buildings, and are comprised of (i) all Unit Limited Common Elements comprised of exterior yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing, and (ii) the private roadway comprising the segment of Watermark Landing East within Watermark Brownstones One and all on-street parking spaces contained therein.

i. within the Ft. Plain Single Family Dwelling Units, all areas within each Unit exterior of the dwelling and comprised of yard/lawn areas and landscaping (as limited to landscaping installed during initial construction of the Unit and within the Sponsor's standard landscaping package for the Unit), and driveways to the extent of snowplowing.

j. to the extent not owned or maintained by the Town of Brighton or any utility company or provider, all water, storm sewer, and sanitary laterals as extend to outer surface of the foundation walls of each Townhome Unit or building, and as extend to the outer surface of the foundation walls of each Loft Condominium building, and to the outer surface of the foundation wall of the Clubhouse Building.

k. the emergency vehicle access drive for the Development as extends southerly from the southerly boundary of Lot C-1 within the Development, to the Erie Canal railway, and then proceeding westerly along the railway under South Clinton Avenue, and then further along an extension of said railway heading northerly and easterly to intersection with the bounds of South Clinton Avenue (County Road # 100), together with a new canal access public parking area to be installed by the Sponsor along the easterly side of said railway between Interstate Route 390 and South Clinton Avenue, including the obligation for repair, maintenance, and snowplowing thereof (but not ice removal or ice control), together with all access rights over all such areas exterior of the Development which the Sponsor and Association will hold for such emergency vehicle access, ingress, and egress.

l. any landscaping buffer and plantings to be newly installed by the Sponsor in the area within the Town's adjoining property to the east comprising Meridian Centre Park.

m. all lawn and landscaped areas within the right of way of the portion of Reserve View Boulevard to be dedicated to the Town of Brighton, or within the rights of way of St. Johnsville Trail or Pendleton Hill to be dedicated to the Town of Brighton, but specifically excluding any sidewalks or any other areas or improvements within said rights of way.

n. the boat dock along the northerly side of the Erie Canal, as located in the southeastern corner of the bounds of the Brighton Reserve Park District, together with the canal boat put-in on the northerly side of the Erie Canal in the southwestern corner of the Brighton Reserve Park District.

o. all existing seating areas and trails as are improved or upgraded by the Sponsor, and all seating areas and trails as are newly installed by the Sponsor, within the Town property comprising Meridian Centre Park, or within the aforesaid New York State Canal Corporation property, including that segment of the Erie Canal railway to be improved by the Sponsor and to form a portion of the emergency vehicle access drive referenced in subsection k. above.

"Closing" "Closing of Title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and a Purchaser under a Purchase Agreement, including the payment to Sponsor of the purchase price and the delivery to such Purchaser of the deed transferring fee simple title to the Unit on the terms set forth in the Agreement.

"Common Expenses" means the costs and expenses incurred or projected in connection with the administration, operation, repair, maintenance, replacement, preservation, and restoration of, and any alteration, addition, or improvement to, the Covered Areas.

"Declaration" shall mean and refer to this document of protective covenants, conditions, restrictions, easements, charges, and liens, as it from time to time may be supplemented, extended, or amended, in the manner provided for herein.

"Development" means the Sponsor's residential subdivision development in the Town of Brighton, County of Monroe, State of New York, known as The Reserve on the Erie Canal.

"First Closing" means the date fee title to a Unit within the Development is first conveyed to a Purchaser.

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"Holder" or "Mortgagee" shall mean and refer to the holder of any mortgage conveyed by an Owner on a Unit.

"Initial Control Period" means the period commencing at the First Closing and ending on the earlier of (i) the date that the Sponsor Closes on the sale of all Units within the Development, or (ii) the fifteenth (15th) anniversary of the First Closing.

"Loft Condominium" means the Rexford or the Frankfort Condominium.

"Offering Plan" or "Plan" means the documents prepared by Sponsor setting forth all of the information regarding the Sponsor's offer to sell the Units to the public, as amended from time to time.

"Owner" or "Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple ownership interest in any Unit, each of which Owners shall automatically be deemed a "Member" of the Association.

"Permittees" shall mean and refer to an Owner's family members, guests, invitees and any authorized tenants.

"Person" means any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, limited liability company, organization, government or any department or agency thereof, or any other entity.

"Property" or "Land" shall mean and refer to the real property described in **Schedule A** to this Declaration, and any future additions thereto.

"Purchase Agreement" means a contract signed by Sponsor and a Purchaser for the purchase and sale of a Unit.

"Purchaser" means a Person or Persons buying a Unit under a fully executed Agreement.

"Sponsor" shall mean and refer to Anthony J. Costello & Son (Joseph) Development, LLC, its successors and assigns.

"Special Assessments" means charges in addition to regular budgeted Assessments allocated and assessed against one or more of the Units by the Board, and payable by the Unit Owners in accordance with the Declaration and By-Laws on such terms as are specified by the Board, whether equal or on such other basis as such Board shall reasonably determine.

"Townhome Condominium" means Glenville Condominium One and Watermark Brownstones One.

"Unit" shall mean and refer to any parcel within the Development comprising a Single Family Dwelling Unit, Townhome Unit, or a Loft Unit, identifiable as a separate parcel according to the Town of Brighton tax records, or shown as a separate lot upon any filed subdivision map.

"Unsold Unit" means Unit or Units owned at the time in question by Sponsor or any successor Sponsor. Any Unsold Unit shall retain its status and character as an Unsold Unit until: (i) it is no longer owned by Sponsor or any successor thereto; or (ii) it is occupied by a Unit Owner or Family Member of a Unit Owner; or (iii) it is conveyed to a bona fide Purchaser for occupancy by the Purchaser or by a Family Member of the Purchaser. Further, a Unit that is conveyed to Sponsor by a Purchaser who has elected to rescind the purchase of the Unit shall thereupon once again become an Unsold Unit.

ARTICLE TWO - PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01 Initial Property

The Property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the Town of Brighton, County of Monroe, and State of New York, and is more particularly described in **Schedule A** attached hereto and incorporated by reference herein, and comprises Section I of the Development (also referred to as the "Initial Property").

Section 2.02 Additional Property

In addition to the Initial Property, the Sponsor, its successors and assigns, shall have the unilateral right, but no duty or obligation, to at any time or times bring within the coverage of this Declaration any additional property comprising any future Sections of the Development, by recording a supplement or amendment to this Declaration with respect to such additional property and extending the coverage of this Declaration to such additional property, and which supplement or amendment may contain additions to and/or modifications of this Declaration as necessary to reflect the different character, if any, of such additional property.

ARTICLE THREE – USE OF COVERED AREAS

Section 3.01 Sponsor's, Association's and Unit Owners' Rights to Certain Covered Areas.

The Sponsor, the Association, and every Unit Owner and its Permittees, is hereby conveyed a nonexclusive easement for the right of access, ingress and egress to, and for the use and enjoyment of, all of the Covered Areas comprised of: (a) the Clubhouse Building and Property, including all interior facilities, fixtures, equipment, and furnishings within and comprising the Clubhouse Building; (b) all private roadways and adjoining sidewalks within the Property, and (c) all other green areas, landscaped areas, trailways and walkways within the Property which do not comprise either (i) limited common elements associated with any Townhome Unit, or (ii) the exterior yard and lot within any Single Family Dwelling Unit, which easement rights shall be appurtenant to and shall pass with title to every Unit. With respect to any portion of the Covered Area as comprises a private roadway, all Members of the Association and their Permittees shall also have an easement for parking in designated on-street parking spaces along said roadways as provided for in the plans for the Development as approved by the Town of Brighton, subject to and as limited by the provisions with respect thereto set forth in **Schedule A-1** hereto. However, the Association shall have:

1. The right to suspend the right of an Owner and its Permittees to use of any Covered Areas described above, with the exception of any private roadways and sidewalks providing access, ingress, and egress to and from said Unit, during any period in which an Assessment against such Owner's Unit is unpaid and remains unpaid after sixty (60) days notice thereof from

the Association to such Owner, and for a period not to exceed sixty (60) calendar days for any material infraction of its Rules and Regulations appearing as **Schedule A-1** hereto.

2. The right, pursuant to its By-Laws, to adopt further reasonable rules and regulations governing the use of any Covered Areas by Owners and their Permittees, and governing the personal conduct of Owners and their Permittees in such use.

ARTICLE FOUR - EASEMENTS

Section 4.01 Easements for Utilities

Until the Sponsor has conveyed title to all Units, the Sponsor reserves the right to grant easements, both temporary and permanent, with or without consideration, to the Town of Brighton, and to any and all other Governmental Authorities, and to any and all public and private utility companies, upon, over, across, and under any part of the Property, for the construction, installation, operation, repair, maintenance, and replacement of any utility mains, lines, cables, conduits, wires, channels, culverts, components or other facilities or improvements of any type or nature whatsoever, including, but not limited to, sanitary sewer, storm sewer, gas, electric, telephone, water, cable, and any other communication facilities and systems, and for access, ingress, and egress over and across the Property for all such purposes. Every Unit Owner shall have an easement in common with other Unit Owners to maintain and use all pipes, wires, conduits, drainage areas and public utility lines located within other Units or on Covered Areas and servicing such Owner's Unit. Each Unit shall be subject to an easement in favor of the Owners of other Units to maintain and use the pipes, wires, conduits, drainage areas and public utility lines servicing the other Units and located within the Unit.

The Sponsor further reserves the right, but not any duty, to install any facilities within any exterior portion of the Property, including but not limited to the exterior portion of any Single Family Dwelling Unit, or the exterior limited common elements associated with a Townhome Unit, even following and notwithstanding the Closing of any such Unit, so as to remedy, mitigate, or otherwise address, change, modify, alter or improve surface water drainage conditions, or to complete any surface water drainage pattern or flow which could not be completed previously due to the fact, without limitation thereto, other Units or areas in the Property or elsewhere were not graded or otherwise completed.

Section 4.02 Easements for Maintenance and Access

The Association and its Board of Directors, together with any Managing Agent, and their respective employees, agents, and contractors, shall have an easement for access to and ingress and egress within, upon, over, and across any Covered Area as necessary for the Association to exercise and perform its rights and/or duties as to operation, administration, maintenance, repair, replacement, preservation, addition to, or alteration of such Covered Area, or any other Covered Area.

All Members of the Association and their Permittees, the Town of Brighton, and any utility company or service provider furnishing utility services to any Unit or Units within any portion of the Development, and their respective employees, agents, and contractors, shall have an easement for access, ingress, and egress upon, over and across (i) all portions of the Covered Areas comprising a private roadway or driveway for vehicular ingress, and egress, and (ii) all portions of the Covered Areas comprising exterior pedestrian sidewalks or walkways, for pedestrian ingress and egress.

Section 4.03 Easements for Encroachments

If any improvements within or comprising any Unit encroach upon any other Unit, or upon any portion of the Covered Areas, as a result of the initial construction of any building or as a result of settling or shifting of any building, or as a result of alterations or refurbishing of the Covered Areas, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the building or buildings stand. In the event any Unit or any adjoining Covered Areas shall be partially or totally destroyed as a result of fire or other casualty, or as a result of a taking by eminent domain, and then rebuilt, encroachments of parts of the Covered Areas upon any Unit, or of any Unit upon any portion of the Covered Areas, due to such rebuilding, shall be permitted, and valid easements for such encroachments and maintenance thereof shall exist so long as the building or buildings shall stand.

Section 4.04 Additional Easements

The Association shall have the right to grant further permits, licenses and easements to other parties over Covered Areas not located within any Unit for other purposes reasonably necessary or useful for the proper maintenance or operation of any Covered Area.

Section 4.05 Easements in Favor of the Sponsor

The Sponsor, and any entities or Persons it may select, including its officers, directors, employees, agents, contractors, subcontractors, and materialmen shall have the right of access, ingress, and egress over, upon and across the entirety of the Property (together with any additions thereto), including all Units and Covered Areas (excepting only any Units which have Closed, and any limited common elements associated with any Townhome Unit which has Closed) , and to make such other use thereof as may be reasonably necessary, incident to construction, development, and marketing and sale of the Development and all Units therein, operation of the Association, and maintenance of the Covered Areas, and to perform any operations as in the sole opinion of the Sponsor may be reasonably required, convenient, or incidental to the construction, development and marketing and sale of the Development and all Units. Without limitation thereto, the Sponsor may construct and operate a sales center/office or offices, with additional parking area(s) (to be removed and the area restored when construction and use of the sales center/office or offices is complete) within any portions of Covered Areas outside of any Units which have been sold (and outside of any limited common elements associated with any Townhome Unit which has Closed), including, but not limited to, office space within the Clubhouse Building, and/or within all paved areas, and to have prospective purchasers and others visit any such sales center/office or offices.

Section 4.06 Miscellaneous

The Sponsor reserves the right to dedicate to the Town of Brighton or other Governmental Authority as appropriate all easements as referenced above, and all public roadways within the Property. The Development shall be designated and known as "The Reserve" or "The Reserve on Erie Canal" or similar words as determined by Sponsor. Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to such name or names. For so long as Declarant owns any Unsold Units in the Development, only Declarant shall have the right to change such name or names.

ARTICLE FIVE - ASSOCIATION MEMBERSHIP, VOTING RIGHTS, AND DIRECTORS

Section 5.01 Formation

Pursuant to the Not-For-Profit Corporation Law of the State of New York, the Sponsor has formed the Association to own and/or administer, operate, maintain, repair, replace, preserve, alter and/or improve the Covered Areas, and to enforce the protective covenants, conditions, or restrictions set forth in this Declaration, and in the Certificate of Incorporation and By-Laws of the Association, as they may be amended from time to time. Subject to any limitations provided

in this Declaration, the Certificate of Incorporation and the By-Laws, the Association shall have all the powers and be subject to the limitations of a Not-for-Profit Corporation as contained in the Not-for-Profit Corporation Law of New York, as amended from time to time.

Section 5.02 Membership

Every Owner of a Unit, including the Sponsor, will automatically become a Member of the Association upon becoming an Owner; there will be no other Members, and no other qualifications for Membership. Membership in the Association is strictly appurtenant to, and may not be separated from Ownership of any Unit.

Section 5.03 Voting

There shall be two (2) classes of Membership in the Association. All Unit Owners, with the exception of the Sponsor, shall be Class A Members, with the Sponsor to be a Class B Member. Until the Closing of all Units then subject to the lien of this Declaration and owned by Sponsor, whether included as Initial Property, or included as additional property pursuant to Section 2.02, or until fifteen (15) years following the recording of the Declaration, whichever shall first occur, ~~the Class B Member shall be the only Class of Membership entitled to vote.~~ Thereafter, and with such period referred to as the "Initial Control Period", the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) vote for each Unit Owned.

If two or more Persons Own a Unit, they shall designate in writing to the Board one Person among them to cast the vote herein prescribed for such Unit, and the vote of such designee shall be binding on all such persons. Failing such designation, all of such Persons or entities shall mutually vote such Unit under one ballot without division, and the concurrence of all such Persons will be conclusively presumed if any one of them purports to cast such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote will be counted solely for the purpose of determining whether a quorum is present for such voting.

Section 5.04 Assigning Right to Vote.

The Sponsor may assign its Membership in the Association to any Person, and such assignee, and any future assignee of such Membership, may take successive like assignments. All such assignments will be subject to the provisions of the Offering Plan pursuant to which the Sponsor has offered Membership interests in the Association, including any duly filed amendments thereof.

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

Section 5.05 Election of Directors

The nomination and election of the Board of Directors, and the filling of vacancies on the Board of Directors, shall otherwise be governed by the By-Laws.

Section 5.06 Powers and Duties of the Board of Directors

The powers and duties of the Board of Directors shall be as set forth in the By-Laws.

Section 5.07 Indemnification of Officers and Directors

To the extent permitted by applicable law, no member of the Board of Directors shall have any personal liability with respect to any contract, act or omission of the Board or of any Managing Agent in connection with the affairs or operation of the Association. Every contract made by the Board or by any Managing Agent, shall be deemed to state that it is made by such Board or Managing Agent only as agent for the Association, and that such Board members or Managing Agent shall have no personal liability thereon. Board members shall have no liability to Unit Owners, except that a Board member shall be liable for such Board member's own bad faith or willful misconduct.

Neither the Board nor any member thereof acting as such shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board, or (ii) any injury, loss or damage to any individual or property, occurring in, on or upon either a Unit or the Covered Areas, except to any extent caused by the acts of bad faith or willful misconduct of such Board or such member thereof acting as such, as the case may be.

The Association hereby indemnifies and holds harmless each member of the Board and each officer of the Board from, against and in respect of all Claims whatsoever arising out of or in connection with his acts or omissions as, or by reason of, the fact that such individual is or was, a member or officer of the Board, except, however, to the extent that such is due to, or arises out of or in connection with the bad faith or willful misconduct of such member or officer.

The Board shall have the authority to obtain fidelity insurance or bonds, in amounts deemed appropriate by it, for all of its members, officers and employees, and for the Managing

Agent, if any, employed by it; and the premiums on such insurance and bonds shall constitute Common Expenses.

ARTICLE SIX - ASSESSMENTS

Section 6.01 Creation of a Lien and Personal Obligation to Pay Assessments

Each Unit Owner, excluding the Sponsor, by accepting a deed therefore, whether or not such deed or any other instrument pursuant to which title is obtained so expressly provides, shall be deemed to covenant and agree to pay to the Association (i) monthly Assessments for the Association's operation, administration, maintenance, repair, replacement, preservation and improvement of the Covered Areas, and for the promotion of the safety, welfare, and goals of the Association and its Members, as set forth in the Budget for the Association, whether as set forth in **Schedule A** to the filed Offering Plan for the Association, or as subsequently adopted by the Association ("Budget"), together with (ii) any Special Assessments imposed by the Association under this Declaration and in the By-Laws.

In spite of any other provision to the contrary in the Declaration, the Sponsor will be obligated to pay only the difference ("Deficiency Contribution") between (i) the aggregate amount of all Assessments on all Closed Units, and (ii) the Association's actual Common Expenses, but excluding all reserves except for reserves with respect to Unsold Units with respect to which a certificate of occupancy has issued, and will not pay or be liable for any Assessments on Unsold Units. This Section may not be amended without the Sponsor's prior written consent.

Section 6.02 Commencement and Notice of Assessment

Assessments shall commence on the day of Closing. The first Assessment payable following Closing will be adjusted according to the number of days remaining in the month of Closing. Thereafter, the Board of Directors shall fix the amount of Assessments against each Unit on an annual basis, due and payable in equal monthly installments. Assessments will be fixed at and comprise an equal amount for each Unit in the Development, provided that each Unit Owner will be assessed and pay in addition all applicable Neighborhood Surcharges as set forth below, in the Offering Plan, and in the Association's initial budget. Written notice of any change in the Assessments will be sent to every Owner subject thereto not less than thirty (30) days prior to the effective date of such change. Due date(s) for payment of Assessments shall be the first day of each month. The Association shall, upon request of a Unit buyer or seller or their attorney, furnish a certificate signed by an officer of the Association, or the Managing Agent, setting forth whether the Assessments on a specified Unit have been paid.

Section 6.03 Special Assessments

In addition to the aforesaid regular Assessments, the Association may levy a Special Assessment for any purpose deemed reasonably necessary by the Board of Directors relating to defraying costs not encompassed within the Association's budget and regular Assessments based thereon and otherwise creating a budget deficit for the fiscal year. Any such Special Assessment shall be (i) on all Units, or (ii) on a certain segment of Units, less than all, if the Special Assessments pertain to Covered Areas which are operated, maintained, repaired, or replaced via Neighborhood Surcharges payable by such segment of Units pursuant to the Offering Plan and the Association's budget accordingly. For any Special Assessment resulting in an increase of the then current amount of the regular monthly Assessment in excess of twenty percent (20%), the consent of two-thirds (2/3) of the total votes of all Unit Owners affected shall be required. A meeting of Association Members (or, if less than all Association Members will be subject to a proposed Special Assessment affecting Covered Areas subject to a Neighborhood Surcharge, a meeting of all Unit Owners who will be subject to any such Special Assessment) will be called on written notice at least thirty (30) days, but no more than sixty (60) days, in advance for the purpose of voting on such Special Assessments.

Section 6.04 Nonpayment of Assessment; Lien on Unit

If an Assessment is not paid on the due date, then such Assessment payment will be deemed delinquent. Any delinquent Assessment payment, together with interest thereon, late charges, and the costs of collection, including reasonable attorney's fees and disbursements, will thereupon become a continuing lien on the Unit assessed, and shall bind such Unit in the hands of the Owner and such Owner's heirs, successors and assigns, in addition to being the personal obligation of the Owner of the Unit at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title, unless expressly assumed by them.

If any Assessment is not paid within ten (10) days after the due date, the Association may impose a late charge equal to five percent (5%) of the amount of such overdue Assessment, provided such late charges are equitably and uniformly applied.

Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time thereafter and uniformly applied, with such rate not to exceed the maximum rate of interest then permitted by law.

The Association may at its option bring an action at law against an Owner who is personally obligated to pay a delinquent Assessment, or foreclose the lien of the Assessment against the Unit, and recover interest, costs and reasonable attorneys fees incurred in connection with any such action. Each Unit Owner, by its acceptance of the deed to a Unit, hereby expressly grants the Association the right and power to bring all actions against such Owner personally for

the collection of each unpaid Assessment as a personal debt of such Owner, and to enforce the aforesaid lien on the Unit by all methods legally available, including foreclosure by an action brought in the name of the Association in a like manner as foreclosure of a mortgage lien on real property, and each such Owner hereby expressly grants the Association a power of sale in connection with said lien. The lien provided for in this section shall be in the name of the Association, but shall be for the benefit of all Unit Owners. At any sale by auction occurring upon foreclosure of such a lien, the Association shall have the power to bid up to the amount of (i) the unpaid Assessment, plus (ii) all costs, disbursements and interest accrued and awarded and if successful to acquire the Unit, and subsequently hold, mortgage and convey the same.

No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of any Covered Areas or the Unit, or abandonment of the Unit. Further, dissatisfaction with the quantity or quality of services furnished by the Sponsor or Association shall under no circumstances entitle any Unit Owner to withhold or fail to pay any Assessments due to the Association for any Unit.

Any Unit Owner who is delinquent in the payment of Assessments due to the Association for the Unit may have his or her voting rights as a member of the Association suspended, or may lose rights to use of the Clubhouse Building.

Section 6.05 Reserves; Right to Maintain Surplus

The Board will establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary or desirable for the greater financial security of the Association and the effectuation of its purposes.

The Association will not be obligated in any budget year to spend all sums collected in such year by way of Assessments or otherwise, and may carry forward as a surplus any balances remaining. The Association is not obligated to apply any such surpluses towards reduction of the amount of Assessments in any succeeding year, but may carry forward from year to year such surpluses as the Board of Directors in its reasonable discretion may determine to be desirable for the greater financial security and achievement of the purposes of the Association.

Section 6.06 Subordination of the Lien to Mortgages

The lien of the assessments provided for herein, including all fees, late charges, fines, or interest levied by the Association upon nonpayment thereof, shall be subordinate to the lien of any first mortgage of record now or hereafter placed upon a Unit, except to the extent comprising a lien for such amounts as are due and unpaid prior to the recording of such mortgage, or due and payable prior to sale or transfer of such Unit pursuant to a decree of foreclosure. Sale or transfer

of any Unit shall not discharge any lien thereof for unpaid Assessments, excepting any release or extinguishment of such a lien as results from an action to foreclose a mortgage or other lien.

Section 6.07 Subordination of Mortgage

The lien of any mortgage conveyed on any Unit or other portion of the Property covered by this Declaration shall be subordinate to this Declaration.

ARTICLE SEVEN - MAINTENANCE

Section 7.01 Maintenance by the Association of Covered Areas

The Association will be responsible for all administration, operation, maintenance, upkeep, repair, replacement, preservation, alteration or improvement of the Covered Areas for the benefit of the Owners and their Permittees, with all Common Expenses thereof to be funded from the Assessments upon Units. The Association may contract with any person, corporation, or other entity for the performance of such duties and functions. Such duties and obligations of the Association (i) encompass Covered Areas representing lands owned by the Town of Brighton or the New York State Canal Corporation, as more fully set forth in the definition of Covered Areas under Section 1.01 above, and (ii) include obligations of the Association under certain agreements entered into by the Association with the Town concerning the Brighton Reserve Drainage District and the Brighton Reserve Park District.

Section 7.02 Quality and Frequency of Maintenance and Repairs

All administration, operation, maintenance, repair, replacement, preservation, alteration or improvement of Covered Areas shall be of a quality and appearance consistent with the enhancement and preservation of the appearance and values of the Covered Areas and Units. The Association may establish reasonable schedules and regulations for all of the same, which schedules and regulations shall take into account the useful life of any such Covered Areas and applicable components thereof.

Section 7.03 Access for Repairs

The Association, and any Managing Agent retained by the Association, their employees, contractors, and agents, shall have the right at reasonable hours and times to enter upon any Covered Area which comprises the exterior portion of a Unit, or the exterior limited common elements of any Townhome Unit, as reasonably necessary to carry out the Association's duties and functions; the Association will be responsible for repairing at its expense any damage to a Unit or the exterior limited common elements of any Townhome Unit, caused by such entry.

If a Unit Owner fails to maintain or restore the Owner's Unit consistent with the guidelines established by the Association, the Association may perform maintenance or restoration not performed by the Unit Owner at the Unit Owner's expense, with the cost of said maintenance or restoration to be Assessed against the defaulting Unit Owner, and deemed to be a lien against the Unit and collectable as such

Section 7.04 Ice and Snow Removal; Unit Driveways

The Association will not be responsible for snow removal from any sidewalks, trails, pathways, foot paths, walkways, or landscaped areas within the Covered Areas, with the exception of (i) all sidewalks adjoining any private roadway, and (ii) all sidewalks and walkways within the Common Elements of any Loft Condominium; the Association is not responsible for ice control or removal within any such Covered Areas, or within any other Covered Area or portion of the Property. The Association will in no event be responsible for ice and/or snow removal from the roof of any Unit or building within the Development, or from any walkway or pathway within any Single Family Dwelling Unit or Townhome Unit Limited Common Elements. Further, while the Association is responsible for snow removal from the Unit driveways within all Single Family Dwelling Units (with the exception of driveways within the Waterford Single Family Neighborhood), and Townhome Units, the Association (i) will not be responsible for shoveling or clearing of snow from the driveway area immediately in front of garage doors, or for ice removal or control with respect to any Unit driveway, and (ii) the Association has no responsibility for any other repair, maintenance, resealing, resurfacing, or repaving of any such Unit driveway.

ARTICLE EIGHT - ARCHITECTURAL CONTROL

Section 8.01. Composition of Architectural Standards Committee.

The Architectural Standards Committee ("Architectural Committee") shall be a permanent committee of the Association, and shall be composed of three (3) or more natural persons, as determined and appointed by the Board of Directors of the Association. Each such person shall have a term on the Architectural Committee of two (2) years; any member of the Committee is subject to removal, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors.

Section 8.02. Committee Function

The interpretation and enforcement of the provisions of this Declaration (including Schedule A-1) and the Association's By-Laws as pertain to (i) after Closing thereof, the exterior appearance or condition of any Unit, or the appearance or condition of any exterior limited common elements thereof, or (ii) after Closing thereof, any repainting or refinishing of, or any additions, modification, or alterations to the exterior of any Unit or any exterior Limited Common Elements thereof, or (iii) any repainting, refinishing, or other modification or

alteration to, or improvements of, any exterior portion of any Loft Condominium or Townhome Condominium building, other than by the Sponsor, will be the responsibility of the Association, acting through the Architectural Committee. The Architectural Committee also may assist and advise the Board of Directors of the Association in enforcing the Declaration, and may from time to time perform such other related duties or functions as may be assigned to it by the Board of Directors.

Section 8.03. Submission of Plans to Architectural Committee.

Unless and until a plan therefore, in such form and detail as the Architectural Committee reasonably requires, has been submitted to, and reviewed and approved by, the Architectural Committee, working within guidelines and policies established by the Board of Directors, (i) after the Closing of any Unit, no exterior repainting, refinishing, improvement, addition, modification, or alteration, may be made on or to such Unit or its limited common elements, and (ii) no repainting, refinishing of, or any additions, modifications, alterations, or improvements, may be made on or to the exterior of any building or buildings in which any Loft or Townhome Units are located, with the exception of any such work by the Sponsor. Without limitation thereto, the foregoing includes all landscaping installations by any Single Family Dwelling Unit Owner or Townhome Unit Owner which involve additions to, modification of, or removal of, any original landscaping installations within any such Single Family Dwelling Unit or Townhome Unit Limited Common Elements existing as of a Unit Closing or which were installed subsequent to Closing pursuant to the Purchase Agreement for the Unit. The Architectural Committee may charge and collect a reasonable fee for the examination of plans submitted for approval.

Section 8.04. Basis for Disapproval of Plans by Architectural Committee.

The Architectural Committee, working within guidelines and policies established by the Board of Directors, may disapprove any plans submitted pursuant to Section 8.03 above for any of the following reasons:

- a. failure of such plans to comply with any protective covenants, conditions and restrictions contained in the Declaration or By-Laws, including Schedule A-1 hereto;
- b. failure to include information in such plans as reasonably requested;
- c. objection to the design, appearance or materials of any proposed improvements, including, without limitation, the colors or color scheme, finish, proportion, or style of architecture, as not being in compliance with any applicable standards therefor as

contained in the Declaration or By-Laws, including Schedule A-1 hereto; and

- d. failure of proposed improvements to comply with any zoning, building, preservation, health, or other governmental laws, codes, ordinances, rules and regulations.
- e. any other matter which in the reasonable judgment of the Architectural Committee would render the proposal inharmonious or incompatible with the general plan of improvement of the Development or portion thereof in the vicinity.

Section 8.05. Approval of Architectural Committee.

Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 8.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, and shall file a copy of such plans as approved for permanent record, together with such qualifications, or provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans shall be final 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 or By-Laws (including Schedule A thereto), and (ii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, preservation, health or other code or ordinance. Approval of any plans shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other application.

Section 8.06. Written Notification of Disapproval.

In any case where the Architectural Committee disapproves any plans submitted hereunder, the Architectural Committee shall so notify the applicant in writing together with a statement of the grounds upon which such action was based as set forth in Section 8.04. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 8.07. Failure of Committee to Act.

If any applicant has not received notice of the Architectural Committee approving or disapproving any plans within forty five (45) days after submission thereof, the applicant may

notify the Committee in writing of that fact. Such notice must be sent by certified mail, return receipt requested. If the Architectural Committee then fails to provide any notice approving or disapproving such plans within thirty (30) days after the Committee's receipt of such notice, the plans shall be deemed approved by the Committee as of the expiration of said thirty (30) day period.

Section 8.08. Committee's Right to Promulgate Rules and Regulations.

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

Section 8.09. Delegation of Functions.

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

Section 8.10. Liability of Architectural Committee.

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

Section 8.11. Architectural Committee Certificate.

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

ARTICLE NINE – LANDSCAPE STANDARDS AND NEIGHBORHOOD DETERMINATIONS

Section 9.01 Landscaping Standards

The Association is responsible for the maintenance, care, and upkeep of all lawns, green areas, shrubbery, trees, and other landscaping throughout the entirety of the Property ("Lawn and Landscaping"), all of which are Covered Areas, with the exception of: (i) the Single Family Dwelling Units within the Waterford neighborhood; and (ii) any landscaping installations within the Ft. Plain Single Family Dwelling Units, or within the exterior Limited Common Elements of Units in Glenville Condominium One or Watermark Brownstones One, which are in addition to the Sponsor's standard landscaping installation package attendant to original construction and sale of such Unit, regardless of whether such additional landscaping installations were installed by the Sponsor, Unit Owner, or any other party; and (iii) any landscaping installations within the Common Elements of the Frankfort or Rexford Condominiums which are in addition to the original landscaping installations therein by the Sponsor. All costs and expenses incurred by the Association in such maintenance, care, and upkeep are accounted for and charged back to Unit Owners either through: (i) Assessments paid in equal amounts by all Unit Owners pursuant to Section 6.02 above, which Assessments correspond to all such Common Expenses incurred by the Association in all such Covered Areas except for the Rexford and Frankfort Condominium Common Elements, the Glenville Condominium One Limited Common Elements, the Watermark Brownstones One Limited Common Elements, and the Ft. Plain Single Family Dwelling Unit exterior yard areas; and (ii) differing and separate Neighborhood Surcharges, which are paid solely by Unit Owners within specified areas or neighborhoods of the Development.

Based upon the critical nature of Lawn and Landscaping upkeep and maintenance in preserving and enhancing the attractiveness of the Development as a residential community and

the value of all Units therein, the Minimum Landscaping Standards attached hereto as **Schedule B**, and which apply to specified areas or neighborhoods of the Development as related therein, comprise the minimum standards to which the Association, Board of Directors, Unit Owners, and any Managing Agent, will adhere in all such maintenance, care, and upkeep.

Section 9.02 Neighborhood Determinations

Particularly given the ultimate cost responsibility borne by separate groups of Unit Owners as represented by the applicable Neighborhood Surcharges, a certain level of autonomy is also encouraged and will exist within defined Neighborhoods of the Development as follow, in terms of allowing for each Neighborhood Landscaping Board (as defined following) to determine to deviate from or expand upon the applicable Minimum Landscaping Standard, so long as any such deviation from or expansion upon the applicable Minimum Landscaping Standard preserves the same minimum level of upkeep and care:

- (i) Glenville Condominium One, encompassing for this purpose all Lawn and Landscaping areas within the Limited Common Elements;
- (ii) Watermark Brownstones One, encompassing for this purpose all Lawn and Landscaping areas within the Limited Common Elements ;
- (iii) The Ft. Plain Single Family Dwelling Units encompassing for this purpose all Lawn and Landscaping areas within the Units;
- (iv) Rexford Condominium, encompassing for this purpose all Lawn and Landscaping areas within the exterior Common Elements; and
- (v) Frankfort Condominiums, encompassing for this purpose all Lawn and Landscaping areas within the exterior Common Elements.

Section 9.03 Neighborhood Landscaping Boards

The Neighborhood Landscaping Boards shall be comprised of the following:

(i) With respect to any area encompassed by a Condominium Offering, the Condominium's Board of Managers.

(ii) With respect to the Ft. Plain Single Family Dwelling Units, a three (3) member committee elected by the vote of all Owners of such Units within such neighborhood, to serve for a three (3) year term, and to use procedures for elections and operations substantially equivalent to those for election and operation of the Association's Board of Directors.

Upon (i) any determination by a Neighborhood Landscaping Board to adopt any deviation from or expansion upon the otherwise applicable Minimum Landscaping Standards for

said Neighborhood, or (ii) any determination by the Neighborhood Landscaping Board within the Ft. Plain, Glenville Condominium One, or Watermark Brownstones One Neighborhoods, to apply any specific standards they may choose as to snowplowing of Unit driveways therein, and notification of the same in writing to the Board of Directors of the Association, (a) so long as any such deviation from or expansion upon such Minimum Landscaping Standards preserves the same minimum level of upkeep and care for Lawns and Landscaping in said Neighborhood, the Board of Directors, and Managing Agent, shall thenceforth comply with the same in arranging and procuring contracts and purchase orders for the maintenance, care, and upkeep of all Lawns and Landscaping in the affected Neighborhood areas, and (b) the Board of Directors and Managing Agent will in all cases comply with any such Neighborhood Landscaping Board's determination as to Unit driveway snowplowing standards, and with the applicable Neighborhood Surcharges to thenceforth be calculated and assessed accordingly pursuant to (a) and/or (b) preceding.

In the event of any dispute between the Board of Directors and any Neighborhood Landscaping Board with respect to the subject matter of this Article Nine, including but not limited to any dispute as to whether any deviation or expansion proposed or submitted by a Neighborhood Landscaping Board meets the otherwise applicable Minimum Landscaping Standards, the Architectural Committee shall be the final arbiter, and its decision will be binding.

ARTICLE TEN - BY-LAWS AND RULES AND REGULATIONS

Section 10.01 By-Laws and Rules and Regulations

All Unit Owners and their Permittees shall be bound by the Association's By-Laws, and by the Rules and Regulations comprising **Schedule A-1** hereto, which include, without limitation, substantial restrictions on the use of each Unit.

ARTICLE ELEVEN - INSURANCE AND CASUALTY DAMAGE

Section 11.01 Insurance

The Board of Directors of the Association shall obtain and maintain in force and effect policies of insurance in amounts determined by the Board of Directors to be appropriate or relevant and providing fire and casualty insurance with respect to the portion of the Covered Areas owned by the Association, and liability insurance for the Association, the Managing Agent and their directors, officers, agents, and employees, including any umbrella liability coverage as may be deemed necessary or desirable.

Section 11.02 Deductible

The deductible, if any, on any insurance policy so procured by the Association will be a Common Expense encompassed by the Association's regular Assessments and Special

Assessments on Units, provided that the Board of Directors may assess against a Unit Owner any deductible amount corresponding to damage directly resulting from the negligence or intentional acts of such Owner.

Section 11.03 Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of any Covered Areas owned by the Association which is covered under insurance procured by the Board of Directors, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments. In the event that insurance proceeds are insufficient to pay all the costs of restoring or repairing the Covered Areas to the same condition as formerly existed, the Board of Directors shall levy a Special Assessment as necessary to make up the deficiency.

ARTICLE TWEELEVE - GENERAL COVENANTS AND RESTRICTIONS

Section 12.01 Enforcement

The Association shall have the right to enforce by any proceeding at law or in equity (including, but not limited to, injunctive relief, and with all Unit Owners deemed to have agreed that legal remedies are inadequate, by virtue of Closing on their Unit) all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association to enforce any provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. Expenses of enforcing the covenants herein contained shall be chargeable to the Owner violating such covenants, and the expenses so incurred by the Association shall constitute a lien on such Owner's Unit, collectible in the same manner as Assessments under the previous provisions hereof.

Section 12.02 Severability

Invalidation of any portion of this Declaration by judgment or court order shall in no way affect all other provisions of this Declaration, which shall remain in full force and effect.

Section 12.03 Declaration Runs With the Land

Each person or entity acquiring an interest in a Unit covenants and agrees for itself, its heirs, successors and assigns, to observe, perform and be bound by the provisions of this Declaration, including personal responsibility for the payment of all Assessments which may become liens against the Unit and which become due while an Owner thereof, and also covenants to incorporate this Declaration by reference in any deed transferring an interest in such Unit.

Section 12.04 Amendment

With the exception of amendments by the Sponsor which bring additional property in the Development within the coverage of this Declaration as set forth in Section 2.02 above, any of which amendments may be executed and recorded unilaterally by the Sponsor, and without any vote of the Board or of the Members, this Declaration may otherwise be amended only upon the affirmative vote of the Owners of not less than eighty percent (80%) of all the Units which are subject to this Declaration at a duly called meeting of Members.

The Owner of every Unit shall receive written notice of every proposed amendment to this Declaration on which such Owner is entitled to vote at least sixty (60) days prior to the date set for voting on said amendment.

Any amendment to this Declaration must be recorded in the Monroe County Clerk's Office.

Section 12.05 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 this Declaration nor the intent of any provision hereof. Any notice required to be sent to the Sponsor, an Owner, or Mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid to the last known address to the person who appears as the Sponsor, Owner, or Mortgagee on the records of the Association at the time of such mailing period.

Section 12.06 Sponsor's Written Consent Necessary for Certain Actions

Notwithstanding anything to the contrary contained in this Declaration, until the Sponsor, or its designee, no longer owns a Unit then subject to this Declaration, the Board of Directors may not, without Sponsor's prior written consent, (i) make any addition, alteration, or improvement to the Covered Areas costing more than 5% of the Association's then current annual budget, (ii) Assess any amount for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, which results in Assessments for all reserve, contingency, or surplus funds, in an aggregate amount which exceeds by more than 25% the amount of all Assessments for such purposes set forth in the Association's initial budget or (iii) hire any employee in addition to the employees, if any, provided for in the Association's initial Budget, or (iv) reduce the quantity or quality of services or maintenance of the Covered Areas. Until the Sponsor, or its designee, no longer owns a Unit then subject to this Declaration, neither this Section of the Declaration or any other section of the Declaration may be amended without the prior written consent of the Sponsor.

IN WITNESS WHEREOF, The undersigned being the Sponsor herein has hereunto set his hands and seal this ____ day of _____.

SPONSOR:

ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC

By: _____

Name:

Title:

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the ____ day of _____, in the year 20____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individuals(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A

December 8, 2011

Section One – including Canal Lands Acquisition
The Reserve – on the Erie Canal

ALL THAT TRACT OR PARCEL LAND, being part of Town lots 39,40,41 & 48, Township 13, Range 7 of the Phelps & Gorham Purchase situate in the Town of Brighton, County of Monroe, State of New York and more particularly described as follows:

Commencing at a common point being the intersection of the east right-of-way line of South Clinton Avenue (County Road 100) and the north right-of-way line of Reserve View Boulevard; said point being the point or place of beginning;

1. Thence, turning and running a line having a bearing of N 86° 54' 46" E a distance of 115.90 feet to a point;
2. Thence, turning and running a line having a bearing of N 55° 52' 31" E a distance of 83.86 feet to a point;
3. Thence, turning and running a line having a bearing of N 81° 32' 03" E a distance of 188.01 feet to a point;
4. Thence, turning and running a line having a bearing of N 89° 08' 14" E a distance of 237.21 feet to a point;
5. Thence, turning and running a line having a bearing of N 86° 43' 19" E a distance of 366.55 feet to a point;
6. Thence, turning and running a line having a bearing of N 83° 32' 08" E a distance of 241.17 feet to a point;
7. Thence, turning and running a line having a bearing of S 34° 34' 44" E a distance of 57.42 feet to a point;
8. Thence, turning and running a line having a bearing of S 20° 47' 03" E a distance of 128.65 feet to a point;
9. Thence, turning and running a line having a bearing of S 16° 09' 17" W a distance of 33.73 feet to a point;
10. Thence, turning and running a line having a bearing of S 42° 32' 41" E a distance of 108.66 feet to a point;
11. Thence, turning and running a line having a bearing of N 06° 27' 52" E a distance of 33.63 feet to a point;
12. Thence, turning and running a line having a bearing of N 72° 10' 51" E a distance of 124.97 feet to a point;
13. Thence, turning and running a line having a bearing of S 83° 32' 08" E a distance of 338.21 feet to a point;

Section One including Canal Lands Acquisition
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14. Thence, turning and running a line having a bearing of S 73° 06' 33" E a distance of 42.44 feet to a point;
15. Thence, turning and running a line having a bearing of N 30° 41' 47" E a distance of 42.58 feet to a point;
16. Thence, turning and running a line having a bearing of S 57° 27' 31" E a distance of 31.61 feet to a point;
17. Thence, turning and running a line having a bearing of S 30° 07' 12" W a distance of 78.68 feet to a point;
18. Thence, turning and running a line having a bearing of S 52° 18' 33" E a distance of 117.89 feet to a point;
19. Thence, turning and running a line having a bearing of N 26° 28' 37" E a distance of 109.70 feet to a point;
20. Thence, turning and running a line having a bearing of N 07° 47' 59" E a distance of 169.02 feet to a point;
21. Thence, turning and running a line having a bearing of S 79° 31' 35" E a distance of 213.86 feet to a point;
22. Thence, turning and running a line having a bearing of S 21° 22' 26" W a distance of 1108.48 feet to a point;
23. Thence, turning and running a line having a bearing of S 67° 54' 57" E a distance of 645.12 feet to a point;
24. Thence, turning and running a line having a bearing of S 03° 31' 50" E a distance of 645.12 feet to a point;
25. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 12.79 feet to a point;
26. Thence, turning and running a line having a bearing of S 22° 05' 03" W a distance of 80.00 feet to a point;
27. Thence, turning and running a line having a bearing of S 67° 54' 57" W a distance of 478.06 feet to a point;
28. Thence, turning and running a line having a bearing of N 22° 05' 03" E a distance of 253.71 feet to a point;
29. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 141.52 feet to a point;
30. Thence, turning and running a line having a bearing of S 22° 05' 03" E a distance of 126.85 feet to a point;
31. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 52.52 feet to a point;
32. Thence, turning and running a line having a bearing of N 22° 05' 03" E a distance of 156.00 feet to a point;

Section One including Canal Lands Acquisition
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33. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 467.33 feet to a point;
34. Thence, turning and running a line having a bearing of N 87° 03' 04" W a distance of 106.76 feet to a point;
35. Thence, turning and running a line having a bearing of S 22° 05' 03" W a distance of 191.88 feet to a point;
36. Thence, turning and running a line having a bearing of N 66° 45' 00" E a distance of 340.81 feet to a point;
37. Thence, turning and running a line having a bearing of S 61° 55' 48" E a distance of 38.60 feet to a point;
38. Thence, turning and running a line having a bearing of S 22° 05' 03" W a distance of 125.54 feet to a point;
39. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 716.75 feet to a point;
40. Thence, turning and running a line having a bearing of N 21° 34' 23" E a distance of 1455.05 feet to a point;
41. Thence, turning and running a line having a bearing of S 86° 42' 08" W a distance of 642.22 feet to a point;
42. Thence, turning and running a line having a bearing of S 63° 14' 18" W a distance of 369.99 feet to a point;
43. Thence, turning and running a line having a bearing of N 06° 39' 49" E a distance of 150.00 feet to a point; said point being point or place of beginning.

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Except for that portion described as follows (Brewerton Neighborhood)

Commencing at a common point being the intersection of the east right-of-way line of South Clinton Avenue (County Road 100) and the north right-of-way line of Reserve View Boulevard;

Thence, turning and running a line having a bearing of N 86° 54' 46" E a distance of 115.90 feet to a point; Thence, turning and running a line having a bearing of N 55° 52' 31" E a distance of 83.86 feet to a point;

Thence, turning and running a line having a bearing of N 81° 32' 03" E a distance of 188.01 feet to a point; Thence, turning and running a line having a bearing of N 89° 08' 14" E a distance of 237.21 feet to a point;

Thence, turning and running a line having a bearing of N 86° 43' 19" E a distance of 366.55 feet to a point; Thence, turning and running a line having a bearing of S 21° 34' 23" W a distance of 426.72 feet to a point; Thence, turning and running a line having a bearing of S 68° 25' 37" E a distance of 81.18 feet to a point; said point being the point or place of beginning;

1. Thence, turning and running a line being a curve deflecting to the right having a radius of 645.00 feet a distance of 157.77 feet to a point;
2. Thence, turning and running a line having a bearing of S 41° 33' 11" E a distance of 266.81 feet to a point;
3. Thence, turning and running a line being a curve deflecting to the right having a radius of 424.00 feet a distance of 251.50 feet to a point;
4. Thence, turning and running a line being a curve deflecting to the right having a radius of 266.00 feet a distance of 135.29 feet to a point;
5. Thence, turning and running a line having a bearing of S 21° 34' 23" W a distance of 89.64 feet to a point;
6. Thence, turning and running a line being a curve deflecting to the right having a radius of 135.00 feet a distance of 149.92 feet to a point;
7. Thence, turning and running a line having a bearing of S 04° 32' 32" E a distance of 149.00 feet to a point;
8. Thence, turning and running a line having a bearing of N 83° 47' 16" W a distance of 111.11 feet to a point;
9. Thence, turning and running a line having a bearing of N 65° 21' 53" W a distance of 130.93 feet to a point;
10. Thence, turning and running a line having a bearing of N 52° 47' 43" W a distance of 220.46 feet to a point;
11. Thence, turning and running a line having a bearing of N 58° 12' 19" E a distance of 130.00 feet to a point;

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12. Thence, turning and running a line being a curve deflecting to the right having a radius of 60.00 feet a distance of 30.32 feet to a point;
13. Thence, turning and running a line having a bearing of S 58° 12' 19" W a distance of 127.30 feet to a point;
14. Thence, turning and running a line having a bearing of N 01° 12' 19" W a distance of 153.00 feet to a point;
15. Thence, turning and running a line having a bearing of N 39° 19' 44" E a distance of 71.81 feet to a point;
16. Thence, turning and running a line having a bearing of N 21° 34' 23" E a distance of 208.88 feet to a point;
17. Thence, turning and running a line being a curve deflecting to the right having a radius of 645.00 feet a distance of 144.76 feet to a point; said point being the point or place of beginning;

Intending to describe "Section One of The Reserve on the Erie Canal" containing 53.16 acres (2,315,860.63 sf) of land.

SCHEDULE A-1

1. All Units may be used and occupied by their respective Owners as a private residence only, and no Unit shall be used for retail, wholesale, office, service or other business or commercial purposes. Notwithstanding the same, provided such use is in compliance with all zoning and other laws and ordinances of the Town of Brighton, a Unit may be used for full or part-time "home office" purposes by a resident ("Home Office Use"), provided that such usage does not involve or necessitate traffic or in person visitation in connection with said Home Office Use by employees, customers, vendors, suppliers, and other business contacts, other than via mail, "overnight courier", and similar services. No Unit may in any event be occupied by more than one (1) family, or by more than three (3) persons who are not related by blood or marriage. A Unit may in no event be used as a rooming house or boarding house.

2. After the closing of sale of a Unit by the Sponsor to the Owner, no Unit or portion thereof may be rented or leased without the prior written consent of the Board of Directors. The Board of Directors will not grant such consent in circumstances which allow an owner to either directly or indirectly use a dwelling as "rental", "investment" or "income" property, but only in circumstances providing for temporary rental during the minimum period of time reasonably necessary to avoid hardship or inconvenience to a Unit Owner due to temporary periods of employment or business relocation, the need for post or pre-closing possession arrangements upon sale, or due to family illness or other emergencies, military service, and reasonably similar or related circumstances.

3. Loft and Townhome Unit Owners shall not permit or suffer anything to be done or kept in their Units which would increase the rate of fire insurance thereon or on the Building in which the Unit is contained.

4. Unit Owners shall not cause or permit any unreasonably disturbing noises or unreasonably objectionable odors to be produced upon or to emanate from their Units. Unit Owners shall not permit or keep upon or within their Units any inflammable, combustible, or explosive material, chemicals, or other dangerous substances, excepting de minimis quantities of common household maintenance and cleaning supplies and similar household substances, and in compliance with all applicable laws. The emission of smoke, soot, ash, dust, fumes, herbicides, insecticides, and other types of air pollution, or electronic emissions or electro-magnetic emissions or signals, shall be controlled so as not to be detrimental to or endanger the public health, safety, comfort or welfare, be injurious to property, vegetation or animals, adversely affect property values or otherwise produce a public nuisance or hazard, or violate any applicable zoning regulations or governmental law, ordinance or code. Each Unit Owner shall keep the Unit and any associated Limited Common Elements in a good state of maintenance, repair and cleanliness. Unit Owners shall not allow anything whatever to hang or fall from the windows of the Unit, nor shall they sweep or throw from the premises any dirt or other substance.

5. Unit Owners shall be permitted to keep or maintain within any Unit or Limited Common Elements thereof only the following animals or insects, and only then as household

pets: (i) a total of no more than two (2) cats and/or domesticated dogs per Unit (excepting pit bulls, which are prohibited), and only if such animals do not disturb or annoy other residents through excessive barking or other unreasonable nuisance: and (ii) fish, and birds, hamsters and other non-venomous animals and insects of similar size, if kept in a cage. No exterior chains, dog runs, dog houses, kennel enclosures, or similar installations are permitted. Pets may be allowed outdoors only when accompanied by a responsible person, and dogs shall be leashed. An underground pet containment system may be installed with a Single Family Dwelling Unit yard, or within a Townhome Unit's exterior Limited Common Elements; assuming the Owner has installed an underground pet containment system, dogs may be let outdoors within the area of the underground pet containment system while a resident is present in the Unit, during reasonable hours and for reasonable periods of time, and need not be leashed. No above ground or visible pet containment enclosures shall be permitted. Owners keeping pets shall abide by any governmental sanitary regulations and shall be responsible for pickup of any litter and droppings, and for all damage caused by such animals. No livestock or poultry of any kind shall be raised, bred or kept at any time, either inside or outside of a Unit. The Board may, from time to time, (i) impose additional reasonable rules and regulations consistent with the above as to pets, and (ii) prohibit the keeping of certain types of animals and insects as pets entirely, except that upon enactment of any such prohibition, the same shall not apply to any such specific living animals or insects as are already within an Owner's possession in the Unit.

6. Without the prior written consent of the Board of Directors, no sign, notice, or any advertisement device of any nature shall be exhibited, inscribed, painted, or affixed on any part of the outside of any Single Family Dwelling Unit, or of any Townhome or Loft Condominium Unit or Building, or hung from windows thereof, or placed in the exterior or interior windows thereof, or placed within the exterior yard of a Single Family Dwelling Unit or the exterior Limited Common Elements associated with a Townhome Unit, or otherwise within any Covered Areas; without limitation thereto, this prohibition does apply to any signs and/or information boxes associated with the sale of a Unit by any Owner or party other than Sponsor. The foregoing restriction in this paragraph does not apply to the Sponsor; without limitation thereto, any sign used by the Sponsor to advertise or promote the Development or any sale or lease of Units therein by the Sponsor, shall be permitted on any portion of the Covered Areas, except the yards of Single Family Dwelling Units previously conveyed by the Sponsor, or the Limited Common Elements of Townhome Units previously conveyed by the Sponsor.

7. No out building, sheds (whether garden sheds, toolsheds, storage sheds, or otherwise), fence, wall or screen planting of any kind shall be planted, installed or erected upon any portion of a Single Family Dwelling Unit yard, or any Townhome Unit Limited Common Elements, other than in connection with repair and/or replacement of fences, walls or screen plantings constructed or installed as a part of the initial construction of a Unit and of equivalent structure and aesthetics, except with the Board of Director's prior written consent. In reviewing a request for any other walls, screening and/or fencing, the Board will adhere to the following: (1) no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic; (2) no vinyl or chain link fencing will be permitted; (3) no fencing shall be constructed in a Single Family Dwelling Unit's front or side yard, or a Townhome Unit's front or side Limited Common Elements, and fencing must not extend back more than 25 feet from the rear foundation line of the Single Family Dwelling Unit or Townhome Unit;

(4) the maximum height of fencing in the aforesaid rear yard or rear Limited Common Elements shall be 6.5 feet from existing grade; (5) wood products and wrought iron (aluminum) type products are required, with wrought iron fencing not to exceed 48 inches in height from existing grade; and (6) all quality, workmanship, color, and design shall be consistent with the architectural scheme of the home and overall character of the Development.

8. No awnings, aerals, machines or other projections shall be attached to the outside walls or windows (including window air conditioning units) of any Unit or Building, and no blinds or shades shall be attached to, hung or used on the exterior of any window or door, without the prior written consent of the Board of Directors. Condenser units and related equipment for central air conditioning systems may be placed immediately adjacent to the building side or rear foundation line on Single Family Dwelling Unit yards and Townhome Unit Limited Common Element areas.

9. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except (i) in sanitary containers kept within the garage of each Single Family Dwelling Unit or Townhome Unit, or (ii) as provided within any of the various Condominium Offering Plans encompassing a portion of the Property. Such containers may be placed in the open within 24 hours of a scheduled pick-up, at such place designated by the Association so as to provide access to persons making such pick-up. The Association may, in its discretion, adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

10. Unit Owners, their families, guests, invitees, tenants, contractors and employees ("Permittees") will abide by the following parking and traffic regulations:

A. Horns are to be used only when necessary for the safe operation of vehicles.

B. Unit Owners shall not park, nor shall they permit their Permittees to park, in the driveways of any other Unit Owners, or in such manner as to prevent ready access to the driveways of any other Unit Owner.

C. Cars, trucks, or other motor vehicles shall not be routinely parked within a Single Family Dwelling Unit or Townhome Unit driveway, but only intermittently as reasonably convenient for routine household purposes, and social occasions. Tractor trailers, including cabs, are prohibited. Garage doors shall be kept closed when not being used for vehicular access.

D. Trailers, motor homes, snowmobiles, campers, mobile homes, recreational vehicles, snowmobiles, boats, and motorcycles, shall not be parked or stored outside, except for temporary periods during minor maintenance, cleaning, packing, unpacking and related activities, with such periods not to be in excess of more than two (2) forty-eight (48) consecutive hour periods per month.

E. Visitor parking spaces in the Property may only be used for temporary parking of non commercial passenger vehicles registered to an Owner or its Permittees. Such spaces will be used only for reasonable periods of time, with due consideration for other Owners based upon the limited number of spaces.

F. Parking is prohibited: (i) on any streets or curbs within the Property, with the exception of reasonable street parking by any Unit Owner's Permittees and which does not block any Unit Owner's driveway or access, in connection with social events or gatherings held by a Unit Owner, and provided that such street parking is not in excess of a five (5) hour period and does not occur more than once (1) in any thirty (30) day period; and (ii) within a Single Family Dwelling Unit or Townhome Unit limited common elements, other than on the driveway.

G. Vehicles parked in unauthorized areas or in any manner impeding or preventing ready access to the Property or a Unit Owner's driveway, may be towed by the Association at the expense of the respective owner of such vehicle. The Association, its Managing Agent, or an authorized employee of either, may order such removal on behalf of the Association after giving reasonable notice to the owner of the vehicle to remove such unauthorized parked vehicle, if such owner can be readily located, and shall not be liable for any costs, loss, or damage of any nature whatsoever, directly or indirectly, resulting therefrom or connected therewith. Notice is not required prior to removing a vehicle blocking the egress and ingress of another party or impeding access by emergency vehicles.

11. A. No vehicles used for commercial purposes, including but not limited to dump trucks, shall be parked within the limits of the Development. However, (i) a Unit Owner may park in its Single Family Dwelling Unit driveway or garage, or the driveway or garage of it's Townhome Unit (subject to Section 10.C. above as to parking in driveways), or within a Loft Unit's designated parking space(s), a Unit Owner's or Permittee's registered standard-size passenger vehicle or truck, with or without storage cab, with commercial markings on behalf of the Unit Owner's or Permittee's current employer or occupation permissible, and (ii) the Sponsor is specifically permitted to place or store on any part of the Property other than a closed Unit, any construction trailer, or construction material, equipment and supplies.

B. No work on any motor vehicles, boats, or machines of any kind, other than minor servicing and maintenance, shall be permitted outdoors within any Unit or portion thereof or the Limited Common Elements thereof, except with the prior written consent of the Board of Directors. While using any Unit garage for repair work, painting, sanding, refinishing, and such other similar activities, the garage door must be closed.

C. No junk, appliances, equipment, or non-operable and/or non-registered motor vehicles will be permitted to be stored or parked on any exterior portion of the Property.

12. Except with the prior written consent of the Association, no deck or pool shall be permitted within any Single Family Dwelling Unit yard, or Townhome Unit Limited Common Elements. In reviewing any request for installation of a pool, the Association shall adhere to

the following: (1) no above ground pool shall be permitted; (2) no slide shall be incorporated into the pool design; (3) diving boards shall not be higher than 18 inches above the pool coping; (4) the pool shall be located within the limits of the Single Family Dwelling Unit's foundation lines, or the Townhome Unit's exterior or demising wall lines, as extended into the rear of the Single Family Dwelling Unit, or Townhome Unit rear Limited Common Elements; (5) fencing shall be [a] wrought iron (aluminum) type, [b] 48 inches in height, [c] appropriately landscaped, [d] appropriately colored, but in any event not white; and (6) all quality, workmanship, color, and design shall be consistent with the architectural scheme of the Unit and overall character of the Development.

13. No permanent outdoor recreational equipment (which is deemed to comprise any recreational equipment not brought indoors after sunset each day) shall be permitted without the prior written consent of the Association. If the Association grants prior written consent, such consent shall be in the form of a license that will expire on March 1st following the date of issue; a license is renewable, subject to the March 1st expiration date. In reviewing a request for permanent outdoor recreational equipment, the Association will adhere to the following: (1) wood structures are encouraged; (2) all equipment shall be installed in a Single Family Dwelling Unit's rear yard, or the rear Limited Common Elements of a Townhome Unit, and must be located within the limits of the Single Family Dwelling Unit's side foundation lines, or the Townhome Unit's side lines or demising walls lines, as extend to the rear; (3) basketball hoops of the pole mounted or rooftop variety are permitted in a Unit driveway area; (4) all quality, workmanship, color, and design shall be consistent with the architectural scheme of the Unit and the overall character of the Development; (5) no blacktop surface shall be permitted other than within and comprising a Unit driveway, and installation of any other hard surface shall be permitted only with the prior written consent of the Association.

14. Other than permanent outdoor recreational equipment as set forth in Section 13 preceding, no recreational equipment, toys, bicycles, tricycles, yard equipment, and/or tools, pools or portable poles, baskets and/or nets shall be left outdoors after sunset. Without limiting the foregoing, such items shall also generally be brought indoors as reasonably practical after its use has stopped.

15. No use shall be made of any portion of the Property by "all terrain" or similar vehicles, dirtbikes, snowmobiles, or similar motor vehicles. Skateboarding jumps, ramps, or similar devices, and/or use of any portion of the Property or improvements thereon for any such jump or ramp purpose, is prohibited.

16. No exterior clotheslines or other outdoor drying or airing of any clothing or bedding is permitted within the Property. Hanging rugs or the like from or on the windows, porches, or facades of any Unit, or other areas of a similar nature, is prohibited.

17. All Members and their Permittees shall have the right to use of all Covered Areas (other than those Covered Areas within a Single Family Dwelling Unit, or comprising Limited Common Elements of a Townhome Unit) for their recreational pleasure, consistent with the terms of the Declaration and these By-Laws, and subject to the following: (1) use shall be

nonexclusive and in common with all other Members and their Permittees; (2) use of exterior Covered Areas shall be limited to daylight hours, except that if such a Covered Area is artificially lighted, such area shall be used only from 8:00 a.m. until 10 p.m.; and (3) children under 18 shall be supervised by a responsible adult at all times. Notwithstanding (1) above, on reasonable prior notice to and approval by the Association, a Member may reserve a reasonable portion of the aforesaid Covered Areas as appropriate for a private function or gathering, subject to the terms and conditions established by the Association in its approval; Members shall respect the privacy of another Member having a private function or gathering with such Association approval.

18. Without the prior written consent of the Board of Directors, no exterior lights may be installed on any single Family Dwelling Unit, or Townhome or Loft Building or Unit, other than the repair or replacement of any such exterior lights as were installed upon the initial construction thereof. All replacement lights and fixtures shall be equal in size, appearance, direction, intensity, and function to the original installation. Any other exterior lighting submitted for approval shall not materially and adversely impact the Association's Property or any other Units, with the type, style, location, intensity, duration of use, and any other relevant matter subject to review by the Association. Holiday ornaments and decorations shall be permitted for the holiday season only; the holiday season is defined to be up to thirty-five (35) days before, and no more than fifteen (15) days after, the holiday.

19. No facilities, including, without limitation, poles, antennas, dishes, or wires for the transmission of electricity, electronic or telephone messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground on any portion of a Single Family Dwelling Unit yard, or Townhome Unit Limited Common Elements, without the prior written approval of the Association.

20. All front light posts and poles shall be the same throughout the Property, as per Sponsor specifications, and the same shall be regulated by photo electric cell providing illumination from dusk to dawn. Each Unit Owner shall maintain the light post or pole, light fixture, photoelectric cell, shall replace light bulbs when needed, and shall bear the cost of electricity consumed by the front light post. If not promptly completed by the responsible Unit Owner, the Association shall have the option to complete such repairs, and cost of such work shall be assessed to the responsible Unit Owner as a special assessment, shall be due upon invoicing by the Association, and shall be a lien upon the Unit until paid in full.

21. All mailboxes shall be the same throughout the Property, as per Sponsor specifications.

22. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction, or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Unit or other portion of the Property.

23. After the transfer of title by the Sponsor to any Unit, or other portion of the Property to the Association, no trees shall be removed from any Unit or portion of the Property except

with the prior written consent of the Association. The Association, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property.

24. Any repainting or restaining of all or any portion of any Single Family Dwelling Unit or Townhome Unit exterior, or to the exterior of any Loft Condominium building, including any color change with respect to any exterior brick or mortar work, may only be done from a palette selection established by the Board or Directors of the Architectural Control Committee.

25. Sidewalks and entrances to sidewalks must not be obstructed or encumbered, or used for any purpose other than pedestrian ingress and egress.

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

27. No portion of the Property shall be used for the purpose of boring, drilling, "hydrofracking", refining, mining, quarrying, or exploring for or removing oil or other hydrocarbons, minerals, gravel or earth, except soil borings in connection with the improvement of said portion of the Property, and no derrick or other structure designed for any such use shall be erected, maintained or permitted on any portion of the Property.

28. Toilets and other plumbing apparatus in each Unit shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, pads, rubbish, garbage, rags, or other articles be thrown into same. Any damage to lines, laterals, or mains exterior of a Unit resulting from misuse of any toilets or other such apparatus in a Unit shall be repaired and paid for by the Owner of such Unit, and cost of such work shall be assessed to the responsible Unit Owner as a special assessment, and shall be due upon invoicing by the Association.

29. Townhome or Loft Unit Owners, their family members, guests, invitees, employees, and contractors, shall not at any time or for any reason whatsoever enter upon the roof of any Townhome or Loft Building, without the prior written consent of the Board of Directors.

30. The Board of Directors or its designee shall have the right of access to any Townhome or Loft Unit for the purpose of remedying any condition which will result in damage to other portions of the Townhome Building or Loft Building or any Units therein. In the event that vermin, insects or other pests are discovered in any Unit, the Board of Directors or its designee may take such measures as it deems necessary to control or exterminate same.

31. All damage to Covered Areas or to the exterior surfaces of Townhome or Loft Buildings caused by the moving or carrying of articles therein shall be the responsibility of, and shall be paid for by, the Unit Owner in charge of such articles.

32. Except to the minimum extent the same is a matter of right for Unit Owners under Federal law or regulations, no radio, television aerial, satellite dish, or similar devices shall be attached to or hung from the exterior of the Building or any Unit by any Unit Owner or Person other than the Sponsor.

33. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

34. A Unit Owner may apply to the Board of Directors for a temporary waiver of one or more of the foregoing rules. Such temporary waiver may be granted by a majority of the Board of Directors, for good cause shown, if in the Board's judgment, such temporary waiver will not interfere with the purposes for which the Association was formed.

35. The aforesaid provisions of this Schedule A do not apply to (i) the Sponsor, its employees, agents, contractors, and suppliers, or to (ii) any Units during any period of time while owned by the Sponsor, even if any such provision above (as opposed to certain other provisions above) does not contain any clause or language otherwise exempting therefrom the Sponsor, its employees, agents, contractors, and suppliers, or otherwise exempting Units during any period of time while owned by the Sponsor.

36. Unit Owners and their Permittees shall in all instances and upon all occasions be responsible, at their sole cost and expense, for compliance with all governmental laws, statutes, codes, ordinances, rules, regulations, and other requirements, including those of the Town of Brighton, regardless of whether a particular use or act is permitted above, is permitted above with limitations or restrictions, or is not prohibited or restricted above.

SCHEDULE B



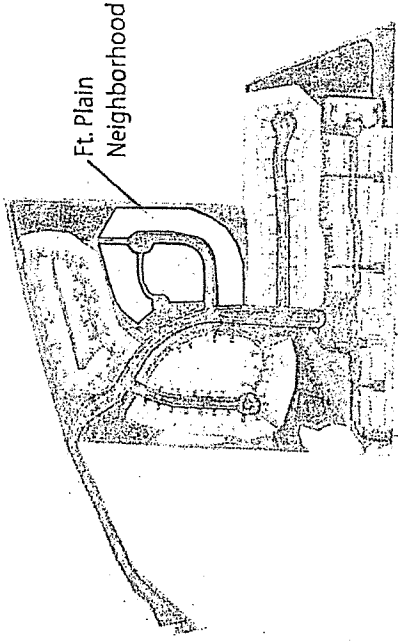
The RESERVE

— ON THE ERIE CANAL —

Zone:

FT. PLAIN (20 HOMES)

21

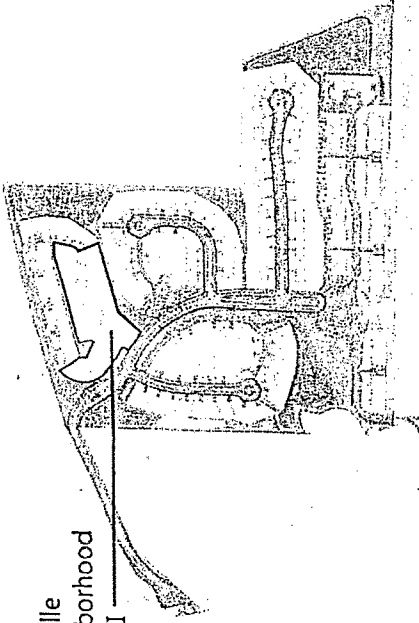


Ft. Plain Neighborhood

LANDSCAPE FEATURE	MAINTENANCE REQUIRED	AREA/QUANTITY	UNIT	UNIT COST	SUBTOTAL
TURF					
	<ul style="list-style-type: none">• Spring clean up of turf areas• Weekly mowing, edging, and trimming• Seasonal turfgrass fertilization based on annual soil testing• Weed and insect monitoring and control as required• Leaf removal/ Fall cleanup	178,480	SF		
TREES					
	(There are 33 street and 9 shade trees in Ft. Plain. Typical unit has 2 flowering trees and 1-2 street trees) <ul style="list-style-type: none">• Prune trees as required to maintain natural form and to keep clear from walkways, alleys, homes and roadways• Maintain mulch rings around trees• Monitor insects and disease, treat as required• Fertilization as required based on annual soil testing and assessment• Water trees in non-irrigated zones during dry-spells to provide 1" of water per week typ.	75	TREES		
PLANTING BEDS					
	(Typical unit has +/- 500 SF of bed area; 17 shrubs, 25 perennials/grasses/etc.) <ul style="list-style-type: none">• Annual shrub & herbaceous plant fertilization as req. based on annual soil testing and assessment• Pruning and trimming on a monthly basis or as needed• Edging, weeding, and cultivating on a monthly basis or as needed• Monitor weeds, insects and disease and treat/address as required• Mulch beds annually to maintain 2-3" of shredded hardwood bark mulch• Leaf removal and fall cleanup of beds• Water shrubs and perennials in non-irrigated zones during dry-spells to provide 1" of water per week typ.	10500	SF		
		(Includes 357 shrubs, and 525 perennials and grasses)			
IRRIGATION SYSTEMS					
	<ul style="list-style-type: none">• Annual start up and shut down of system• Cleaning, adjusting, & repairing the irrigation system	N/A	SF		
BIOSWALES, RAIN GARDENS AND POND AREAS					
	<ul style="list-style-type: none">• Control, eliminate woody vegetation within bioswales, pond embankments, and rain gardens on an annual basis• Use a brush cutter to cut down herbaceous vegetation on an annual basis in the early spring before growth begins• If present in an area, maintain/preserve stormwater overflow/spillways and other drainage infrastructure to allow for proper functioning of the drainage system	N/A	SF		
TOTAL FT. PLAIN LANDSCAPE MAINTENANCE					TBD



Glenville
Neighborhood
Phase I



Zone: **GLENVILLE- PHASE 1 (30 UNITS)**

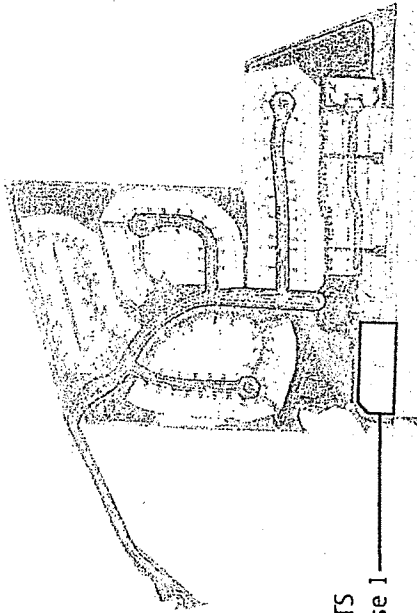
24

LANDSCAPE FEATURE	MAINTENANCE REQUIRED	AREA/QUANTITY	UNIT	UNIT COST	SUBTOTAL
TURF	<ul style="list-style-type: none"> • Spring clean up of turf areas • Weekly mowing, edging, and trimming • Seasonal turfgrass fertilization based on annual soil testing • Weed and insect monitoring and control as required • Leaf removal/ Fall cleanup 	53,162	SF		
TREES	<p>(There are 33 street trees in phase one. Typical unit has 1 flowering tree and one street tree)</p> <ul style="list-style-type: none"> • Prune trees as required to maintain natural form and to keep clear from walkways, alleys, homes and roadways • Maintain mulch rings around trees • Monitor insects and disease, treat as required • Fertilization as required based on annual soil testing and assessment • Water trees in non-irrigated zones during dry-spells to provide 1" of water per week typ. 	63	TREES		
PLANTING BEDS	<p>(Typical unit has 300 SF of bed area; 10 shrubs, 12 perennials/grasses/etc.)</p> <ul style="list-style-type: none"> • Annual shrub & herbaceous plant fertilization as req. based on annual soil testing and assessment • Pruning and trimming on a monthly basis or as needed • Edging, weeding, and cultivating on a monthly basis or as needed • Monitor weeds, insects and disease and treat/address as required • Mulch beds annually to maintain 2-3" of shredded hardwood bark mulch • Leaf removal and fall cleanup of beds • Water shrubs and perennials in non-irrigated zones during dry-spells to provide 1" of water per week typ. 	9000 (including 300 shrubs and 360 perennials and grasses)	SF		
IRRIGATION SYSTEMS	<ul style="list-style-type: none"> • Annual start up and shut down of system • Cleaning, adjusting, & repairing the irrigation system 	N/A	SF		
BIOSWALES, RAIN GARDENS AND POND AREAS	<ul style="list-style-type: none"> • Control/ eliminate woody vegetation within bioswailes, pond embankments, and rain gardens on an annual basis • Use a brush cutter to cut down herbaceous vegetation on an annual basis in the early spring before growth begins • If present in an area, maintain/repair stormwater overflow/spillways and other drainage infrastructure to allow for proper functioning of the drainage system 	3360	SF		
TOTAL GLENVILLE PHASE 1 LANDSCAPE MAINTENANCE					TBD

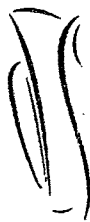


Zone: LOFTS PHASE 1 (REXFORD FLATS AND FRANKFORT)

LOFTS
Phase 1



LANDSCAPE FEATURE	MAINTENANCE REQUIRED	AREA/QUANTITY	UNIT	UNIT COST	SUBTOTAL
TURF	<ul style="list-style-type: none"> • Spring clean up of turf areas • Weekly mowing, edging, and trimming • Seasonal turfgrass fertilization based on annual soil testing • Weed and insect monitoring and control as required • Leaf removal/ Fall cleanup 	3,868	SF		
TREES	<p>(There are 22 trees in Loft Ph.1. Typical building has 11 trees)</p> <ul style="list-style-type: none"> • Prune trees as required to maintain natural form and to keep clear from walkways, alleys, homes and roadways • Maintain mulch rings around trees • Monitor insects and disease, treat as required • Fertilization as required based on annual soil testing and assessment • Water trees in non-irrigated zones during dry-spells to provide 1" of water per week typ. 	22	TREES		
PLANTING BEDS	<p>(Typical unit has +5050 SF of bed area; 191 shrubs, 219 perennials/grasses/etc.)</p> <ul style="list-style-type: none"> • Annual shrub & herbaceous plant fertilization as req. based on annual soil testing and assessment • Pruning and trimming on a monthly basis or as needed • Edging, weeding, and cultivating on a monthly basis or as needed • Monitor weeds, insects and disease and treat/address as required • Mulch beds annually to maintain 2-3" of shredded hardwood bark mulch • Leaf removal and fall cleanup of beds • Water shrubs and perennials in non-irrigated zones during dry-spells to provide 1" of water per week typ. 	10100 (382 Shrubs and 438 Perennials and Grasses)	SF		
IRRIGATION SYSTEMS	<ul style="list-style-type: none"> • Annual start up and shut down of system • Cleaning, adjusting, & repairing the irrigation system 	N/A	SF		
ROOF GARDEN (PRIMARILY SEDUM AND OTHER SUCCULENTS)	<ul style="list-style-type: none"> • Pruning/Cutting back of dead and damaged foliage in spring • Monitor and control weeds, insect and disease problems as needed • Leaf removal in fall • Water only as needed during dry spells 	3400	SF		
TOTAL LOFTS PHASE 1 LANDSCAPE MAINTENANCE					TBD

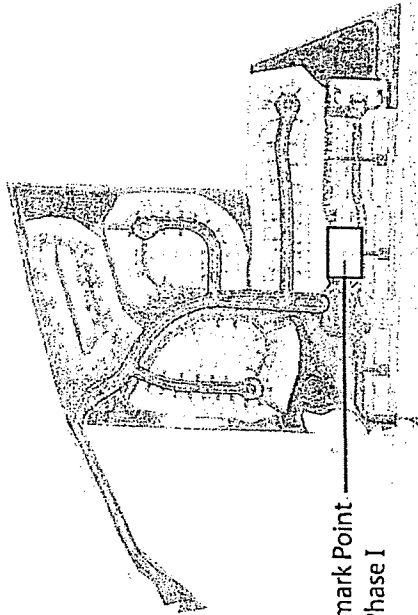


The RESERVE

— ON THE ERIE CANAL —

BRUNNEN'S

Zone: WATERMARK POINT PHASE 1 (6 UNITS)



Watermark Point
Phase I

LANDSCAPE FEATURE	MAINTENANCE REQUIRED	AREA/QUANTITY	UNIT	UNIT COST	SUBTOTAL
TURF	<ul style="list-style-type: none">• Spring clean up of turf areas• Weekly mowing, edging, and trimming• Seasonal turfgrass fertilization based on annual soil testing• Weed and insect monitoring and control as required• Leaf removal/ Fall cleanup	18,810	SF		
TREES	<p>(There are 16 trees in Mays Point Ph.1. Typical unit has 2-3 trees.)</p> <ul style="list-style-type: none">• Prune trees as required to maintain natural form and to keep clear from walkways, alleys, homes and roadways• Maintain mulch rings around trees• Monitor insects and disease, treat as required• Fertilization as required based on annual soil testing and assessment• Water trees in non-irrigated zones during dry-spells to provide 1" of water per week typ.	16	TREES		
PLANTING BEDS	<p>(Typical unit has +320 SF of bed area; 11 shrubs, and 13 perennials/grasses/etc.)</p> <ul style="list-style-type: none">• Annual shrub & herbaceous plant fertilization as req. based on annual soil testing and assessment• Pruning and trimming on a monthly basis or as needed• Edging, weeding, and cultivating on a monthly basis or as needed• Monitor weeds, insects and disease and treat/address as required• Mulch beds annually to maintain 2-3" of shredded hardwood bark mulch• Leaf removal and fall cleanup of beds• Water shrubs and perennials in non-irrigated zones during dry-spells to provide 1" of water per week typ.	1920 (66 shrubs and 78 perennials and grasses)	SF		
IRRIGATION SYSTEMS	<ul style="list-style-type: none">• Annual start up and shut down of system• Cleaning, adjusting, & repairing the irrigation system	N/A	SF		
BIOSWALES, RAIN GARDENS AND POND AREAS	<ul style="list-style-type: none">• Control/ eliminate woody vegetation within bioswales, pond embankments, and rain gardens on an annual basis• Use a brush cutter to cut down herbaceous vegetation on an annual basis in the early spring before growth begins• If present in an area, maintain/preserve stormwater overflow/spillways and other drainage infrastructure to allow for proper functioning of the drainage system	N/A	SF		
TOTAL MAY POINT PHASE 1 LANDSCAPE MAINTENANCE					TBD

EXHIBIT H

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS

ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: THE RESERVE ASSOCIATION INC.

DOCUMENT TYPE: INCORPORATION (NOT-FOR-PROFIT)

TYPE: A COUNTY: MONROE

FILED: 12/20/2011 DURATION: PERPETUAL CASH#: 111220000314 FILM #: 111220000280

FILER:

STEPHEN E. HALL, ESQ.
36 WEST MAIN STREET
SUITE 400
ROCHESTER, NY 14614

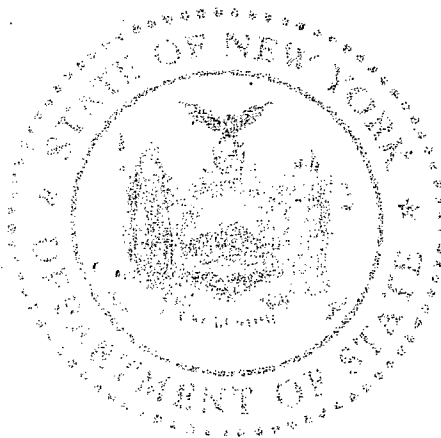
EXIST DATE

12/20/2011

ADDRESS FOR PROCESS:

THE CORPORATION
ONE AIRPORT WAY, SUITE 300
ROCHESTER, NY 14624

REGISTERED AGENT:



SERVICE COMPANY: CORPORATION SERVICE COMPANY -- 45

SERVICE CODE: 45

FEES	135.00
FILING	75.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	50.00

PAYMENTS	135.00
CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	135.00
OPAL	0.00
REFUND	0.00

030826KXK

STATE OF NEW YORK
DEPARTMENT OF STATE

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



WITNESS my hand and official seal of
the Department of State, at the City of
Albany, on December 20, 2011.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

111220000 28C

CSC 45
Drawdown

CERTIFICATE OF INCORPORATION

OF

THE RESERVE ASSOCIATION INC.

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

The undersigned, being a natural person of at least eighteen years of age and acting as the incorporator of the corporation hereby being formed under the Not-for-Profit Corporation Law, certifies that:

FIRST: The name of the Corporation is:
THE RESERVE ASSOCIATION INC.

SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

THIRD: The corporation shall be a "Type A" corporation under Section 201 of the Not-for-Profit Corporation Law.

FOURTH: This corporation is not organized for pecuniary profit or financial gain, and not part of its assets, income or profit shall be distributable to, or inure to the benefit of its members, directors or officers except to the extent permitted under the Not-for-Profit Corporation Law.

FIFTH: The corporation is formed for the following purposes:

The purposes for which the corporation is to be formed is to be a homeowners association for the owners of residences in the development known as The Reserve on the Erie Canal in the Town of Brighton, County of Monroe, State of New York, and to own, operate and/or maintain certain Covered Areas, as defined in the Declaration of Covenants and Restrictions for the Development and to be recorded in the Monroe County Clerk's Office, and to enforce and administer the provisions of such Declaration for the benefit of all such owners as members of the homeowners association.

The Corporation may do any other act or thing incidental to or in connection with the foregoing purposes or in the advancement thereof, and to do lawfully all and everything necessary, suitable and proper for the attainment of any of these purposes, the accomplishment of any of these objects, or the furtherance of any of the powers hereinabove set forth; and to have, enjoy and exercise all of the rights, powers, privileges and exemptions which are now or may hereinafter be conferred upon not-for-profit corporations organized under the laws of the State of New York, as they now exist or may be amended or supplemented and to do lawfully all and everything necessary, suitable and proper for the attainment of any of these

powers hereinabove set forth; and to have, enjoy and exercise any and all rights, powers, privileges and exemptions which are now or which may hereinafter be conferred upon not-for-profit corporations organized under the laws of the State of New York, as they now exist or may be amended or supplemented.

No part of the net earnings of the Corporation shall inure to the benefit of any members, trustee, director, officer of the corporation or any private individual, except that reasonable compensation may be paid for services rendered to or for the corporation, and no member, trustee, officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

The foregoing clauses shall be construed both as objects and powers, in furtherance, and not in limitation of the general powers conferred by the laws of the State of New York, and it is expressly provided that the enumeration herein of specific objects and powers and shall not be held to limit or restrict in any way the general powers of the Corporation.

SIXTH: The office of the corporation is to be located in the County of Monroe, State of New York.

SEVENTH: The name and address of the three (3) initial directors of the corporation are as follows:

<u>Name</u>	<u>Address</u>
Anthony J. Costello	c/o Suite 300, One Airport Way, Rochester, NY 14624
Brett Costello	c/o Suite 300, One Airport Way, Rochester, NY 14624
Timothy Reidy	c/o Suite 300, One Airport Way, Rochester, NY 14624

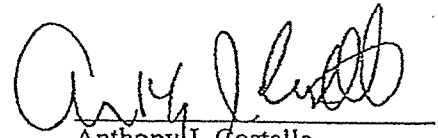
EIGHTH: The duration of the corporation is perpetual.

NINTH: The Secretary of State is designated as the agent for the corporation upon whom process against the corporation may be served. The post office address within the State of New York to which the Secretary of State shall mail a copy of any process against the corporation served upon the Secretary of State is:

The Reserve Association Inc.
Suite 300, One Airport Way
Rochester, New York 14624

Subscribed and affirmed by me as true under the penalties of perjury on December
19, 2011.

Incorporator's name:
Incorporator's address:



Anthony J. Costello
c/o Suite 300
Rochester, NY 14624

CSC 45
Drawdown

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CERTIFICATE OF INCORPORATION

OF

THE RESERVE ASSOCIATION INC.

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

RECEIVED
2011 DEC 19 PM 4:05

J.C.C.
STATE OF NEW YORK
DEPARTMENT OF STATE

FILED DEC 20 2011

TAX \$ _____

BY: _____

meny

Stephen E. Hall, Esq.
Suite 400
36 West Main Street
Rochester, New York 14614
(585) 546-3770

Cust Ref # 030826

KXK

thereserve.154

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EXHIBIT I

BY-LAWS

Exhibit "I"

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BY-LAWS OF THE RESERVE ASSOCIATION INC.

A New York Not-for-Profit Corporation

ARTICLE ONE PLAN OF HOME OWNERSHIP

Section I-01. Name and Location

The name of the corporation is The Reserve Association Inc., (hereinafter the "Association"). The principal office of the Association shall be located at Suite 300, One Airport Way, Rochester, New York 14624.

Section I-02. Declaration

The residential subdivision development known as Section I of The Reserve on the Erie Canal in the Town of Brighton, County of Monroe, State of New York (hereinafter called the "Development") has been submitted to the provisions of a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") recorded in the Office of the County Clerk, Monroe County, with a primary purpose and function of the Association being to administer and enforce the Declaration for the benefit of all Unit Owners in the Development.

Section I-03. Applicability of By-Laws

The provisions of these By-Laws are applicable to the Association, and to all Covered Areas within the Development owned and/or maintained by the Association, and to the use and occupancy thereof. All capitalized terms used herein and not otherwise specifically defined shall have the same meaning as set forth in the Declaration.

Section I-04. Applicability to Persons

All present and future Owners of Units and their Permittees, and all mortgagees of Units, and any other person who may use the Covered Areas in any manner shall be subject to these By-Laws, the Declaration, and to all rules and regulations pertaining to the use and operation of the same.

The acquisition of any Unit shall by itself be sufficient to signify acceptance and ratification of the provisions of the aforementioned instruments, and an agreement to comply therewith.

ARTICLE TWO BOARD OF DIRECTORS

Section 2-01. Number and Qualifications

The affairs of the Association shall be governed by a Board of Directors. While the Sponsor is a Class B Member during the Initial Control Period as set forth in the Declaration, the Board of Directors will be comprised of three (3) persons and consist of such of the officers, members, and/or employees of Sponsor as Sponsor shall from time to time designate. At the expiration of the Initial Control Period, when the Sponsor's Class B Membership is converted into a Class A Membership as set forth in the Declaration, the Board of Directors shall be composed of seven (7) persons, with the Board composed as set forth in Section 2-03 below, each of which Board members shall be an individual Owner, or, in the case of a corporate or limited liability company Owner, a member, shareholder, director, officer or employee of such entity, or in the case of a fiduciary Owner, officers or employees of such fiduciary.

Section 2-02. Powers and Duties

The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things, except those as which by law, the Association's Certification of Incorporation, the Declaration, or these By-Laws, may not be delegated to the Board of Directors by the Members. Such powers and duties of the Board of Directors include, but are not limited to, the following:

A. Administration, operation, care, upkeep, repair, maintenance, replacement, preservation and improvements to and alteration of the Covered Areas;

B. The determination of the amounts of Assessments required to pay all Common Expenses of the Association, such as amounts required for the performance of its duties and obligations under A. preceding;

C. Collection of Assessments from Owners;

D. Maintenance of detailed and accurate records, in chronological order, of receipts and disbursements arising from the Association's operations, which records shall be made available for examination by Members at convenient hours on weekdays;

E. Authorization and prosecution of suits to foreclose liens for non-payment of Assessments on Units, or to recover money judgments for unpaid Assessments or Units, on behalf of all Members;

F. Authorization and prosecution of actions or proceedings on behalf of the Owners to enforce the provisions of the Declaration and these By-Laws;

G. Employment and dismissal of personnel necessary or appropriate for the performance of its powers and duties;

H. Adoption and amendment of additional rules and regulations not inconsistent with the Declaration (including Schedule A-1 thereto) and the By-Laws, covering the details of operation and use of the Covered Areas and Units;

I. Establishment of bank accounts in the name of the Association, and authorization of signatories therefore;

J. Purchasing, or otherwise acquiring in the name of the Association, or its designee, corporate or otherwise, on behalf of all Members, Units offered for sale or surrender by their Owners to the Association;

K. Purchasing Units at foreclosure or other judicial sale in the name of the Association, or its designee, corporate or otherwise, on behalf of all Members;

L. Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with Units acquired by the Association or its designee, on behalf of all Members;

M. Organizing corporations or limited liability companies to act as designees of the Association in acquiring title to or Units on behalf of all of the Members;

N. Procuring insurance on the Covered Areas owned by the Association, and for the Association and the Board;

O. Contracting for and/or undertaking of repairs, restorations, additions, and improvements to the portion of the Covered Areas owned by the Association, after damage or destruction thereto by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

P. Levying fines against Members for material violations of the Declaration, By-Laws or rules and regulations established by the Board to govern the conduct of the Members, provided, however, that no fine may be levied in an amount in excess of One Hundred Dollars (\$100.00) for any one (1) violation. For each day a violation continues after notice, the Association may deem the same a separate violation. Such fines may be collected as if they were Assessments owned by the Member(s) against whom the fines are levied. Where a Member persists in such violation, the Board may require the Member to post a bond to secure future compliance with the rules and regulations;

Q. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep, maintenance, repair, replacement, preservation of, and making alterations or improvements to, Covered Areas, provided, however, that (1) the consent of fifty-one percent (51%) in number of all voting Members, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for any such borrowing in excess of Twenty Five Thousand Dollars (\$25,000.00), and (2) no lien to secure repayment of any sums borrowed may be created on any Unit other than the Clubhouse Unit;

R. Employment of a Managing Agent at such reasonable compensation and to perform such duties as the Board of Directors may authorize; provided however, that the Board of Directors shall not delegate to any such Managing Agent any of the powers set forth in subsections F., H., K., L. and M. of this Section;

S. Exercising all other necessary and proper actions for the sound management of the Association and Covered Areas and fulfillment of the terms and provisions of the Declaration and these By-Laws.

Section 2-03. Election and Terms of Office

At the first annual meeting of Members after the Initial Control Period, the Board of Directors shall be elected and with terms of office as follows.

The Board of Directors will thenceforth have seven (7) members, and will be composed of Owners, Co-Owners, spouses of Owners, or mortgagees of Units; in the case of corporate owners or mortgagees of Units, Directors may be officers, directors, shareholders, or employees of such corporations, or officers or employees of fiduciary Owners. Of said seven (7) members of the Board of Directors, (i) two (2) will be elected solely through the votes of Single Family Dwelling Unit Owners (the "Single Family Board Members"), (ii) two (2) will be elected solely through the votes of Townhome Unit Owners (the "Townhome Board Members"), (iii) (2) will be elected solely through the votes of Loft Condominium Unit Owners (the "Loft Board Members"), and (iv) one (1) at-large member will be elected through the votes of all Unit Owners.

At the first annual meeting of members after the Initial Control Period, an election shall be held by the members, at which time the Board of Directors shall be fixed as follows:

Three (3) members, one (1) being a Single Family Board Member, one (1) being a Townhome Board Member, and one (1) being a Loft Board Member, shall be elected for three (3) year terms.

Three (3) members, one (1) being a Single Family Board Member, one (1) being a Townhome Board Member, and one (1) being a Loft Board Member, shall be elected for two (2) year terms.

The One (1) at large member shall be elected for a (1) year term.

At the expiration of the initial term of office of each member of the Board, his or her successor shall be elected to serve for a term of three (3) years. Board members shall hold office until their successors have been elected.

Section 2-04. Vacancies

Vacancies in the Board of Directors occurring for a reason other than the expiration of the term of a Director or the removal of a Director by a vote of the Members, shall be filled by a vote of the majority of the remaining members of the Board, even though they may constitute less than a quorum; each person so elected shall hold office until his successor is elected at the next annual meeting of Members.

Section 2-05. Removal of Board Members

At any regular meeting of the Members duly called, or at any special meeting of the Members duly called for such purpose, any one or more members of the Board of Directors may be removed with or without cause by a majority of voting Members, and a successor will then and there be elected to fill the vacancy so created. Any members of the Board so elected will serve for the unexpired term of his or her predecessor in office. Any Director whose removal has been so proposed shall be given a reasonable opportunity to be heard at the meeting of Members at which a vote is to be taken on the issue of his or her removal.

Section 2-06. Organizational Meetings

The first meeting of the Board of Directors following the Initial Control Period shall be held within fifteen (15) days after the first meeting of Members at which the Board is elected, and at such place as may be fixed by the Board of Directors.

Section 2-07. Regular Meetings

After the Initial Control Period, regular meetings of the Board of Directors will 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 Directors, with at least four (4) of such meetings to be held during each fiscal year of the Association. Notice of regular meetings of the Board of Directors will be given to each member of the Board by certified mail, overnight courier, or by personal delivery, at least five (5) business days prior to the date set for such meeting.

Section 2-08. Special Meetings

Special meetings of the Board of Directors may be called by the President, and must be called by the President or Secretary on the written request of at least two (2) Board members, on five (5) business days' notice to each Board member, given by certified mail, overnight courier, or by personal delivery. Any such notice shall state the date, time, place, and purpose of the meeting.

Section 2-09. Waiver of Notice

Any member of the Board may at any time waive notice of any meeting of the Board of Directors in writing, and any such written waiver shall be deemed equivalent to the giving of the notice otherwise required herein. Attendance by any member of the Board at any meeting of the Board shall be deemed to constitute a waiver by him or her of notice otherwise required thereof. If all members of the Board are present together, no prior or further notice of such members so meeting shall be required, and any business may be transacted at any such meeting.

Section 2-10. Quorum of Board of Directors

At all meetings of the Board of Directors, a majority of the members of the Board shall constitute a quorum for the transaction of business; if a quorum is present, the votes of a majority of the members of the Board of Directors present at a meeting shall constitute the decision of the Board of Directors.

Section 2-11. Fidelity Bonds

The Board of Directors may in their discretion obtain adequate fidelity bonds or insurance for all directors, officers and employees of the Association handling or responsible for Association funds. The premiums of such bonds or insurance shall constitute a Common Expense payable through Assessments upon the Units.

Section 2-12. Compensation

No member of the Board of Directors will receive compensation from the Association for acting as such; provided, however, that nothing herein contained shall be construed to preclude any member of the Board from being retained or engaged by the Association to serve it in any other capacity and receiving compensation therefore.

ARTICLE THREE UNIT OWNERS

Section 3-01. Annual Meetings

After the expiration of the Initial Control Period, the Sponsor shall notify all Unit Owners thereof, and the first meeting of Members shall be called by the President to be held within thirty (30) days thereafter. At such meeting all officers and directors of the Sponsor holding office as members of the Board of Directors shall resign, and all Unit Owners, including Sponsor, shall elect a new Board of Directors. Thereafter, annual meetings of Members shall be held, at a reasonable location and time determined by the Board, as may be designated by written notice by the Board of Directors delivered to the Members not less than forty five (45) days prior to the date fixed for said meeting. No business shall be transacted at such meeting except as stated in the notice. At such meetings there shall be elected, by ballot of the Members, a Board of Directors in accordance with the requirements of Section 2-03 of these By-Laws. The Members may also transact any other business of the Association as may properly come before the meeting.

Section 3-02. Special Meetings

If directed by a resolution of the Board of Directors, or by a petition signed and presented

to the President or Secretary by Members holding twenty-five percent (25%) of the total Unit votes, the President or Secretary will call a special meeting of the Members, with notice to be provided as required, under Section 3-04. No business shall be transacted at a special meeting except as stated in the notice.

Section 3-03. Place of Meetings

Meetings of the Association shall be held at the principal office of the Association, or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

Section 3-04. Notice of Meetings

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose, and the date, time and the place thereof, to each Association Member for (i) annual meetings per Section 3-01 above, and (ii) for special meetings, at least ten (10) days, but not more than thirty (30) days, prior to such meeting. All notices shall be mailed to the Unit address, or to any alternative address of which the Unit Owner has provided the Association with written notice. Any notice so mailed shall be considered duly served.

Section 3-05. Quorum; Majority Voting

At all meetings of the Members, Members holding in the aggregate in excess of forty percent (40%) of total Unit votes will constitute a quorum for transaction of business. If a quorum is present at a meeting, the votes of a majority present shall comprise the due vote and decision of the Members for all purposes other than those for which a higher proportion is required by law, by the Declaration, or by these By-Laws. If at any meeting of Members a quorum is present, a majority of voting Members present may adjourn the meeting to a date and time not less than five (5) days nor more than ten (10) days from the date the original meeting is held. At any such subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3-06. Order of Business

The order of business at all meetings of Association members shall be as follows:

- A. Roll call;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of the preceding meeting;
- D. Election of voting inspectors (when appropriate);
- E. Election of members of Board of Directors (when required);
- F. Reports of officers;
- G. Report of Board of Directors;

- H. Reports of committees;
- I. Unfinished business;
- J. New business.

Section 3-07. Title to Units

Title to Units may be taken in the name of an individual, or in the names of two (2) or more persons (as tenants in common, joint tenants, or as tenants by the entirety), or in the name of a corporation, or limited liability company, or in the name of a fiduciary.

Section 3-08. Voting

The appointment of a proxy able to vote for a Member at a meeting of Members shall be made in a signed writing and filed with the Secretary, and shall be revocable at any time by notice in writing to the Secretary.

ARTICLE FOUR OFFICERS

Section 4-01. Designation

The principal officers of the Association shall be the President, Vice-President and Secretary-Treasurer, all of whom shall be elected by and from the Board of Directors. The Board of Directors may also appoint from the Board such other assistant officers as may be necessary in its judgment.

Section 4-02. Election of Officers

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board of Directors.

Section 4-03. Removal of Officers

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4-04. President

The President shall be the chief executive officer of the Association, shall preside at all

meetings of the Association's Members, and shall preside at all meetings of the Board of Directors. The President will freely consult with the members of the Board as to the duties, powers, and activities of the Association. The President shall have the power to sign alone any instruments on behalf of the Association (unless the Board of Directors shall specifically require an additional signature), including all contracts, agreements, deeds, checks, and other instruments whose signature is authorized either generally or specifically by the Board of Directors. The President shall perform all other duties reasonably incident to the office of President, subject, however, to the reasonable control of the Board of Directors.

Section 4-05. Vice-President

The Vice-President shall take the place of the President and perform the President's 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 Directors shall appoint another member of the Board of Directors to act in such place, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be assigned to him or her by the Board of Directors.

Section 4-06. Secretary-Treasurer

The Secretary-Treasurer shall keep the minutes of all meeting of the Board of Directors and of the of the Association's members; the Secretary-Treasurer shall have charge of such books and papers as the Board of Directors may direct, and shall have the custody of all funds and securities of the Association. The Secretary-Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Association, and shall deposit or cause to be deposited all Assessments, collections and other monies and valuable effects of the Association in the name and to the credit of the Association in such banks or depositories as the Board of Directors may designate. Whenever required by the Board of Directors, or by the vote of Members, the Secretary-Treasurer shall render a statement of accounts to the Board or the Members. The Secretary-Treasurer will at all reasonable times exhibit all books and accounts to any member of the Board of Directors, and shall perform all duties incident to the office of Secretary-Treasurer, subject however, to the reasonable control of the Board of Directors, and such other duties as shall from time to time be assigned by the Board of Directors.

Section 4-07. Agreements, Contracts, Deeds, Checks and Other Instruments

All agreements, contracts, deeds, checks and other instruments of the Association shall be executed by either the President of the Association, or by the Managing Agent, on its behalf, or by such other officer as may be designated by the Board of Directors.

Section 4-08. Compensation of Officers

No officer of the Board shall receive compensation from the Association for acting as such, provided, however, that nothing herein contained shall be construed to preclude any officer from serving the Association in any other capacity and receiving compensation therefore.

ARTICLE FIVE OPERATION OF PROPERTY

Section 5-01. Determining Assessments

Except as otherwise provided herein or in the Declaration, all Common Expenses in connection with the administration, operation, maintenance, repair, replacement, preservation, or alteration of or improvement to the Covered Areas by the Association shall be determined by the Board of Directors, and shall be borne by the Unit Owners. The Board of Directors shall from time to time, at least annually, prepare a budget for the Association, which budget shall include projections of Common Expenses, any revenues from sources other than Assessments of Unit Owners, the total charges required to be Assessed against the Units to meet the excess of the former over the latter, and an allocation of the Assessment of such Common Expenses against Unit Owners. Assessments shall include, but shall not be limited to, the following:

A. All expenses of administration, operation, repair, maintenance, upkeep, replacement, preservation, and the improvement or alteration of the Covered Areas, including but not limited to insurance premiums on all policies of insurance obtained pursuant to these By-Laws or the Declaration, and any reserves determined to be maintained by the Association;

B. All other amounts that the Members may agree upon at a duly called meeting of Members, or that the Board of Directors may deem necessary or appropriate, for the above purpose;

The Board of Directors shall furnish all Unit Owners with copies of the budget upon which the allocations and Assessments are based.

Section 5-02. Collection of Assessments

The Board of Directors shall make Assessments against the Unit Owners from time to time, and at least annually shall advise each Unit Owner in writing of the amount of Assessments against and payable with respect to such Unit. If any Assessments assessed against a Unit remain unpaid for more than ten (10) days from the date due, the Board of Directors shall be entitled to take all legal action as necessary to collect the same. In the event of such non-payment for more than ten (10) days the Board of Directors may impose a late charge as it deems reasonable, provided such late charges are equitable and uniformly applied.

Section 5-03. Obligation to Pay Assessments

All Unit Owners are personally liable for and obligated to pay all Assessments against such Owner's Unit by the Board of Directors during such period of ownership. No Unit-Owner may exempt himself or herself from liability for any Assessments by waiver of the use or enjoyment of any of the Covered Areas or by abandonment of the Unit. Upon and following all voluntary conveyances of Units, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the Unit up to the time of the grant or conveyance, without prejudice to the grantee's right to recover against the grantor all such amounts paid by the grantee. Prior to closing of acquisition of a Unit, any such grantee shall be entitled to a statement from the Board of Directors or the Managing Agent, setting forth the amount of any unpaid Assessments against the Unit, with the grantee not to be liable for any unpaid amount in excess of the amount set forth in such statement provided to grantee.

Section 5-04. Default in Payment of Assessments

In the event of default by any Unit Owner in paying the Assessments against the Unit by the Board of Directors, such Unit Owner shall be in addition liable for and obligated to pay interest thereon from the due date at the maximum legal interest rate permissible by law (or such lower interest rate as may be fixed by the Board of Directors from time to time), together with all expenses, including reasonable attorneys' fees, incurred by the Board of Directors in any efforts, whether via legal proceedings or otherwise, to collect such Assessments, including, but not limited to an action foreclosing the lien on the Unit for non-payment thereof.

Section 5-05. Foreclosure of Liens for Unpaid Assessments

The Board of Directors has the right and duty to attempt to recover all unpaid Assessments, together with interest thereon, and all expenses, including reasonable attorney's fees, as are incurred in all measures or proceedings by the Board of Directors to collect the same such as, but not limited to, (1) an action to recover a money judgment therefor against the Unit Owner(s) liable for payment, or (2) an action to foreclose the lien of unpaid Assessments on the Unit, and may also recover therein all costs and expenses of any such proceeding, including reasonable attorney's fees. Any the suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiving the lien securing the same, and an action to foreclose such lien shall be maintainable notwithstanding the pendency of a suit to recover a money judgment. In any such foreclosure action, the Unit Owner will also be required to pay to the Board reasonable rental for the Unit for any period prior to sale, and the Board of Directors, as Plaintiff in such a foreclosure action, shall be entitled to the appointment of a receiver to collect such rental.

Section 5-06. Common Surplus

In any budget or calendar year the Association shall not be obligated to spend all sums collected in such year by way of Assessments or otherwise, and may carry forward as a surplus any balance remaining. Further, the Association shall not be obligated to apply any such surplus or surpluses towards reduction in the amount of the Assessments in any succeeding year, but may carry forward from year to year such surpluses as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security of and effectuation of the purposes of the Association.

Section 5-07. Uses of Unit

In order to provide for more congenial occupancy and use of the Property, and for the protection of the values of the Units, the use of the Units and the Property shall be in accordance with the **Schedule A-1** to the Declaration.

Section 5-08. Modifications by Board of Directors

Any improvements or alterations in or to the Covered Areas outside of any Single Family Dwelling Unit or Townhome Unit limited common elements costing Twenty Five Thousand Dollars (\$25,000.00) or less may be made by the Board of Directors without the approval of the Members, and the cost thereof shall be treated as a Common Expense. Whenever, in the judgment of the Board of Directors, any such portion of the Covered Areas require improvements or alterations costing in excess of Twenty Five Thousand Dollars (\$25,000.00), the making of such improvements or alterations shall require approval by a majority of voting Members; after such approval has been obtained, the Board of Directors shall proceed with the same, and the cost thereof shall be treated as a Common Expense.

Section 5-09. Repair or Reconstruction

If any portion of the Covered Areas outside of any Single Family Dwelling Units or Townhome Unit limited common elements is destroyed or damaged, the Board of Directors shall arrange for the prompt repair and restoration of the same. The Board of Directors shall disburse the proceeds of all insurance policies for such destruction or damage, in appropriate progress payments, to the contractors engaged in repair and restoration work. The amount of all applicable insurance policy deductibles, and all costs of such repair and restoration in excess of insurance proceeds, shall be treated as a Common Expense.

Section 5-10. Fire and Extended Coverage Insurance

The Board of Directors shall obtain and continue in effect insurance against loss by fire and other casualties normally covered under broad form fire and extended coverage insurance as written in New York, covering all Covered Areas outside of any Single Family Dwelling Units or

Townhome Unit limited common elements. The premiums for such insurance shall be a Common Expense.

Section 5-11. Liability Insurance

The Board of Directors shall also obtain and continue in effect insurance against liability for personal injury and death and for damage to property occurring within the Covered Areas as a result of the actions or omissions to act in connection with the administration, operation, repair, maintenance, replacement, preservation or improvements or alterations thereto by the Association, its employees, agents, Managing Agent and contractors, or by Members of the Association and their Permittees making use of the Property. Such policy amounts shall be determined by the Board of Directors, and the premiums for such insurance shall be a Common Expense.

Section 5-12. Right of Owners to Insure Units

Any insurance obtained or maintained by the Board of Directors shall be without prejudice to the rights of Unit Owners to obtain and maintain such insurance as they see fit with respect to such Unit.

Section 5-13. Abatement of Violations

Violation of any provision of the Declaration, of these By-Laws, or any rule or regulation adopted pursuant thereto, shall give the Board of Directors, acting on behalf of all Unit Owners, the right to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE SIX MORTGAGES

Section 6-01. Payment of Assessments

No Unit Owner will convey, mortgage, pledge, or sell such Unit unless and until the Unit Owner has paid in full to the Board of Directors all unpaid Assessments theretofore assessed against the Unit.

Section 6-02. Notice of Unpaid Assessments

The Board of Directors, whenever so requested in writing by a Mortgagee of a Unit, shall report to the Mortgagee any unpaid Assessments with respect to the Unit.

Section 6-03. Notice of Default

Upon giving notice to a Unit Owner of a default in the payment of Assessments on the Unit, the Board of Directors shall send a copy of such notice to each holder of a mortgage secured by such Unit who has requested the same by prior written notice to the Board.

Section 6-04. Notice of Action

Upon prior written request to the Board of Directors, for a reasonable fee the holder of any mortgage on a Unit shall be entitled to timely written notice of:

A. Any taking via condemnation, or any casualty which affects a material portion of the Covered Areas, or of the Unit(s) encompassed by such mortgage;

B. Any delinquency in the payment of Assessments on any Unit encompassed by such mortgage;

C. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

Section 6-05. Inspection of Books

All Unit Owners and all holders of mortgages on any Unit shall be permitted to inspect the books of accounts of the Association at reasonable times during business hours, but not more often than twice per calendar year.

ARTICLE SEVEN ASSOCIATION ACQUISITION OF UNITS

Section 7-01. Financing Acquisition of Units by Board of Directors

Acquisition of Units by the Board of Directors in connection with the foreclosure of liens thereon for unpaid Assessments may be financed from Special Assessments levied by the Board pursuant to these By-Laws and Declaration, and/or from working capital held by the Association. The Board of Directors is also authorized to borrow money on behalf of the Association to finance any such acquisition of Units, provided, however, that no lien or encumbrance on any property, other than the Unit acquired, may be conveyed to secure such financing.

ARTICLE EIGHT CONDEMNATION

Section 8-01. Condemnation of Association Property

In the event of a taking in condemnation or eminent domain of part or all of the Covered Area outside of any Units, the award made for such taking shall be payable to the Board of

Directors, to be applied so as to best further the purposes of the Association, the continuing use and function of the remainder of the Property, and the value of the Units.

ARTICLE NINE RECORDS

Section 9-01. Records; Certification by Certified Public Accountants

The Managing Agent, and/or Board of Directors, shall keep detailed records of all actions of such Managing Agent and Board of Directors, as well as minutes of the meetings of the Board of Directors, minutes of the meetings of Members, and financial records and books of accounts for the Association, including a chronological record of all receipts and disbursements. A separate ledger account shall also be kept for each Unit containing, among other things, the amount of each Assessment against such Unit, the date when due, amounts paid thereon, and the balance remaining due. An annual report of receipts and disbursements of the Association, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all Unit Owners and mortgagees requesting the same, within a reasonable period after the end of each fiscal year.

Section 9-02. Fiscal Year

The fiscal year of the Association shall commence on January 1st of each year and end on December 31st.

ARTICLE TEN MISCELLANEOUS

Section 10-01. Notices

All notices required or permitted to be sent to the Board of Directors shall be sent by certified mail, return receipt requested, or reputable overnight courier service, to both the office of the Board of Directors at Suite 300, One Airport Way, Rochester, New York 14624, and to any Managing Agent, or to such other address as the Board of Directors may designate. All notices required or permitted to be sent to any Unit Owner shall be sent by first class United States mail, postage prepaid, to the post office address corresponding to such Unit, or to such other address as such Unit Owner may have designated in writing to the Board of Directors. All notices to Unit mortgagees shall be sent by certified mail, return receipt requested, or reputable overnight courier service, to their respective addresses, as provided by the mortgagees to the Board of Directors. All notices shall be deemed to have been given upon the earlier of receipt or refusal of delivery.

Section 10-02. Invalidity

If any provision or provisions of these By-Laws is or are declared invalid, such invalidity shall in no way impair or affect in any manner the validity, enforceability, or effect of the remaining provisions of these By-Laws.

Section 10-03. 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.

Section 10-04. Waiver

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 and failures to enforce that may occur.

Section 10-05. Singular/Plural

The use of the singular shall be deemed to include the plural whenever the context so requires.

Section 10-06. References to the Sponsor

Whenever a reference is made to the Sponsor, such reference shall be deemed to include any other entity wholly controlled by the Sponsor and designated by it to act in its place and stead.

ARTICLE ELEVEN AMENDMENTS TO BY-LAWS

Section 11-01. Amendments

These By-Laws may be modified or amended by the affirmative vote of Members holding at least 51% of all Unit votes at a meeting of Unit Owners duly called for such purpose.

Section 11-02. Amendments Affecting Sponsor

Notwithstanding any provision contained herein to the contrary, no amendment to these By-Laws adversely affecting the Sponsor shall be effective until the Sponsor has conveyed title to all Units in the Development.

ARTICLE TWELVE CONFLICTS

Section 12-01. Conflicts

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

IN WITNESS WHEREOF, the undersigned being the "Sponsor" herein has hereunto set his hands and seal this _____ day of _____, 20_____.

Sponsor

ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC

By: _____
Name: Anthony J. Costello
Title:

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the _____ day of December, in the year 2011, before me, the undersigned, personally appeared ANTHONY J. COSTELLO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individuals(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

thereserve.reserveassociation

EXHIBIT J

NEW YORK STATE DEPARTMENT OF LAW
ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 20____, by and among _____ ("PURCHASER"), ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC ("SPONSOR"), as sponsor of THE RESERVE ASSOCIATION INC. offering plan ("Plan") and Stephen E. Hall, Esq. ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale homeowners association ownership interests at the premises located at The Reserve on the Erie Canal, Town of Brighton, County of Monroe, State of New York, subject to the terms and conditions set forth in the Plan; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of Lot _____ (the "Purchase Agreement") at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, County of Monroe, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc. ("Escrow Account"). The account number is _____.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Stephen E. Hall, Esq. The designated signatory is admitted to practice law in the State of New York.

The signatory on the Escrow Account has an address of Suite 400, 36 West Main Street, Rochester, New York 14614, and a telephone number of (585) 546-3770.

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

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

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank and the account number. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

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

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

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

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

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

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

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

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

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

4. RECORDKEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

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

7. TERMINATION OF AGREEMENT.

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

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

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

13. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

Stephen E. Hall, Esq.

By: _____
Name: _____
Title: _____

SPONSOR

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC

By: _____
Name: _____
Title: _____

PURCHASER

[INSERT NAME]

By: _____
Name: _____
Title: _____

07.23.003

EXHIBIT L

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL

New York State Department of Law
Investment Protection Bureau, Real Estate Financing Section
120 Broadway, 23rd Floor
New York, New York 10271

RE: The Reserve Association Inc.
The Reserve on the Erie Canal, Town of Brighton, County of Monroe, State
of New York
HO12-0001

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

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

1. We are the sponsor, and the principal of the sponsor, with respect to the above homeowners association amended and restated offering plan for the captioned property.
2. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 22 and such other laws and regulations as may be applicable.
3. We have read the entire amended and restated offering plan. We have investigated the facts set forth in the amended and restated offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the amended and restated offering plan does, and that documents submitted hereafter by us which amend or supplement the amended and restated offering plan will:
 - (i) set forth the detailed terms of the transaction and be complete, current and accurate;
 - (ii) afford potential investors, purchasers and participants, basis upon which to found their judgment;
 - (iii) not omit any material fact;
 - (iv) not contain any untrue statement of a material fact;
 - (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
 - (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
 - (vii) not contain any representation or statement which is false, where we:

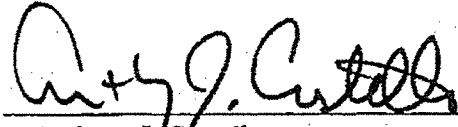
(a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

4. This certification is made under penalty of perjury for the benefit of all persons to whom this Offer is made.

We understand that violations are subject to civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC

By: 
Name: Anthony J. Costello
Title: Manager

PRINCIPAL:


Anthony J. Costello

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the 11th day of November, in the year 2013, before me, the undersigned, personally appeared ANTHONY J. COSTELLO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individuals(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

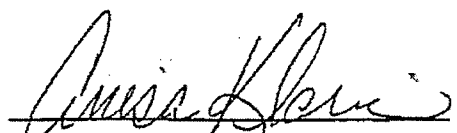
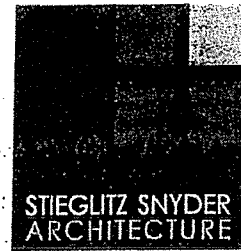

Notary Public
ANISA KLARIC
Notary Public, State of New York
No. 01KL6279686
Qualified in Monroe County
Commission Expires April 15, 2017

EXHIBIT M

CERTIFICATION OF ARCHITECT

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271



RE: The Reserve Association Inc.
The Reserve on the Erie Canal
Town of Brighton, County of Monroe, State of New York

The Sponsor of the Offering Plan to convert the captioned property to HOA ownership retained our firm to prepare sections "H. Garages and Parking Areas; I. Building Size; J. Structural Systems; K. Exterior of Buildings- Clubhouse Building; M. Interior of Building- Clubhouse Building; S. Recreational Facilities (in part); U. Additional Information: 3. Clubhouse Floor Plans" of the attached Report dated October 1, 2013 (the "Report"), to describe the construction and improvement of the property as it relates to such Sections of the Report (the "Applicable Report Sections"). I have examined the building plans and specifications that were prepared by our office and prepared the Applicable Report Sections, a copy of which Report is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State of New York, where the property is located.

I understand that my office and I are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Applicable Report Sections.

I have read the entirety of the Applicable Report Sections, and investigated the facts set forth in the Applicable Report Sections and the facts underlying them with due diligence, in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Applicable Report Sections:

- i. set forth in narrative form the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of construction, provided that construction is in conformance with the plans and specifications that I examined;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis on which to found their judgment concerning the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- iii. does not omit any material fact;

M/

The Reserve Association Inc.
The Reserve on the Erie Canal

- 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 representation or statement made.

I further certify that my office is not owned or controlled by and has no beneficial interest in the Sponsor, and that my compensation for preparing the Applicable Report Sections 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.

Respectfully submitted,

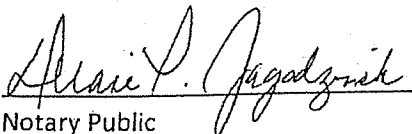
STIEGLITZ SNYDER ARCHITECTURE, P.C.

By: 

Name: Robert A. Shepard, AIA, NCARB, LEED AP

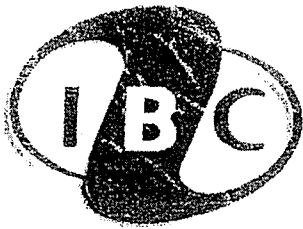
Title: Design Partner

Sworn to before me this 30th day of September, 2013.


Notary Public

DIANE P. JAGODZINSKI
No: 01JA6072472
Notary Public, State of New York
Qualified in Erie County
My Commission Expires April 8, 2014

MZ



Engineering P.C.

Engineering Your Future

Rochester • Buffalo

Tri-Main Center

2495 Main St, Suite 318

Buffalo, NY 14214

P 716 836 2315

F 716 836 2319

CERTIFICATION OF ENGINEER

October 01, 2013

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Reserve Clubhouse Condominium
The Reserve on the Erie Canal
Town of Brighton, County of Monroe, State of New York

Sponsor: Anthony J. Costello & Son (Joseph) Development, LLC
Suite 300
One Airport Way
Rochester, NY 14624

The sponsor of the offering plan to develop the captioned property to condominium ownership retained our firm to prepare the sections listed below of the attached Report dated October 1, 2013 (the "Report"), to describe the Mechanical, Electrical, Plumbing, and Fire Protection design that we provided for the Clubhouse building on the property:

PLUMBING AND DRAINAGE
FIRE PROTECTION SYSTEM
SANITARY SEWAGE SYSTEM (Excluding Site Engineering)
STORM DRAINAGE SYSTEM (Excluding Site Engineering)
HEATING
GAS SUPPLY
AIR CONDITIONING
VENTILATION
ELECTRICAL SYSTEM
PUBLIC AREA LIGHTING

I have examined the building plans, specifications and the applicable report sections prepared by IBC Engineering, P.C. It is our understanding that a copy of the Report is intended to be incorporated into the Offering Plan for prospective Purchasers to review.

I understand that my office is responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Applicable Report Sections.

I have read the entirety of the Applicable Report Sections, and investigated the facts set forth in the Applicable Report Sections and the facts underlying them with due diligence, in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

Certification of Engineer
The Reserve Clubhouse Condominium
The Reserve on the Erie Canal
October 01, 2013
page 2 of 2

I certify that the Applicable Report Sections:

- i. set forth in narrative form the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of construction, provided that construction is in conformance with the plans and specifications that I examined;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis on which to found their judgment concerning the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- iii. does not omit any material fact;
- iv. does not contain any untrue statement of a material fact;
- v. does not contain any fraud, deception, concealment, or suppression;
- vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. does not contain any representation or statement which is false where I:
 - a) knew the truth;
 - b) with reasonable effort could have known the truth;
 - c) and no reasonable effort to ascertain the truth, or;
 - d) did not have knowledge concerning the representation or statement made.

I further certify that my office is not owned or controlled by and has no beneficial interest in the Sponsor, and that my compensation for preparing the Applicable Report Sections and construction documents 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.

Respectfully submitted,

IBC Engineering, P.C.

Jesse F. Wendell, P.E., LEED^{AP}
Associate

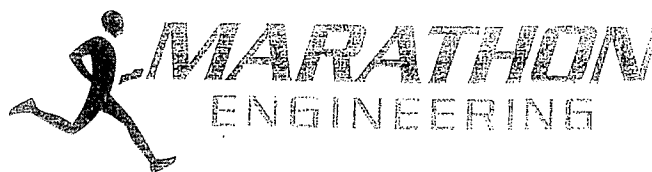
NYS PE Registration No. 082500

DAWN M. RUSSELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01RU5043922
Qualified in Erie County
My Commission Expires June 20, 2015

Sworn to before me this 1 day of October, 2013.

M4





39 Cascade Drive / Rochester, NY 14614 / Phone (585) 458-7770

CERTIFICATION OF ENGINEER

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

RE: The Reserve Association Inc.
The Reserve on the Erie Canal
Town of Brighton, County of Monroe, State of New York

The Sponsor of the Offering Plan to convert the captioned property to HOA ownership retained our firm to prepare site related design and maintenance items within the attached Report dated October 1, 2013 (the "Report"), to describe the construction and improvement of the property as it relates to such Sections of the Report (the "Applicable Report Sections"). I have examined the Subdivision and Site Plans that were prepared by our office entitled "Preliminary Overall-Final Section 1 Drawings – The Reserve on the Erie Canal" dated January 19, 2010 last revised November 6, 2011, along with Section 1 Modifications and Section 2 dated September 8, 2012 last revised September 10, 2013 and prepared the Applicable Report Sections, a copy of which Report is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a licensed engineer in the State of New York, where the property is located.

I understand that my office and I are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 22 insofar as they are applicable to the Applicable Report Sections.

I have read the entirety of the Applicable Report Sections, and investigated the facts set forth in the Applicable Report Sections and the facts underlying them with due diligence, in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Applicable Report Sections:

- i. set forth in narrative form the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of construction, provided that construction is in conformance with the plans and specifications that I examined;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis on which to found their judgment concerning the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon

The Reserve Association Inc.
The Reserve on the Erie Canal

- completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- iii. does not omit any material fact;
 - iv. does not contain any untrue statement of a material fact;
 - v. does not contain any fraud, deception, concealment, or suppression;
 - vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
 - vii. does not contain any representation or statement which is false 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 representation or statement made.

I further certify that my office is not owned or controlled by and has no beneficial interest in the Sponsor, and that my compensation for preparing the Applicable Report Sections is not contingent on the conversion of the property to an HOA or on the profitability or price of the Offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Respectfully submitted,

Marathon Engineering

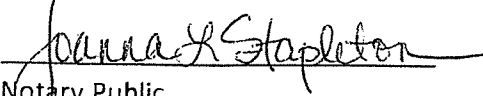
By: 

Name: Robert P Bringley PE

Title: President



Sworn to before me this 1st day of October, ~~2012~~ 2013.


Notary Public

JOANNA L. STAPLETON
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01-ST6062336
QUALIFIED IN MONROE COUNTY
MY COMMISSION EXPIRES 08-06-20 11

M 6

CERTIFICATION OF LANDSCAPE ARCHITECT

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

RE: The Reserve Association Inc.
The Reserve on the Erie Canal
Town of Brighton, County of Monroe, State of New York

The Sponsor of the Offering Plan to convert the captioned property to HOA ownership retained our firm to prepare the landscaping and exterior swimming pool ("landscaping") related Sections of the attached Report dated October 1, 2013 (the "Report"), to describe the landscaping of the property as it relates to such Sections of the Report (the "Applicable Report Sections"). I have examined the applicable landscaping plans and specifications (drawings L 1.0 through L 14.0 originally dated 11/19/10 and last revised 1-29-13), that were prepared by our office and that were part of a drawing set entitled "Preliminary Overall - Final Section 1 Drawings – The Reserve on the Erie Canal", and prepared the Applicable landscaping -related Report Sections, a copy of which Report is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a licensed and registered landscape architect in the State of New York, where the property is located.

I understand that my firm is responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 22 insofar as they are applicable to the Applicable Report Sections.

I have read the entirety of the Applicable Report Sections, and investigated the facts set forth in the Applicable Report Sections and the facts underlying them with due diligence, in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Applicable Report Sections:

- i. set forth in narrative form the description and/or physical condition of the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of the landscaping, provided that the landscaping is in conformance with the plans and specifications that I examined;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis on which to found their judgment concerning the description and/or physical condition of

The Reserve Association Inc.
The Reserve on the Erie Canal

the aspects of the property discussed in the Applicable Report Sections as will exist upon completion of the landscaping, provided that the landscaping is in accordance with the plans and specifications that I examined;

- iii. does not omit any material fact;
- iv. does not contain any untrue statement of a material fact;
- v. does not contain any fraud, deception, concealment, or suppression;
- vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. does not contain any representation or statement which is false 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 representation or statement made.

I further certify that my firm is not owned or controlled by and has no beneficial interest in the Sponsor, and that my firm's compensation for preparing the Applicable Report Sections is not contingent on the conversion of the property to an HOA or on the profitability or price of the Offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Respectfully submitted,

Bayer Landscape Architecture, PLLC

By: _____

Mark H. Bayer
Sole Member



Sworn to before me this 3rd day of OCTOBER, 2013.

Notary Public

STEPHEN E. HALL
Notary Public, State of New York
Qualified in Monroe County
My Commission Expires Nov. 30, 2/1/14

EXHIBIT N

KENRICK

CORPORATION

September 30, 2013

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

Re: Certification by Expert on Adequacy of Budget
The Reserve Association, Inc.

The Sponsor of the Homeowners Association has retained me to review the estimated annual budget containing projections of income and expenses for the next year of operation as a homeowners association.

My experience in this field includes: involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (40) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to the Schedule of income and expenses. I have reviewed the schedule, investigated the facts set forth in the Schedules, and the facts underlying them with due diligence in order to form a basis for this Certification. I have relied on my experience in managing residential properties.

I certify that the projections in the Schedule of income and expense appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the next year or operation as a Homeowners Association, as will commence in June 2014.

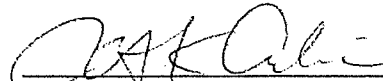
I certify that the Schedules:

1. set forth in detail the terms of the transaction as it relates to the schedules and is complete current and accurate;

2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a Homeowners Association;
3. does not omit any material fact;
4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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 next year of Homeowners Association operation but merely an opinion of their vitality.

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


Richard K. Aikens

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

Sworn to before me this 30th day
of September 2013


Notary Public

CHERYL K. GIOIA
Notary Public - State of New York
No. 01GI6145814
Qualified in Monroe County
My Commission Expires May 15, 2014

RKA/lbk

EXHIBIT O

CO. COUNTY CLERK'S OFFICE
County Clerk's Recording Page

Return To:

BOX 89

GONSENHAUSER
MAX
ANTHONY J COSTELLO & SON DEVEL
OPMENT LLC J

FILE FEE-S	\$	26.75
FILE FEE-C	\$	8.25
REC FEE	\$	15.00
	\$.00
TRANS TAX	\$	7,124.00
MISC FEE-C	\$	5.00
	\$.00
	\$.00
	\$.00
Total:	\$	7,179.00

STATE OF NEW YORK
MONROE COUNTY CLERK'S OFFICE

WARNING - THIS SHEET CONSTITUTES THE CLERKS
ENDORSEMENT, REQUIRED BY SECTION 317-a(5) &
SECTION 319 OF THE REAL PROPERTY LAW OF THE
STATE OF NEW YORK. DO NOT DETACH.

Maggie Brooks, County Clerk



D095720462

Index DEEDS

Book 09572 Page 0462

No. Pages 0005

Instrument DEED

Date : 1/29/2002

Time : 3:03:00

Control # 200201291077

TT# TT 0000 012422

Employee ID BC

MORTGAGE TAX

MORTGAGE AMOUNT	\$.00
BASIC MORTGAGE TAX	\$.00
SPEC ADDIT MTG TAX	\$.00
ADDITIONAL MTG TAX	\$.00
Total	\$.00

TRANSFER AMT

TRANSFER AMT \$ 1,780,860.00

TRANSFER TAX \$ 7,124.00

EXECUTOR'S DEED

This indenture, made the 23rd day of October, two thousand and one, between

MURSULA GONSENHAUSER, MARK J. GONSENHAUSER and FAYE GONSENHAUSER, AS EXECUTORS OF THE LAST WILL AND TESTAMENT OF MAX GONSENHAUSER, deceased, with an address of 1575 Winton Road South, Rochester, New York,

parties of the first part, and,

ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, with an office at One Airport Road, Rochester, New York 14624,

party of the second part

WITNESSETH, that the party of the first part, by virtue of the power and authority to them given in and by the said last will and testament, and in consideration of One Million Seven Hundred Eighty Thousand Eight Hundred Sixty and no/100 Dollars (\$1,780,860.00) lawful money of the United States, paid by the party of the second part, does hereby grant and release unto the party of the second part, its successors and assigns forever,

ALL THAT TRACT OR PARCEL OF LAND in the Town of Brighton, County of Monroe, State of New York, as bounded and described on Schedule A, attached hereto and made a part hereof

TAX ACCOUNT NUMBERS
PROPERTY ADDRESS
TAX MAILING ADDRESS

149 07-1-4, 149 07-1-8, 149 11-1-2 1, 149 11-1-53
Clinton Avenue South, Town of Brighton, New York
One Airport Road, Rochester, New York 14624

Together with the appurtenances, and also all the estate which the said testator had at the time of his decease in said premises, and also the estate therein, which the party of the first part has or has power to convey to dispose of, whether individually, or by virtue of said will or otherwise

To have and to hold the premises herein granted unto the party of the second part, its successors and assigns forever.

And the party of the first part covenants that they have not done or suffered anything whereby the said premises have been encumbered in any way whatsoever

2002 JAN 29 PM 3:03
TOWN CLERK

RECORDED

In witness whereof, the parties of the first part have hereunto set their hands and seals the day and year first above written

In presence of

The Estate of Max Gonsenhauser

By Ursula Gonsenhauser
Ursula Gonsenhauser, Executor

By Mark J. Gonsenhauser
Mark J. Gonsenhauser, Executor

By Faye Gonsenhauser
Faye Gonsenhauser, Executor

STATE OF NEW YORK)
COUNTY OF MONROE) ss

On the 23 day of October, 2001 before me, the undersigned, personally appeared Ursula Gonsenhauser and Faye Gonsenhauser, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individual acted, executed the instrument

Robert A. Feldman

STATE OF NEW YORK)
COUNTY OF MONROE) ss

ROBERT A. FELDMAN
Notary Public, State of New York
Residing in Monroe County
My Commission Expires August 31, 2002

On the 23rd day of October, 2001 before me, the undersigned, personally appeared Mark J. Gonsenhauser, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument

Robert A. Feldman

ROBERT A. FELDMAN
Notary Public, State of New York
Residing in Monroe County
My Commission Expires August 31, 2002

SCHEDULE A

All that tract or parcel of land situate in Town Lots 39, 40, and 47, Township 13, Range 7, of the Phelps and Gorham Purchase, Town of Brighton, County of Monroe, State of New York, all as shown on a map entitled "Brighton Crossings" prepared by Costich Engineering, P C, having Drawing NO 898-02, Dated February 16, 2000, Last Revised October 16, 2001 and being more particularly described as follows

Commencing at the southwest property corner of lands now or formerly owned by the Max Gonsenhauser Estate having Tax Account Number 149.070-01-008, said point also being a point on the easterly right-of-way line of Clinton Ave South (49.5' R.O.W.); thence

- 1 N06°39'49"E, along the easterly right-of-way line of Clinton Ave South a distance of 150.00 feet to a point; thence
- 2 N86°54'46"E, along said southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 115.90 feet to a set capped rebar; thence
- 3 N55°52'31"E, along said southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 83.86 feet to a set capped rebar, thence
- 4 N81°32'03"E, along said southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 188.01 feet to a set capped rebar, thence
- 5 N89°08'14"E, along said southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 237.21 feet to a set capped rebar, thence
- 6 N86°43'19"E, along said southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 366.55 feet to a point, thence
- 7 S83°32'08"E, along said southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 766.93 feet to a point, thence
- 8 S79°31'35"E, along the southerly right-of-way line of Rochester Outer Loop Interstate Route 590 a distance of 514.41 feet to a set capped rebar, said point also being the northwest corner of lands now or formerly owned by the Town of Brighton Having Tax Account Number 149-120-01-036, thence
- 9 S21°22'26"W, along the westerly property line of said lands now or formerly owned by the Town of Brighton a distance of 1,108.48 feet to a set capped rebar; thence
- 10 S67°54'57"E, along said lands now or formerly owned by the Town of Brighton a distance of 645.12 feet to a set capped rebar; thence
- 11 S03°31'50"E, along said lands now or formerly owned by the Town of Brighton a distance of 677.30 feet to a set capped rebar; thence
- 12 N67°54'57"W, along the northerly line of lands now or formerly owned by the State of New York (Barge Canal) a distance of 669.09 feet to a point; thence

13. S67°05'03"W, along said northerly line of lands now or formerly owned by the State of New York (Barge Canal) a distance of 141.42 feet to a found concrete right-of-way monument, thence
14. N67°54'57"W, along said northerly line of lands now or formerly owned by the State of New York (Barge Canal) a distance of 1,411.62 feet to a set capped rebar, said point also being the southeast corner of lands now or formerly owned by WBBF Incorporated having Tax Account Number 149 110-01-001; thence
15. N21°34'23"E, along the easterly property line of said lands now or formerly owned by WBBF Incorporated a distance of 1,454.38 feet to a point, thence
16. S86°42'08"W, a distance of 642.22 feet to a point, thence
17. S63°14'18"W, a distance of 369.98 feet to the point and place of beginning. Containing 61.042 acres of land

Together with all of the parties of the first part's right, title and interest in and to a certain right of way for ingress and egress conveyed to Max Gonsenhauser, deceased, by deed recorded in the Monroe County Clerk's Office in Liber 2119 of Deeds at page 134.

MONROE COUNTY CLERK'S OFFICE
ROCHESTER, NY

THIS IS NOT A BILL. THIS IS YOUR RECEIPT

Receipt # 756354

Index DEEDS

Book 11154 Page 117

No. Pages : 6

Instrument DEED OTHER

Date : 08/13/2012

Time : 02:37:37PM

Control # 201208130590

TT # TT0000000615

Ref 1 #

Employee : RebeccaZ

Return To:
BOX 184
SEH

PEOPLE OF THE STATE OF NEW YORK
ANTHONY J COSTELLO & SON DEVELOPMENT LLC

COUNTY FEE TP584	\$	5.00
MISCELLANEOUS COUNTY FEE	\$	0.00
COUNTY FEE NUMBER PAGES	\$	25.00
RECORDING FEE	\$	45.00
RP5217 COUNTY FEE	\$	9.00
RP5217 STATE EQUAL ADDIT FEE	\$	241.00
STATE FEE TRANSFER TAX	\$	344.00

Total \$ 669.00

State of New York

MONROE COUNTY CLERK'S OFFICE

WARNING - THIS SHEET CONSTITUTES THE CLERKS
ENDORSEMENT, REQUIRED BY SECTION 317-a(5) &
SECTION 319 OF THE REAL PROPERTY LAW OF THE
STATE OF NEW YORK. DO NOT DETACH OR REMOVE.

TRANSFER AMT

TRANSFER AMT \$86,000.00

TRANSFER TAX \$344.00

CHERYL DINOLFO
MONROE COUNTY CLERK



Box 184 (SEH)

Proceeding 11960
New York State Canal Corporation
Abandoned Erie Canal Lands
Town of Brighton
County of Monroe
Canal Abandonment Map No. 911
Rochester, NY 14618

2012 AUG 13 PM 2:37
MONROE COUNTY CLERK

THIS DEED

Made the 1ST day of AUGUST, in the year Two Thousand and Twelve

between

THE PEOPLE OF THE STATE OF NEW YORK, acting by and through the New York State Canal Corporation (hereinafter referred to as the Canal Corporation), a subsidiary of the New York State Thruway Authority, a public corporation created pursuant to the applicable provisions of the Public Authorities Law, having its principal office at 200 Southern Boulevard, Post Office Box 189, Albany, New York 12201-0189, Grantors, and

ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, with offices at Suite 300, One Airport Way, Rochester, New York 14624, Grantee,

WITNESSETH:

WHEREAS The People of the State of New York are the owners of the hereinafter-described parcel of land; and

WHEREAS said parcel is presently under the jurisdiction of the Canal Corporation; and

WHEREAS the Canal Corporation Board duly determined, pursuant to Resolution No. 568 adopted at Meeting No. CC-178, duly held on April 30, 2012, that said parcel is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon or for barge canal

purposes, that the Executive Director should issue an Official Order declaring said parcel to be abandoned for Canal purposes, and that said parcel may be conveyed to the Grantee; and

WHEREAS under date of July 27, 2012, the Chief of Staff of the Canal Corporation, as duly authorized by the Executive Director of the Canal Corporation, issued Official Order No. CC-76, declaring said parcel to be abandoned for Canal purposes,

NOW THEREFORE, in consideration of the sum of EIGHTY-SIX THOUSAND AND NO/100 DOLLARS (\$86,000.00), lawful money of the United States, receipt of which is hereby acknowledged, the Grantors hereby remise, release and quitclaim unto the Grantee, its successors and assigns forever, all of their right, title and interest in and to:

ALL THAT PIECE OR PARCEL of Erie Canal Lands, being part of Town Lot 40, Township 13, Range 7, Phelps and Gorham Purchase, situate in the Town of Brighton, County of Monroe, State of New York, more particularly bounded and described as follows:

BEGINNING at a point being 280.00 feet northerly, as measured at right angles, from Station 2282+43.20, said point being the point or place of beginning;

Thence, running a line having a bearing of N 67°14'30"W a distance of 715.59 feet to a point;

Thence, turning and running a line having a bearing of S 67°45'30" W a distance of 49.49 feet to a point;

Thence, turning and running a line having a bearing of N 67°14'30' W a distance of 1417.69 feet to a point;

Thence, turning and running a line having a bearing of N 22°14'50" E a distance of 15.00 feet to the existing northerly boundary of lands of the State of New York (Erie Canal) at the southwesterly corner of lands conveyed to Anthony J. Costello & Son, by deed recorded in the Monroe County Clerk's Office at Liber 9572 of Deeds, Page 462;

Thence, turning and running a line along the existing northerly boundary line of said lands of the State of New York (Erie Canal) having a bearing of S 67° 14' 30 " E a distance of 1411.62 feet to a point;

Thence, turning and continuing a line along the existing northerly boundary line of said lands of the State of New York (Erie Canal) having a bearing of N 67° 45' 30" E a distance of 141.41 feet to a point;

Thence, turning and continuing a line along the existing northerly boundary line of said lands of the State of New York (Erie Canal) having a bearing of S 67° 14' 30" E a distance of 656.79 feet to a point;

Thence, turning and running a line having a bearing of S 22° 45' 30W W a distance of 80.00 feet to the point or place of beginning, containing 77,546.40 square feet or 1.780 acres, more or less.

All bearings are referred to the True Meridian as established for Residency Map page 90, dated December 29, 1922.

Together with and subject to any and all covenants, easements and restrictions, whether or not of record.

All as shown on Abandonment Map No. 911 on file in the New York State Canal Corporation, 200 Southern Boulevard, Albany, New York 12201-0189.

The Grantees hereby covenant with the Grantors as follows:

- A. Grantees shall have no right to deposit or place fill material on or around the boundary of any portion of the Property herein conveyed that continues to abut or is contiguous with any currently existing or remaining canal property without prior notice and approval by the Canal Corporation.

B. Grantee will forever release the State of New York, the New York State Thruway Authority and the New York State Canal Corporation from any and all claims for damages occasioned by percolation, or changes in water elevation or overflow from the Canal or by flooding by the waters of the State canal and waterways, and by any surface water or other waters accustomed to flow to, upon or over the Property herein conveyed.

These covenants shall run with the land and be binding on the Grantee, and the successors and assigns of the Grantee.

TOGETHER with the appurtenances and all the estate and rights of the Grantors in and to said premises.

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, the Grantors have caused this instrument to be signed by their duly authorized representative and the seal of the New York State Canal Corporation to be hereunto affixed the day and year first above written, and the Grantee has also executed this instrument.

THE PEOPLE OF THE STATE OF NEW YORK
By: NEW YORK STATE CANAL CORPORATION

(S E A L)

BY: Tom Ryan
Thomas J. Ryan
Chief of Staff

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC

(S E A L)

BY: Anthony J. Costello
ITS: Managing Member

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

On the 1st day of August in the year 2012 before me, the undersigned, personally appeared Thomas J. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Vanessa A. McCarthy
Notary Public, State of New York

VANESSA A. MCCARTHY
Notary Public, State of New York
No. 02MC6238812
Qualified in Albany County
Commission Expires April 11, 2015

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

On the 31st day of July in the year 2012 before me, the undersigned, personally appeared Anthony J. Costello, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Wendy J. Thomas
Notary Public, State of New York

WENDY J. THOMAS
Notary Public, State of New York
No. 01TH6153579
Qualified in Monroe County
Commission Expires January 04, 2015

Approved as to form
and manner of execution.

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

By Candice M. Panichi
Candice M. Panichi
Associate Attorney

EXHIBIT P



First American Title

First American Title Insurance Company
16 West Main Street
Rochester, New York 14614
Phone: (585)232-3680
Fax: (888)722-2509

CERTIFICATE OF TITLE

First American Title Insurance Company

Title No. 3050-368442

First American Title Insurance Company ("the Company") certifies to the "proposed insured(s)" listed herein that an examination of title to the premises described in Schedule A has been made in accordance with its usual procedure and agrees to issue its standard form of title insurance policy authorized by the Insurance Department of the State of New York, in the amount set forth herein, insuring the interest set forth herein, and the marketability thereof, in the premises described in Schedule A, after the closing of the transaction in conformance with the requirements and procedures approved by the Company and after the payment of the premium and fees associated herewith excepting (a) all loss or damage by reason of the estates, interests, defects, objections, liens, encumbrances and other matters set forth herein that are not disposed of to the satisfaction of the Company prior to such closing or issuance of the policy (b) any question or objection coming to the attention of the Company before the date of closing, or if there be no closing, before the issuance of the policy.

This Agreement to insure shall terminate (1) if the prospective insured, his or her attorney or agent makes any untrue statement with respect to any material fact or suppresses or fails to disclose any material fact or if any untrue answers are given to material inquiries by or on behalf of the Company; or (2) upon the issuance of title insurance in accordance herewith. In the event that this Certificate is endorsed and redated by an authorized representative of the Company after the closing of the transaction and payment of the premium and fees associated herewith, such "redated" Certificate shall serve as evidence of the title insurance issued until such time as a policy of title insurance is delivered to the insured. Any claim made under the redated Certificate shall be restricted to the conditions, stipulations and exclusions from coverage of the standard form of title insurance policy issued by the Company.

First American Title Insurance Company

Dennis J. Gilmore
President

Timothy Kemp
Secretary





First American Title

CLOSING REQUIREMENTS

1. **CLOSING DATE:** In order to facilitate the closing of title, please notify the closing department at least 48 hours prior to the closing, of the date and place of closing, so that searches may be continued.
2. **PROOF OF IDENTITY:** Identity of all persons executing the papers delivered on the closing must be established to the satisfaction of the Company.
3. **POWER OF ATTORNEY:** If any of the closing instruments are to be executed pursuant to a Power of Attorney, a copy of such Power should be submitted to the Company prior to closing. THE IDENTITY OF THE PRINCIPAL EXECUTING THE POWER AND THE CONTINUED EFFECTIVENESS OF THE POWER MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY. The Power must be in recordable form.
4. **CLOSING INSTRUMENTS:** If any of the closing instruments will be other than commonly used forms or contain unusual provisions, the closing can be simplified and expedited by furnishing the Company with copies of the proposed documents in advance of closing.
5. **LIEN LAW CLAUSE:** Deeds and mortgages must contain the covenant required by Section 13 of the Lien Law. The covenant is not required in deeds from referees or other persons appointed by a court for the sole purpose of selling property.
6. **REFERENCE TO SURVEYS AND MAPS:** Closing instruments should make no reference to surveys or maps unless such surveys or maps are on file.
7. **INTERMEDIARY DEEDS:** In the event an intermediary will come into title at closing, other than the ultimate insured, the name of such party must be furnished to the Company in advance of closing so that appropriate searches can be made and relevant exceptions considered.

MISCELLANEOUS PROVISIONS

1. THIS CERTIFICATE IS INTENDED FOR LAWYERS ONLY. YOUR LAWYER SHOULD BE CONSULTED BEFORE TAKING ANY ACTION BASED UPON THE CONTENTS HEREOF.
2. THE COMPANY'S CLOSER MAY NOT ACT AS LEGAL ADVISOR FOR ANY OF THE PARTIES OR DRAW LEGAL INSTRUMENTS FOR THEM. THE CLOSER IS PERMITTED TO BE OF ASSISTANCE ONLY TO AN ATTORNEY.
3. Our policy will except from coverage any state of facts which an accurate survey might show, unless survey coverage is ordered. When such coverage is ordered, this certificate will set forth the specific survey exceptions which we will include in our policy. Whenever the word "trim" is used in any survey exceptions from coverage, it shall be deemed to include, roof cornices, mouldings, belt courses, water tables, keystones, pilasters, portico, balcony all of which project beyond the street line.
4. Our examination of the title includes a search for any unexpired financing statements which affect fixtures and which have been properly filed and indexed pursuant to the Uniform Commercial Code in the office of the recording officer of the county in which the real property lies. No search has been made for other financing statements because we do not insure title to personal property. We will on request, in connection with the issuance of a title insurance policy, prepare such search for an additional charge. Our liability in connection with such search is limited to \$1,000.00.
5. This company must be notified immediately of the recording or the filing, after the date of this certificate, of any instrument and of the discharge or other disposition of any mortgage, judgment, lien or any other matter set forth in this certificate and of any change in the transaction to be insured or the parties thereto. The continuation will not otherwise disclose the disposition of any lien.
6. If affirmative insurance is desired regarding any of the restrictive covenants with respect to new construction or alterations, please request such insurance in advance of closing as this request should not be considered at closing.
7. If it is discovered that there is additional property or an appurtenant easement for which insurance is desired, please contact the Company in advance of closing so that an appropriate title search may be made. In some cases, our rate manual provides for an additional charge for such insurance.



First American Title

Proposed Insured The Reserve Association, Inc.

Mortgagee:

Amended 12/28/2011
Title No.: 3050-368442
Effective Date: 11/28/2011
Redated:

Amount of Insurance:

Fee: \$0.00

Mortgage: \$0.00

THIS COMPANY CERTIFIES that a good and marketable title to the premises described in Schedule "A", subject to the liens, encumbrances and other matter, if any, set forth in this certificate may be conveyed and or mortgaged by:

Anthony J. Costello & Son (Joseph) Development LLC

Which acquired title by Executor's Deed from Ursula Gonsenhauser, Mark J. Gonsenhauser and Faye Gonsenhauser, as Executors of the Last Will and Testament of Max Gonsenhauser dated October 23, 2001 and recorded January 29, 2002 in Liber 9572 of Deeds, page 462.

Premises described in Schedule "A" are known as:

Address: South Clinton Avenue
 (The Reserve Association Inc.) HOA
 Brighton, New York

County: Monroe

Town: Brighton

Section: 149.07 / 149.11

Block: 1 / 1

Lot: 4 and 8 / 2.1 and 53

**For any Title Clearance Questions
on this Report please call
Barbara A. Mueller
(585)232-3680**



First American Title

Title No. 3050-368442

SCHEDULE "A"

Section One - including Canal Lands Acquisition
The Reserve - on the Erie Canal

ALL THAT TRACT OR PARCEL LAND, being part of Town Lots 39,40,41 & 48, Township 13, Range 7 of the Phelps & Gorham Purchase situate in the Town of Brighton, County of Monroe, State of New York and more particularly described as follows:

Commencing at a common point being the intersection of the east right-of-way line of South Clinton Avenue (County Road 100) and the north right-of-way line of Reserve View Boulevard; said point being the point or place of beginning;

1. Thence, turning and running a line having a bearing of N 86° 54' 46" E a distance of 115.90 feet to a point;
2. Thence, turning and running a line having a bearing of N 55° 52' 31" E a distance of 83.86 feet to a point;
3. Thence, turning and running a line having a bearing of N 81° 32' 03" E a distance of 188.01 feet to a point;
4. Thence, turning and running a line having a bearing of N 89° 08' 14" E a distance of 237.21 feet to a point;
5. Thence, turning and running a line having a bearing of N 86° 43' 19" E a distance of 366.55 feet to a point;
6. Thence, turning and running a line having a bearing of N 83° 32' 08" E a distance of 241.17 feet to a point;
7. Thence, turning and running a line having a bearing of S 34° 34' 44" E a distance of 57.42 feet to a point;
8. Thence, turning and running a line having a bearing of S 20° 47' 03" E a distance of 128.65 feet to a point;
9. Thence, turning and running a line having a bearing of S 16° 09' 17" W a distance of 33.73 feet to a point;
10. Thence, turning and running a line having a bearing of S 42° 32' 41" E a distance of 108.66 feet to a point;
11. Thence, turning and running a line having a bearing of N 06° 27' 52" E a distance of 33.63 feet to a point;
12. Thence, turning and running a line having a bearing of N 72° 10' 51" E a distance of 124.97 feet to a point;
13. Thence, turning and running a line having a bearing of S 83° 32' 08" E a distance of 338.21 feet to a point;
14. Thence, turning and running a line having a bearing of S 73° 06' 33" E a distance of 42.44 feet to a point;
15. Thence, turning and running a line having a bearing of N 30° 41' 47" E a distance of 42.58 feet to a point;
16. Thence, turning and running a line having a bearing of S 57° 27' 31" E a distance of 31.61 feet to a point;
17. Thence, turning and running a line having a bearing of S 30° 07' 12" W a distance of 78.68 feet to a point;
18. Thence, turning and running a line having a bearing of S 52° 18' 33" E a distance of 117.89 feet to a point;
19. Thence, turning and running a line having a bearing of N 26° 28' 37" E a distance of 109.70 feet to a point;
20. Thence, turning and running a line having a bearing of N 07° 47' 59" E a distance of 169.02 feet to a point;



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21. Thence, turning and running a line having a bearing of S 79° 31' 35" E a distance of 213.86 feet to a point;
22. Thence, turning and running a line having a bearing of S 21° 22' 26" W a distance of 1108.48 feet to a point;
23. Thence, turning and running a line having a bearing of S 67° 54' 57" E a distance of 645.12 feet to a point;
24. Thence, turning and running a line having a bearing of S 03° 31' 50" E a distance of 645.12 feet to a point;
25. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 12.79 feet to a point;
26. Thence, turning and running a line having a bearing of S 22° 05' 03" W a distance of 80.00 feet to a point;
27. Thence, turning and running a line having a bearing of S 67° 54' 57" W a distance of 478.06 feet to a point;
28. Thence, turning and running a line having a bearing of N 22° 05' 03" E a distance of 253.71 feet to a point;
29. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 141.52 feet to a point;
30. Thence, turning and running a line having a bearing of S 22° 05' 03" E a distance of 126.85 feet to a point;
31. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 52.52 feet to a point;
32. Thence, turning and running a line having a bearing of N 22° 05' 03" E a distance of 156.00 feet to a point;
33. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 467.33 feet to a point;
34. Thence, turning and running a line having a bearing of N 87° 03' 04" W a distance of 106.76 feet to a point;
35. Thence, turning and running a line having a bearing of S 22° 05' 03" W a distance of 191.88 feet to a point;
36. Thence, turning and running a line having a bearing of N 66° 45' 00" E a distance of 340.81 feet to a point;
37. Thence, turning and running a line having a bearing of S 61° 55' 48" E a distance of 38.60 feet to a point;
38. Thence, turning and running a line having a bearing of S 22° 05' 03" W a distance of 125.54 feet to a point;
39. Thence, turning and running a line having a bearing of N 67° 54' 57" W a distance of 716.75 feet to a point;
40. Thence, turning and running a line having a bearing of N 21° 34' 23" E a distance of 1455.05 feet to a point;
41. Thence, turning and running a line having a bearing of S 86° 42' 08" W a distance of 642.22 feet to a point;
42. Thence, turning and running a line having a bearing of S 63° 14' 18" W a distance of 369.99 feet to a point;
43. Thence, turning and running a line having a bearing of N 06° 39' 49" E a distance of 150.00 feet to a point; said point being point or place of beginning.

Except for that portion described as follows: (Brewerton Neighborhood)

Commencing at a common point being the intersection of the east right-of-way line of South Clinton Avenue (County Road 100) and the north right-of-way line of Reserve View Boulevard;

Thence, turning and running a line having a bearing of N 86° 54' 46" E a distance of 115.90 feet to a point;

Thence, turning and running a line having a bearing of N 55° 52' 31" E a distance of 83.86 feet to a point;



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Thence, turning and running a line having a bearing of N 81° 32' 03" E a distance of 188.01 feet to a point;

Thence, turning and running a line having a bearing of N 89° 08' 14" E a distance of 237.21 feet to a point;

Thence, turning and running a line having a bearing of N 86° 43' 19" E a distance of 366.55 feet to a point;

Thence, turning and running a line having a bearing of S 21° 34' 23" W a distance of 426.72 feet to a point;

Thence, turning and running a line having a bearing of S 68° 25' 37" E a distance of 81.18 feet to a point; said point being the point or place of beginning;

1. Thence, turning and running a line being a curve deflecting to the right having a radius of 645.00 feet a distance of 157.77 feet to a point;
2. Thence, turning and running a line having a bearing of S 41° 33' 11" E a distance of 266.81 feet to a point;
3. Thence, turning and running a line being a curve deflecting to the right having a radius of 424.00 feet a distance of 251.50 feet to a point;
4. Thence, turning and running a line being a curve deflecting to the right having a radius of 266.00 feet a distance of 135.29 feet to a point;
5. Thence, turning and running a line having a bearing of S 21° 34' 23" W a distance of 89.64 feet to a point;
6. Thence, turning and running a line being a curve deflecting to the right having a radius of 135.00 feet a distance of 149.92 feet to a point;
7. Thence, turning and running a line having a bearing of S 04° 32' 32" E a distance of 149.00 feet to a point;
8. Thence, turning and running a line having a bearing of N 83° 47' 16" W a distance of 111.11 feet to a point;
9. Thence, turning and running a line having a bearing of N 65° 21' 53" W a distance of 130.93 feet to a point;
10. Thence, turning and running a line having a bearing of N 52° 47' 43" W a distance of 220.46 feet to a point;
11. Thence, turning and running a line having a bearing of N 58° 12' 19" E a distance of 130.00 feet to a point;
12. Thence, turning and running a line being a curve deflecting to the right having a radius of 60.00 feet a distance of 30.32 feet to a point;
13. Thence, turning and running a line having a bearing of S 58° 12' 19" W a distance of 127.30 feet to a point;
14. Thence, turning and running a line having a bearing of N 01° 12' 19" W a distance of 153.00 feet to a point;
15. Thence, turning and running a line having a bearing of N 39° 19' 44" E a distance of 71.81 feet to a point;
16. Thence, turning and running a line having a bearing of N 21° 34' 23" E a distance of 208.88 feet to a point;
17. Thence, turning and running a line being a curve deflecting to the right having a radius of 645.00 feet a distance of 144.76 feet to a point; said point being the point or place of beginning;

Intending to describe "Section One of The Reserve on the Erie Canal" containing 53.16 acres (2,315,860.63 sf) of land.

EXCEPTING (at the present time of December 14, 2011) lands under contract to be acquired by Anthony J.



First American Title

Costello & Son (Joseph) Development, LLC from the New York State Canal Corporation:

All that parcel of Erie Canal Lands, being part of Town Lot 40, Township 13, Range 7, Phelps and Gorham Purchase, situate in the Town of Brighton, County of Monroe, State of New York, and more particularly described as follows:

Commencing at a point being 280.00 feet northerly, as measured at right angles, from Station 2282+43.20, said point being the point or place of beginning;

1. Thence, running a line having a bearing of N 67° 14' 30" W a distance of 715.59 feet to a point;
2. Thence, turning and running a line having a bearing of S 67° 45' 30" W a distance of 49.49 feet to a point;
3. Thence, turning and running a line having a bearing of N 67° 14' 30" W a distance of 1417.69 feet to a point;
4. Thence, turning and running a line having a bearing of N 22° 14' 50" E a distance of 15.00 feet to the existing northerly boundary of lands of the State of New York (Erie Canal) at the southwesterly corner of lands conveyed to Anthony J. Costello & Son, by deed recorded in the Monroe County Clerk's Office at Liber 9572 of Deeds, Page 462;
5. Thence, turning and running a line along the existing northerly boundary line of said lands of the State of New York (Erie Canal) having a bearing of S 67° 14' 30" E a distance of 1411.62 feet to a point;
6. Thence, turning and continuing a line along the existing northerly boundary line of said lands of the State of New York (Erie Canal) having a bearing of N 67° 45' 30" E a distance of 141.41 feet to a point;
7. Thence, turning and continuing a line along the existing northerly boundary line of said lands of the State of New York (Erie Canal) having a bearing of S 67° 14' 30" E a distance of 669.08 feet to a point;
8. Thence, turning and running a line having a bearing of S 22° 45' 30" W a distance of 80.00 feet to the point or place of beginning.

Intending to describe a parcel of 77,546.40 square feet or 1.780 acres.

Note: This exception will be removed upon the recordation of the Deed of Acquisition.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.



First American Title

Title No. 3050-368442

SCHEDULE "B-I"
(REQUIREMENTS)

THE FOLLOWING ARE REQUIREMENTS TO BE COMPLIED WITH FOR A TITLE POLICY TO ISSUE:

NOTE: First American Title Insurance Company of New York is pleased to announce our updated website, which can be accessed at <http://www.firstamny.com>. This site will enable you to calculate charges for premiums, endorsements, taxes, recording fees and more.

1. Rights of tenants or persons in possession, if any.
2. Returns, if any, of title search continuation since 11/28/2011 to the date of closing.
3. Note: Contact Counsel for the Company in advance of closing if a document is to be executed pursuant to a power of attorney.
4. The following endorsements will be added to the final policy:
 - Standard New York Endorsement (Owner/Loan)
 - TIRSA 4 (Condominium) Endorsement
5. Proof of payment of any Town/County and School taxes through the date of closing.
6. Mortgage made by Anthony J. Costello & Son (Joseph) Development LLC to Northwest Savings Bank for \$1,750,000.00 and interest, dated November 22, 2011 and recorded November 28, 2011 in/as Liber 23998 of Mortgages, page 640.
7. UCC-1 Financing Statement filed November 28, 2011, File #2011-564, between Anthony J. Costello & Son (Joseph) Development LLC (debtor) and Northwest Savings Bank (creditor).
8. Subject to the acquisition of a 1.780 acre parcel from the NYS Canal Corp. which parcel of land is adjacent to the south line of the overall project.
9. Re: Anthony J. Costello & Son (Joseph) Development LLC

Provide copy of any required Resolution of its members and/or managers authorizing the completion of the insured transaction, including execution of all necessary documents.
10. Certificate by the Board of Directors of The Reserve Association Inc., that there are no unpaid Association dues or unpaid maintenance charges, assessments, special assessments or other common charges or liens on the premises as of the date of closing.
11. Proof of compliance with applicable provisions of the General Business Law and rules and regulations issued pursuant thereto.

We require proof of acceptance of the Offering Plan by the New York State Attorney General's Office.



First American Title

Title No. 3050-368442

SCHEDULE B-I Continued
(REQUIREMENTS)

12. We require the Declaration for The Reserve Association Inc. be recorded in the Monroe County Clerk's Office prior to the sale of the first unit.



First American Title

Title No. 3050-368442

SCHEDULE "B-II"
(EXCEPTIONS)

THE POLICY WILL INCLUDE AS EXCEPTIONS TO TITLE THE FOLLOWING MATTERS UNLESS THEY ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY:

1. Any state of facts which a guaranteed survey of current date would disclose.
2. Easement granted to the Monroe County Water Authority by instrument recorded June 26, 1979 in Liber 5636 of Deeds, page 237.



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

EXHIBIT Q

MANAGEMENT AGREEMENT

AGREEMENT made this _____ day of _____, 20____ by AJ COSTELLO & SON RESERVE MANAGEMENT LLC, having its principal place of business at Suite 300, One Airport Way, Rochester, New York 14624 (hereinafter referred to as the "Manager"), and THE RESERVE ASSOCIATION INC., having its principal place of business at Suite 300, One Airport Way, Rochester, New York 14624 (hereinafter referred to as the "Association").

WITNESSETH:

In consideration of One Dollar (\$1.00) and other good and valuable consideration, in hand paid by each party to the other, the receipt and adequacy of which are hereby acknowledged, and the mutual promises and covenants hereinafter provided, the Association and Manager agree as follows:

1. **Retention for Management and Operation.** The Association hereby engages the Manager as an independent contractor to manage and operate, on behalf of the Association, all those Covered Areas (the "Property") under the Association's ownership, control, and/or responsibility within Section I of the residential development known as The Reserve on the Erie Canal, Town of Brighton, County of Monroe, State of New York (the "Subdivision"), and to undertake and perform in connection therewith certain duties and responsibilities as specified herein. The Association hereby authorizes and empowers the Manager, which desires to be so engaged, to carry out the management and operational functions specifically enumerated within this Agreement. The Association and Manager intend for this Agreement to be the entire agreement of the parties hereto with respect to such management.

2. **Specific Management and Operation Functions.**

A. The Manager shall provide day to day oversight for management and operation of the Property, and shall specifically perform the following, in addition to all other obligations and duties to be undertaken by the Manager pursuant to this Agreement:

- (i) cause the Property to be operated and maintained in such a condition as may be deemed advisable by the Association's Board of Directors (the "Board") in accordance with the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, and Offering Plan, as recorded and filed with respect to the Association and Subdivision, respectively, and cause repairs and replacements to be made and such other incidental alterations or changes therein as may be proper, provided, however, that repairs, alterations and/or purchases (excluding emergency repairs immediately necessary for the preservation or safety of any property or persons, or required to avoid the suspension of any necessary service in the Subdivision) involving an expenditure

of over \$25,000.00 for any one item which is not part of a previously approved operational budget shall be made only with the prior approval of the Board;

(ii) employ, train, supervise and discharge employees as are necessary for such operation and management;

(iii) procure and maintain, in full force and effect from reputable and licensed insurers, all liability, fire and casualty and other insurance, and with such coverages and limits, as the Board is required to procure and maintain under the Declaration and Offering;

(iv) maintain all records of cost and expenses incurred and income and receipts received in connection with the operation of the Association;

(v) bill and collect all Assessments and Special Assessments, including forwarding of delinquency notices, filing of liens, and coordination of necessary collection activity with the Association's attorney;

(vi) furnish the Board a proposed annual budget for the Association's operations, setting forth a detailed projection of cash receipts, cash receipts, cash expenditures, working capital and other necessary reserves and capital improvements and expenditures;

(vii) pay, out of the Board's operating account(s), bills and invoices for the costs and expenses of operating the Association;

(viii) attend meetings of the Board, and of the Members of the Association (the "Members") if requested by the Board;

(ix) Maintain businesslike relations with the Members, whose service requests shall be received, considered, and recorded in systematic fashion by the Manager in order to show the action taken with respect to each. Complaints of a serious nature shall, after investigation, be reported to the Board with appropriate recommendations. The Manager will assist the Board in seeking performance by Members of all items of repair and maintenance for which they are responsible;

(x) Negotiate and contract on the Association's behalf for the procuring and provision of all gas, electricity, water, sewer, telephone, cable and other communication services, and all other utilities of any type or nature whatsoever, as necessary to service and operate the Property;

(xi) Negotiate and contract with third party vendors, contractors and suppliers on the Associations' behalf for the provision of all work, labor, services, materials and equipment necessary to effect and accomplish all repairs, maintenance, renovations and replacements as necessary to protect, preserve, maintain and

insure the proper operation and functioning of the Property and all systems, machinery, equipment and fixtures therein.

(xii) Perform all inspections of the Property necessary to monitor and review their proper operation and management;

(xiv) Establish and maintain, in a bank or banks whose deposits are insured by an agency of the United States Government, separate bank accounts in the name of the Association for the deposit of monies of the Association, with exclusive authority to draw thereon for any payments to be made by Manager to discharge any liabilities or obligations incurred pursuant to this Agreement, including the payment of all compensation and fees due Manager.

(xiii) Perform all other services and acts or things reasonably necessary or advisable to fulfill the Manager's duties to manage and operate the Property, including those services, acts or things customarily performed by the managers of Class A residential communities within the County of Monroe and State of New York, subject to the terms and limitations of this Agreement and the policies and directions of the Association.

3. Annual Budget: Payment of Expenses.

A. On or before December 1st of each year, Manager shall prepare and provide to the Board a proposed budget for the impending calendar year to begin January 1st, detailing operating and capital expenses for the Association, including all such expenses described in Section 2 above or elsewhere in this Agreement. The Board shall review and approve the proposed budget, or promptly provide Manager with its comments and modifications thereto, with the Association and Manager to then engage in discussions as necessary to develop and agree upon such budget at a point reasonably in advance of the commencement of such new calendar year. Upon and following adoption of such a budget, any material changes in or variations therefrom, or in the expenses actually incurred and paid with respect to the operation of the Property, are subject to the Board of Director's prior written approval, such approval not to be unreasonably withheld.

B. On a quarterly, or other periodic basis as agreed by Manager and the Board, the Manager and Board shall review the status of operations together with the actual amounts of receipts and operating expenses incurred. Manager and the Board shall then make such adjustments in the budget as are reasonably necessary to adjust for variances in previous months' receipts and expenditures.

4. Manager's Reports.

The Manager shall at all times maintain in accordance with generally accepted accounting principles, full and accurate books, records and accounts of the Association at its principal office, to be closed and balanced at the end of each calendar year. The Board and its representatives shall have the right to inspect and examine said books,

records and accounts at all reasonable times. The following shall be prepared by the Manager on a compilation basis with respect to the Association, and be available at the times set forth:

(1) Within fifteen (15) days after the end of each calendar quarter, a statement of receipts and disbursements for such quarter and for the pending calendar year through the end of the quarter, and in addition, within fifteen (15) days after the end of each calendar month, a schedule of all uncollected Assessments and charges, and all other information reasonably specified by the Association;

(2) Within thirty (30) days after the end of each calendar year, a balance sheet as of the end of the year, a profit and loss statement for the year, and a statement of changes in financial position for the year; and

(3) Such other information, reports, certificates or other documentation as the Association may reasonably request of the Manager from time to time in order to inform it of the financial status of the Property, and of compliance by the Manager with its duties and obligations under this Agreement.

Annual certified financial statements and tax returns with respect to the Association will not be prepared or filed by the Manager, but such will be performed by an independent certified public accountant engaged by the Board, whose fees are to be paid directly by the Association.

5. **Responsibilities of the Association.** Without limitation thereto, the Association agrees that:

A. At the inception of this Agreement, the Association shall provide the Manager with: (i) a copy of any property and liability insurance policies in force for the Association and/or Property; (ii) copies of any existing contracts and agreements in force with any utility, vendor, supplier or contractor relative to the operation, maintenance and repair of the Property; and (iii) copies of any blueprints, drawings, plans and specifications for the Property, together with any and all guarantees and warranties pertinent to the Property in force at the time of the execution of this Agreement.

B. The Manager shall not be responsible for any inadequacies in insurance coverages and terms as specified or required by the Association, Declaration or Offering Plan, and the Manager shall be named as an additional insured on all of the Association's and Board's liability insurance policies.

C. The Association and the Board shall deal exclusively through the Manager with respect to management and operation of the Property, with the Manager authorized to deal with all third parties (including, without limitation, all vendors, suppliers, contractors, etc.) on any matter relating to the management and operation of the Property.

D. Everything done by the Manager under the provisions of this Agreement shall be done as the Manager contracted by the Association, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Association, including but not limited to attorney's and/or accountant's fees. Manager shall not be obligated to make any advance to or for the Association or to pay any sum, except of funds held or provided as aforesaid, nor shall Manager be obligated to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided.

E. For casualty losses requiring reconstruction expenses of \$1,000.00 or more resulting from a single occurrence, Manager shall not be responsible for coordination and supervision except as may be mutually agreed by Manager and the Association based upon an additional agreed fee paid by the Association to the Manager.

F. Notwithstanding the provisions of this Agreement regarding Manager's general management responsibilities, the services provided by Manager do not include research on or bidding compilations for any capital improvements or for any repair or replacement work involving expense in excess of \$10,000.00 for any one project.

6. Manager's Insurance.

A. The Manager shall procure and maintain at its expense workmen's compensation and disability insurance for Manager's employees, together with general commercial liability insurance and contractual liability insurance, insuring Manager against liability for any and all claims for injuries to or the death of persons or damage to property occurring in or about the Property and which arises out of the negligent or intentional acts or omissions to act by Manager, its agents, employees, contractors and representatives. Such policies shall also insure the indemnity from Manager to the Association contained in this Section 6. The limits of liability under such insurance shall at all times not be in an amount not less than One Million Dollars (\$1,000,000.00) for injury to one (1) person, and not less than Two Million Dollars (\$2,000,000.00) in the aggregate, with a minimum limit for property damage insurance in the amount of Five Hundred Thousand Dollars (\$500,000.00) arising out of any one (1) occurrence. All policies of such insurance shall provide that the Association shall receive at least thirty (30) days prior written notice of the cancellation thereof, and shall name Association as additional insureds. Such insurance shall be written with a company or companies authorized to engage in the business of insurance in the State of New York, and at or prior to the execution hereof Manager shall cause to be delivered to the Association customary insurance certificates evidencing such insurance.

B. Manager hereby agrees to defend, indemnify and hold harmless the Association, their officers, representatives, principals, agents, servants, and employees, from and against any and all liability, damage, injury (including death), loss, claims, demands and actions suffered or incurred by any person or entity (including but not limited to Manager's agents, employees, contractors or subcontractors) as a result of the provision of any labor or services or the performance of any work in or about the

Property, by Manager, its contractors, subcontractors, employees and agents, including, without limiting the generality of the foregoing, any and all liability, damages, injury, loss, claims, demands and actions on account of personal injury, death, or property damage suffered or incurred by (i) the Association, its employees, servants, representatives, agents, contractors, guests, invitees or permittees, or by (ii) the Manager, its contractors, subcontractors, and their employees, servants, representatives, agents, guests, invitees, or permittees. The aforesaid indemnification shall encompass any basis of liability, whether under statute, contract, tort or otherwise, and shall include any liability of the Association to any employee of Manager or any contractor or subcontractor thereof, notwithstanding any bar to recovery by any such employee directly against Manager under workmen's compensation laws. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, Manager shall not be responsible for indemnifying the Association to the extent any damage or injury results from the negligence or willful misconduct of the Association or its employees, agents, representatives or contractors.

7. **Association's Indemnity.** The Association agrees to defend, indemnify and hold harmless the Manager from any claims for damages or injuries to persons or property due to any failure of the Association to comply with or abide by any rule, order, determination, statute, ordinance or law of any Federal, State or municipal authority.

8. **Compensation; Other Business of Manager.** The Association shall pay the Manager the following sums as compensation and reimbursement for its services and expenses, respectively:

A. For each year during the term of this Agreement, the lump sum compensation and fee amount of \$17,950.00, payable in equal monthly installments in the amount of \$1,496.00 per month on or before the 15th day of each month.

B. Sums equivalent to all wages, salaries, and other compensation, including payroll taxes and benefits, incurred by the Manager in its hiring of employees to staff the necessary service positions dedicated to the Subdivision and its operation as set forth in the Association's budget, at the wages, salaries, and other compensation indicated in such Budget, all of which payments will be funded by the Association to the Manager in advance of the corresponding date(s) on which any such payments are due from the Manager.

C. The Association shall not be required to make any tax or other withholdings for any fees or compensation paid to Manager, all of which shall be Manager's responsibility. Manager shall be solely and completely responsible for payment of any and all federal, state or local taxes, fees or assessments with respect to any payments made to Manager hereunder.

D. Nothing in this Agreement shall comprise or be interpreted to comprise any limitation on the right or power of Manager to enter into other agreements with any third party for management and operation of properties of said third party or any leasing work in connection therewith.

E. All reasonable expenses incurred by the Manager in performance of its duties will be reimbursed by the Association and charged to its Members as a common expense.

9. **Term.**

A. The term of this Agreement shall be for an initial period of seven (7) years, commencing upon _____, 200__, and expiring on _____ 20___. Notwithstanding said term of seven (7) years, the Manager, no later than ninety (90) days prior to each annual anniversary date of _____, shall have the right to provide to the Association written notice terminating and cancelling this Agreement, in which event this Agreement shall terminate effective upon said next _____ anniversary date. Upon the date of any such early termination, the retention of the Manager under this Agreement shall cease and terminate, without the Association or Manager being liable to the other for any damages or remuneration whatsoever except that all fees and compensation due the Manager under Section 8 above shall be pro-rated to the date of termination.

10. **Bankruptcy.** In the event a petition in bankruptcy is filed by or against the Association or the Manager, or in the event any such party becomes insolvent or makes an assignment for the benefit of creditors, any party hereto may immediately terminate this Agreement upon written notice to the others, with the terms and conditions of paragraph 9 preceding to otherwise apply.

11. **Default.** In the event of a material breach of this Agreement by the Manager or the Association, the party believing the Agreement to have been breached shall give written notice thereof to the other party, and if such breach is not cured within a period of thirty (30) days following the receipt of such notice, then the aggrieved party may cancel this Agreement. Notwithstanding the foregoing, with the exception of monetary defaults (eg, nonpayment of the Manager's fees and compensation), a party shall not be deemed in breach hereof so long as it has attempted to commence the cure thereof in good faith but is prevented from doing so by acts of God, acts of government, or, without limitation by reason of the foregoing enumeration, other circumstances beyond its control. The reasonable delay caused by such events shall be added to the thirty (30) day period.

12. **Assignment.** Neither this Agreement nor any duties or obligations hereunder shall be assignable by Manager or the Association without the prior written consent of the other. As a condition to any assignment to which consent is provided, the assignee shall agree in writing to personally assume, perform and be bound by all covenants, obligations and agreement contained herein.

13. Miscellaneous.

- A. All notices permitted or required by this Agreement shall be given in writing and shall be considered given upon the earlier of receipt or refusal of delivery (i) if hand delivered or transmitted via facsimile to the party or person intended, or (ii) deposited with a nationally recognized over night commercial courier service, airbill prepaid, or (iii) if deposited in the United States mail postage prepaid, by certified or registered mail, return receipt requested, in all cases addressed by name and address to the party or persons intended as follows:

To Association: The Reserve Association Inc.
Suite 300
One Airport Way
Rochester, New York 14624

To Manager: AJ Costello & Son Reserve Management LLC
Suite 300
One Airport Way
Rochester, New York 14624

B. The Agreement is effective only upon execution and delivery by all parties hereto. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

C. With regard to each and every provision of this Agreement, and any and all agreements and instruments subject to the terms hereof, all parties hereto understand and agree that the same have or has been mutually negotiated, prepared and drafted, and that if at any time, the need arises to construe any provision hereof, that no consideration shall be given to the issue of which party actually prepared, drafted, requested, or negotiated each and/or every provision of this Agreement or any agreement subject hereto.

D. This Agreement shall be interpreted and construed under the laws of the State of New York, with the venue of any action or proceeding arising thereunder to be in the Supreme Court for the County of Monroe.

E. In the event of any dispute and litigation between the Association and the Manager relating to or arising from this Agreement and the performance thereof by said parties, the prevailing party shall be entitled to recover from the other its reasonable attorney's fees incurred in and the costs and disbursements of such action.

F. This Agreement may not be modified, altered or amended in any manner or form except by an agreement, in writing, executed by all parties hereto to be attached and be incorporated into this Agreement.

G. Subject to the provisions regarding assignment, this Agreement shall be binding upon and inure to the benefit of the legal representatives, successors and assigns of the respective parties.

H. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement, which is not contained herein, shall be valid or binding except by written instrument signed by duly authorized officers of the parties hereto.

I. The Association and the Manager hereby acknowledge and agree that neither Manager nor its employees shall be considered for any purposes an employee of the Association. Manager shall at all times and for all purposes be, and shall act and render services as contemplated hereunder solely as an independent contractor. As an independent contractor, the Manager acknowledges and agrees that it is solely responsible for any and all withholding and employment or other taxes imposed as a result of receiving compensation under this Agreement.

J. The Section headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intention of the parties.

K. No waiver of compliance with any provision or condition hereof, and no consent provided for herein, shall be effective unless evidenced by an instrument in writing duly executed by the party sought to be charged therewith. No failure on the part of any party to exercise, and no delay in exercising, any of its rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any right preclude any other or future exercise thereof or the exercise of any other right.

L. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa. Wherever used herein, the masculine pronoun shall include the feminine and the neuter, as appropriate in the context. With respect to any matter or thing, "including" or "includes" means including, but not limited to, such matter or thing.

In witness whereof the Manager and Association have dated this Agreement and affixed their signature below.

MANAGER:

Dated: _____

AJ COSTELLO & SON RESERVE
MANAGEMENT LLC

By: _____

Name:

Title:

Dated: _____

THE RESERVE ASSOCIATION,
INC.

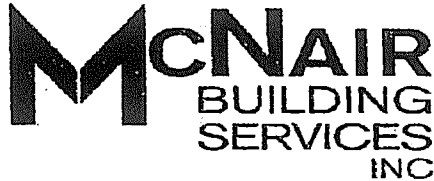
By: _____

Name:

Title:

thereserve.118

EXHIBIT R



P.O. BOX 26253
ROCHESTER, NEW YORK 14626
PHONE: 585-436-7301 FAX: 585-436-9212
Email: mcnairbuildingservices@frontier.com

October 18, 2011

The Reserves
C/O North Coast Corporation
339 East Ave, Suite 302-4
Rochester, NY 14604

McNair Building Services is pleased to provide you with this quotation for services at the below listed location(s):

The Reserves
C/O North Coast Corporation
339 East Ave, Suite 302-4
Rochester, NY 14604

Our services to you shall be limited to the attached scope of work. Services rendered at this location will be five (5) days per week. This quote is based on information obtained from building drawings and general assumption and is valid for 90 days. All revisions to this quote may be subject to cost of service adjustments.

McNair Building Services shall provide all equipment, cleaning chemicals and paper supplies related to services except the following:

- Paper Towels
- Toilet paper
- Hand Soap

The total cost of service per month is as follows:

The Reserves Club House:

General Janitorial Services \$2324.24

(5 Days Per Week)

Promotion: 10 % Discount: - (\$233.42)

Subtotal: \$2091.82

8% Sales Tax: \$167.35

Total Monthly Cost: \$2258.16

Signing Discount

When signed, you are offered a 5% discount for the first three (3) months

TERMS OF AGREEMENT:

This price covers a ONE (1) Year agreement.

Renewal upon expiration to a THREE (3) Year Agreement, with an automatic 2% cost of services increase per year.



Janitorial Contract Scope of Work: The Reserves Club House

<u>Description</u>	<u>Frequency Per Week</u>
LAVATORIES:	
Empty waste receptacles and replace necessary liners	5
Clean and sanitize all restroom fixtures and counters	5
Polish all stainless steel	5
Clean and polish all mirrors	5
Spot clean walls, partitions, doors, door frames, and mouldings	5
Replenish hand soaps and other dispensed products	5
Sweep, wet mop and sanitize floors	5
Sanitize toilets and toilet seats/urinals	5
Clean/Sanitize Handicap bathroom rails	5
Clean Vents	5
Mens / Womens Locker Rooms:	
Empty trash and replace necessary liners	5
Dust all office furniture and dividers	5
Dust all horizontal surfaces below 6 ft.	5
Wipe and spot clean counter tops	5
Clean and disinfect drinking fountains	5
Clean and polish mirrors	5
Spot clean interior glass	5
Sweep and mop tile floors	5
Vacuum carpets	5
Spot Clean Carpets	As Needed
Vacuum corners and edges	As Needed
Clean Disinfect Showers	5
Wipe down front of Lockers	5
Vacuum Benches	As Needed

R3

HALLWAYS & COMMON AREAS:

Empty trash and replace necessary liners

S

Sweep and mop tile floors

S

Vacuum carpeting

S

Spot clean carpeting

S

Vacuum corners and edges

As Needed

Pin Oak Lawn and Snow

7 La Terra Way
Webster NY 14580
738 8808

Proposal

Number: E152

Date: December 01, 2011

Bill To:

NorthCoast Corp
The Reserves

Ship To:

PO Number		Terms		Project	
				The Reserves	
Date	Description	ManHours/Times	Rate	Amount	
	Attached are my quotes for The Reserve Phase I Condominiums and Association.				
				Total	\$0.00

R5

Landscape and Snow Quote: The Reserve Association Inc.: 136 units

LANDSCAPE

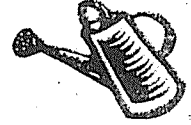
Lawn Cut/Trim	389.88 /cut	30 cuts	(Assume Irrigate)	11,606.40
Edge, Weed, Mulch	0.33 yds/unit	59.4 \$/yd	324 Units	6,351.05
Weed bi-weekly	midMay thru Sept	19 trips	378	7,182.00
Second Edging				1,058.51
Spring & Fall Cleanup				1,512.00
Mechanical Edge Twice				1,749.60
Prune shrubs, remove tree suckers: up to 3 trips				12,393.00
Chemical treatments				7,202.00
Additional Labor	32 \$/hr	15 hours		518.40
TOTAL LANDSCAPE:				49,662.96
TOTAL LANDSCAPE/UNIT:				153.28

SNOW REMOVAL

Plowing starting at 2 inch snowfalls				1,000.00
Salt for roads				200.00
Shoveling sidewalks				4,680.00
Salt for walks	10 /bag	48 bags		518.40
TOTAL SNOW REMOVAL:				6,398.40
TOTAL SNOW REMOVAL/UNIT:				19.75



Flower City Irrigation Inc



160 Ling Rd, Rochester, NY 16412
Phone 392-8998 fax 865-1014
flowercityirrigation.com



Customer	The Reserve HOA		
Site	The Reserve HOA Brighton NY	DATE	12/1/2011
Proposal			
Annual service for entire property			
RPZ inspection	Inspection and test of RPZ based on MCWA	@	\$250
Annual maintenance services per individual HOA (6X)			
Winterization	Blow out system and prepare for winter weather	@	\$250
Start up	pressurize, test and adjust for summer season	@	\$250
Basic repair cost based on time and materials			
Service call	Service calls include travel + 1/2 hour labor most repairs are completed in this 1/2 window	@	\$65
labor hours	General Labor hour	@	\$65
<p>\$1/2 payment to schedule the job and the balance due at completion based on customer approval. 1.5% service charge per month will be charged on unpaid balance beginning the tenth day after invoice. All materials are guaranteed to be specified. All work to be completed in a workman like manor according to standard practice. Any alteration or deviations from the specifications involving extra cost will be executed only upon a written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, severe weather or delays beyond our control. Owner to cover fire, tornado, and other necessary insurance. Our workers are fully covered by workman's compensation insurance. Guaranties are based on professional winterization and proper use. Flower city irrigation is not responsible for underground damage not marked or notified of. Quote is good for 30 days.</p>			

These prices are fully installed and guaranteed for 1 full year parts and labor.

Pittsford Paving Inc.

2053 BRIGHTON-HENRIETTA TOWN LINE ROAD / ROCHESTER, N.Y. 14623 / (585) 424-3460 / FAX: (585) 424-1908
P.O. BOX 20284 / ROCHESTER, N.Y. 14602

Proposal For:

Northcoast Corp
339 East Avenue Suite 302-4
Rochester, NY 14604-2693

Home Phone: 671-5606 Cell Phone: 305-5606
Work Phone: 797-0830 x201 Fax Phone: 797-0832
E-Mail: Bill@northcoastcorp.com

Attn: William Tomlinson

Re: The reserve

Job Number:
Quote Date: 04-17-12
Sales Rep: GK

We estimate the cost of asphalt repairs to be approximately \$2,300.00

AMOUNT

We Propose hereby to furnish material and labor -complete in accordance with above specifications, for:
see above

Payment to made as follows: Upon Completion

All material is guaranteed to be as specified. All work to be completed in a workman like manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. If contract price is not paid, Purchaser agrees to pay all costs of collection and reasonable attorney fees. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance. You, the Buyer, may cancel this transaction at any time prior to midnight of the third business day of this transaction. Any balance due exceeding 30 days is subject to a 2% per month service charge - 24%

Signature

GK

Pittsford Paving, Inc. Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of this Proposal - the above prices, specifications and conditions are satisfactory and are hereby accepted.
You are authorized to do the work as specified.
Payment will be made as outlined above.

Date of Acceptance

Customer Signature

Customer Signature

R8

December 5, 2011

DAVID J. CROWE

DIRECT: (585) 419-8907
FAX: (585) 419-8814
DCROWE@HARRISBEACH.COM

The Reserve at Brighton
A.J. Costello and Son Dev.
Reserve Clubhouse Condominium

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare the utility estimate Schedule B-1 containing projections of the utility expenses for the first year of condominium operation. Our experience in this field includes:

1. We have participated in the planning, design, construction and operation of similar commercial buildings.
2. We have expert knowledge of current NYS building code and NYS energy code standards used as the basis for utility estimate development.
3. We have developed projected utility estimates for existing and new buildings.
4. We have developed projected utility estimates for other condominium offerings.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to Schedules B-1.

We have developed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing commercial buildings.

We certify that the projections in Schedule B-1 appear reasonable and adequate under the existing circumstances for the projected first year of condominium operation.

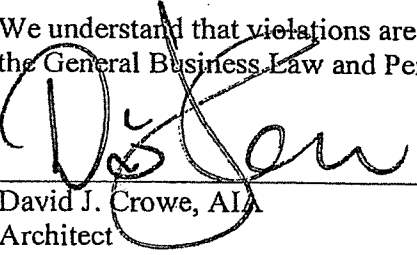
We certify that the B-1 Schedule:

- (i) sets forth in detail the projected utility expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning utility expenses for the first year of condominium operation;

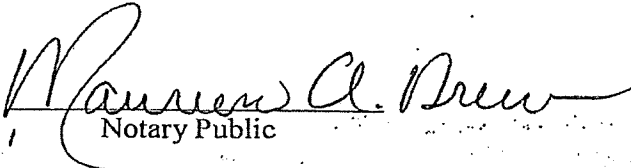
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the utility expenses for the first year of condominium operation. The estimates were developed using only the construction documents furnished by the sponsor of the condominium offering plan. This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


David J. Crowe, AIA
Architect

Sworn to before me this
5th day of December, 2011.


Notary Public

MAUREEN A. DREW
Notary Public in the State of New York
Monroe County
Commission Expires Feb 28, 2014

The Reserve at Brighton
A.J. Costello Son Dev.

DJC ARCHITECTURE PLLC

Utility Estimate Assumptions Summary

Cost Per Kilowatt and Cost Per Therm

RGE Kilowatt hour cost	\$ 0.127	RGE Avg. for 2011 Cost per KWH
Future Increase	10%	
Future Kilowatt hour Cost	\$ 0.140	KWH
RGE Gas cost	\$ 1.54	RGE Avg. for 2011 Cost per Therm
Future Increase	10%	
Future Gas Cost	\$ 1.69	therms

3/19/2012

Water Usage

Estimate per person	29200	U.S. Geological Survey
Estimate of Cubic Feet Per Household	3903.74	Gallons A person uses 80 gal./day ea.
Cost /cubic foot	\$ 0.0192	7.48 Number of Gallons per Cubic Foot
Annual Cost Per Person	\$ 75.05	Aug. 2011 Monroe Co. Water Authority

Water Usage per Unit

2 Bedroom Unit	2	people
3 Bedroom Unit	3	people

Residential Electricity Usage Estimates

Item Description	kilowatts per year
Clothing Washer	31
Coffee Maker	128
Computer	520
Dishwasher	432
Microwave	89
Refrigerator	683
TV (2)	528
Toaster	73
Total Estimate Per Year**	2484

** The above numbers are based on the average 2 person household taken from Duke Energy

The annual appliance kwatts column includes the above usage plus elevator and jacuzzi if applicable.

Gas Usage Per Year

H2O - Water Heater	272
Dryer	55
Range	40
Fireplace	72
Total Estimate Per Year**	439

120 hr at 60K BTU

** The above numbers are based on the average use taken from Omaha Metro Utility District

The Reserve at Brighton
A.J. Costello Son Dev.

DJC ARCHITECTURE PLLC

Lighting Minimums

Commercial

Stairway lighting	0.75	per square foot
Garage lighting	0.03	per square foot
Multifamily common area space lighting	0.07	per square foot
Entry Doors	20.0	per linear foot of door width
Entry Canopy	0.3	per square foot

Residential

Living Space lighting	0.7	wattage per square foot
Estimated Usage	5	hr/ day
Basement / Garage	0.3	wattage per square foot
Estimated Usage	2	hr/ day

Degree Days

Station ID: KROC - Rochester International Airport

Living Space

Heating	5135
Cooling	168
Occupancy load factor	0.4

Basement

Heating	4140
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Inside Temperature	68
Ground Temperature	45
Heating Days Per Year	180

R-Values

Brick Veneer Wall	20
Wood Frame Wall	20
Ceilings	38
Floors	19
Slab Floor/Basement wall	10

U-Values

Windows	0.04
Doors	0.03
AC efficiency	13
Heating efficiency	90

Wall Insulation

Source - Energy Conservation Construction Code of New York State 2010
- Residential Energy Efficiency tables based on wall type elevations

The Reserve at Brighton
A.J. Costello Son Dev.

DJC ARCHITECTURE P.C.

Reserve Clubhouse Condominium

3/19/2012

Unit	Square Footage	Cooling KWH	Electric \$	Other Electric KWH	Electric \$	Electric Total \$	Nat. Gas Therm	Gas Total \$	Total Per Unit
CH1	1480	1667	\$ 233	4375	\$ 612	\$ 846	478.2	\$ 808	\$ 1,654
CH2	1404	1535	\$ 215	4278	\$ 599	\$ 814	475.1	\$ 803	\$ 1,617
CH3	1404	1535	\$ 215	4278	\$ 599	\$ 814	475.1	\$ 803	\$ 1,617
CH4	1474	1667	\$ 233	4367	\$ 611	\$ 845	478.2	\$ 808	\$ 1,653
CH5	1480	1667	\$ 233	4375	\$ 612	\$ 846	478.2	\$ 808	\$ 1,654
CH6	1404	1535	\$ 215	4278	\$ 599	\$ 814	475.1	\$ 803	\$ 1,617
CH7	1404	1535	\$ 215	4278	\$ 599	\$ 814	475.1	\$ 803	\$ 1,617
CH8	1474	1667	\$ 233	4367	\$ 611	\$ 845	478.2	\$ 808	\$ 1,653
CH9	1621	4995	\$ 699	4555	\$ 638	\$ 1,337	556.4	\$ 940	\$ 2,277
CH10	1680	4901	\$ 686	4630	\$ 648	\$ 1,334	554.2	\$ 937	\$ 2,271

Clubhouse Condominium Common Area Costs

Heating, Cooling and Electricity	Square Footage	Cooling KWH	Electric \$	Other Electric KWH	Electric \$	Electricity Total \$	Nat. Gas Therm	Gas Total \$	Annual Cost
2nd level	648	136	\$ 19	3974	\$ 556	\$ 575	3.192	\$ 5	\$ 581
3rd level	648	136	\$ 19	3974	\$ 556	\$ 575	3.192	\$ 5	\$ 581
4th level	622	1742	\$ 244	3814	\$ 534	\$ 778	40.964	\$ 69	\$ 847
Total Heating, Cooling and Electric Costs		2014	\$ 282	11761	\$ 1,647	\$ 1,928	47.348	\$ 80	\$ 2,009

Clubhouse Costs

Heating and Cooling	Square Footage	Cooling KWH	Electric \$	Cooling Electric Total \$	Nat. Gas Therm	Gas Total \$	Annual Cost
Lower Level	8148	5452	\$ 763	\$ 763	1238	\$ 2,092	\$ 2,856
Main Level	6468	12905	\$ 1,807	\$ 1,807	305	\$ 515	\$ 2,322
Total Heating and Cooling Costs		18357	\$ 2,570	\$ 2,570	1543	\$ 2,608	\$ 5,178

Lighting	KWH	Electric \$	Annual Cost
Lower Level	35465	\$ 4,965	\$ 4,965
Main Level	27844	\$ 3,898	\$ 3,898
Terrace / Pool Area	4342	\$ 608	\$ 608
Total Lighting Costs	67651	\$ 9,471	\$ 9,471

The Reserve at Brighton
A.J. Costello Son Dev.

DJC ARCHITECTURE

**Equipment
Usage Costs**

	KWH	Electric \$	Nat. Gas Therm	Gas Total \$	Annual Cost
Lower Level	38778.7	\$ 5,429			\$ 5,429
Main Level	4081.48	\$ 571	248	\$ 419	\$ 991
Terrace / Pool Area	10656	\$ 1,492	2305	\$ 1,699	\$ 4,413
Total Equipment Costs	53516.18	\$ 7,492	2554	\$ 2,118	\$ 10,832

**Water Usage
Costs**

		Cubic Feet	Annual Cost
Common Area Water Usage		20246	\$ 389
Residential Unit Water Usage	Master Water Metering (All residential units in number)	78172	\$ 1,501
Total Water Usage Costs		98418	\$ 1,890

Total Clubhouse Cost Per Year:

\$ 27,371

Reserve Clubhouse Condominium
Calculation Sheet

3/19/2012

H2O. Driver

Clubhouse Condominiums	Sq Ft	Heat loss			doors			Floor			Hating			Fireplaces			Net Gas			Cooling Electric			Lighting			Other Electric			All Electric			Net Gas		
		2nd Floor	outside	BTU/deg	BTU/deg	area	BTU/deg	area	BTU/deg	area	BTU/deg	Therm	Therm	Therm	Therm	Total	Cooling	BTU	KWH	Total	KWH	appliance	KWH	Total	KWH	Total	KWH	Total	KWH	Total				
																															2nd Floor	outside	BTU/deg	BTU/deg
Clubhouse	1480	595.45	25.3	127	5.1	48.8	1.5	39.2	367	478.2	1667	233	1891	2484	4375	612	846	808	4375	612	846	808	4375	612	846	808	4375	612	846	808	4375	612	846	808
Clubhouse	1480	595.45	25.3	127	5.1	48.8	1.5	39.2	367	478.2	1667	233	1891	2484	4375	612	846	808	4375	612	846	808	4375	612	846	808	4375	612	846	808	4375	612	846	808
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Clubhouse	1480	595.45	25.3	127	5.1	48.8	1.5																											

R15

Lower Level	SQ. FT.	Wants	Hours per year	KWH	Lighting cost	Annual
Men's Theater	1312	1.21	165	240	\$	31.69
Stairs	74	6.75	760	486	\$	68.67
Men's / Laundry / AV Equip.	115	0.7	730	59	\$	8.23
Office / Testing	180	1	3120	562	\$	76.62
Fitness Center / Plumber / Yoga	1637	1	3840	9450	\$	133.44
Teller	144	1	3840	841	\$	117.73
Men's Locker	630	1	3840	3579	\$	515.69
Women's Locker	630	1	3840	3579	\$	515.69
Men's Locker	630	1	3840	3579	\$	515.69
Crane Room	540	1.2	2840	184	\$	257.64
Garage	1532	1	1760	19431	\$	1,463.10
Mechanical / Electrical	1193	1	730	318	\$	34.37
					\$	4,795
Main Level						
Carroll's Kitchen	440	1.4	201	140	\$	19.37
Baroque Room	364	1.3	139	34	\$	41.67
Harvard Room	1051	1	2180	2981	\$	419.76
Board Conference Room	120	1.2	2180	4459	\$	622.01
Car Room	120	0.1	2180	161	\$	22.00
Salute	185	0.1	2180	246	\$	34.40
Consigli Offices	318	1	2240	744	\$	104.18
Office	1200	1	1760	8111	\$	1,175.45
Office	271	1	3440	283	\$	115.46
Office	408	1.35	1760	395	\$	55.57
Office	22	1	345	11	\$	4.1
Elevator	56	2.2	1760	263	\$	44.87
					\$	2,144.2

Reserve Clubhouse Condominium Club House
Calculation Sheet
3/19/2012

Pool Area	4529	0.14	1460	1007	\$ 141.05
Entr. Doors	35	20	4380	3066	\$ 429.24
Entr. Canopy	245	0.23	4380	268	\$ 37.56
				4342	\$ 607.85

Total Lighting Costs Per Year for all Clubhouse: \$ 9,471

Clubhouse Equipment

Qty	Items	KWH	Annual Cost
3	Treadmill	1500	915.51 \$ 1,380
3	TV's	2930	553.81 \$ 775
10,769	Steam Room	2180	2508 \$ 351
10,769	Steam Room	9000	13140 \$ 1,840
1x7	Inside Spa - Jacuzzi	5300	7738 \$ 1,083
			38779 \$ 5,439

Total Lower Level Per Year \$ 5,439

Main Level	Kwatts per Hr.	Hours per year	KWH	Annual cost
Kitchen equipment	3150	720	1860	\$ 277
Refrigerator	2146	720	1350	\$ 211
Dishwasher	1200	150	180	\$ 24
Ice Machine	2530	52	132	\$ 18
6 burner cooktop	22700	300	681	\$ 115
Convection oven	60000	300	180	\$ 304
				\$ 991

Pool Area

Pool Area	Kwatts per Hr.	Hours per year	KWH	Annual cost
Pool Filter Pump	3700	2180	10656	\$ 1,492
Outside Spa - Jacuzzi	12x16x5	7200	1460	\$ 1,492
Pool Heater	BTU	Hrs.	Thermal	
Outside Hot Grill	120000	102	122.4	\$ 1,222
				\$ 207
				\$ 4,413

Total Equipment Costs Per Year for all Clubhouse: \$ 10,852

Water Usage	Gallons
Pool	45,000 10% water makeup to year
Outside Spa	11,400 Replace H2O twice per 4 mo. Season
Inside Spa	7,800 Replace H2O every 30 days
Steam Room	43,000 3 gallons x 30min x 240 times yr
Hot Water	1,800 75 gallons x 240 times yr
Kitchen Dishwasher	1,000 10 gallons x 100 times yr
Public Rest use	13,140 1.5 min x 1 Public x 1644 yr
Toilets	13,140 1.5 min x 1 Public x 1644 yr
Shower	13,140 1.5 min x 1 Public x 1644 yr
	15,240 1.5 min x 1 Public x 1644 yr
Total	152,400

H2O cost \$ 388

SUBURBAN DISPOSAL



December 7, 2011

William Tomlinson
NorthCoast Corporation
339 East Avenue
Suite 302-4
Rochester, NY 14604

Re: The Reserve Community Trash and Recycling Service Proposal

Bill,

As we have discussed, based on our conversations regarding the assumed trash and recycling service that will be needed for The Reserve, please see our proposal below.

Apartments/Lofts – Assumption is 6 buildings (1) 2 yd. dumpster for compacted trash per building & (4) 96 gal. totes for recycling per building.

Trash service per building: 1x/week - \$150.83/mo.
Recycling service per building: 1x/week - \$20/mo.

Trash/recycling service at homes and townhouses

64 gal. containers, 1x/week service \$8.50/unit.

Clubhouse

Trash service: 7 totes (96 gallon containers) 1x/week service - \$65/mo.
Recycling service: 4 totes (96 gallon containers - 2 for cardboard/paper; 2 for glass, tin & plastic) 1x/week service \$20/mo.

We thank you very much for the opportunity to quote our service. Your business is very much appreciated!

Please contact me if you have any questions.

Best,

Rhonda

Rhonda Vaccaro
Territory Manager - Rochester



December 16, 2011

NorthCoast Corporation

339 East Avenue Suite 302-4

Rochester, NY 14604-2693

Dear Sir,

Regarding the reserve at Brighton, our weekly pool maintenance service is \$97.00/ hour plus tax, plus chemicals, plus a travel fee of \$15.00 for weekly customers and \$25.00 for non-weekly customers. I have attached a detailed list of specifics. If there is anything further I can assist with, please feel free to contact me at your convenience.

Thank You,

Monique Hobbs

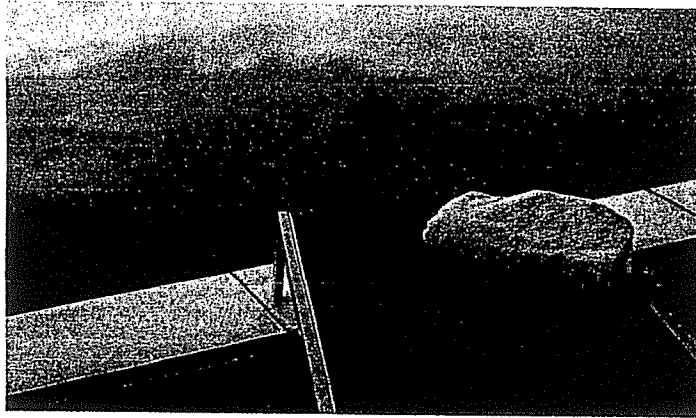
Beauty Pools, Inc.

Service Department

(716) 683-8400 ext. 153

R18





Commercial Pool Cleanings

The following is a list of what consists of our weekly cleaning service:

1. Vacuuming and brushing the pool.
2. Netting pool water surface.
3. Cleaning tile.
4. Emptying the skimmer and pump baskets of debris.
5. Backwashing (or clean cartridges) of filter - as necessary.
6. Check over all equipment.
7. Including pool filtration, to make sure everything is functioning properly.
8. Test water and add chemicals as needed. (Your chemical supply will be used and as supply is depleted, it will be replaced as necessary.)
9. Periodic water sample taken and brought back for full water analysis.
10. Balancing chemicals will be added on the following cleaning unless otherwise specified by you.
11. You will be billed accordingly for chemicals. If you wish to supply your own, please advise. A note can be left if running low.
12. If some part of your equipment is not working, or in need of repair, it will be repaired at time of cleaning, if it is minor. If it is a major repair, a separate service call may be necessary and arrangements can be made.

***We offer Weekly, Bi-weekly or Monthly cleaning services.**

****Commercial prices can vary due to the size of the pools.
Contact Service Dept. for details. (716-683-8400)**

Coverage Summary

CinciPlus® Commercial Property XC+®

CinciPlus® Commercial Property Expanded Coverage XC+® FA250 04 06
Building and Personal Property Coverage (Including Special Causes of Loss) FM101 04 04

Property Coverages (all limits per location unless indicated otherwise)	Limits ¹
Accounts receivable (additional \$5,000 limit away from premises, not per location)	\$150,000 blanket coverage limit (BCL)
Debris removal of covered property from a covered loss	25% of loss within limit, plus BCL
Ordinance or law: <ul style="list-style-type: none"> Undamaged portion of the building Demolition costs and increased costs of construction 	Subject to building limit Included within BCL
Peak season for business personal property (BPP) (90 days maximum)	Included within BCL
Personal property of others	Included within BCL
Tenant move back expenses	Included within BCL
Valuable papers (additional \$5,000 limit away from premises, not per location)	Included within BCL
Worldwide laptop (not per location) ¹²	Included within BCL
Electronic data processing property (EDP): <ul style="list-style-type: none"> Duplicate and backup electronic data Newly acquired EDP property In transit or away from premises 	BCL applies, subject to sublimits of \$2,000 – in addition to BCL \$10,000 – in addition to BCL \$10,000 – included within BCL
Brands and labels	\$25,000
Building glass – insured as part of the building	Included up to building limit
Business income/extra expense (BI/Ex Ex) (no waiting period) <ul style="list-style-type: none"> Dependent properties (24-hour waiting period) Computer operations (24-hour waiting period) 	\$100,000 \$5,000 – included in BI/Ex Ex \$25,000 – included in BI/Ex Ex (per coverage term) ²
Change in temperature/humidity to covered BPP as a result of a covered loss	Included within BPP limit
Fairs/exhibitions (not per location)	\$10,000
Fences (within 1,000 feet of premises)	\$5,000
Fine arts	\$25,000

Coverage Summary for CinciPlus® Commercial Property XC+® (continued)

Property Coverages (all limits per location unless indicated otherwise)	Limits
Fire department service charge – by contract or agreement or required by ordinance (not available in AZ)	\$25,000
Fire protection equipment recharge	\$50,000
Fungi, wet rot, dry rot and bacteria	\$15,000 (per coverage term) ²
Inflation guard	4% on building property
Inventory, appraisal, loss statement expenses	\$10,000
Key and lock expense	\$1,000
Newly acquired property – buildings (up to 90 days)	\$1,000,000
Newly acquired property – BPP (at acquired building up to 90 days)	\$500,000
Nonowned building damage: <ul style="list-style-type: none"> Caused by theft, burglary or robbery Caused by any other covered cause of loss 	Included in BPP limit \$25,000 included in BPP limit or BPP limit of insurance (whichever is less)
Outdoor property (trees, shrubs, plants \$1,000 limit per item)	\$25,000
Paved surfaces	\$20,000
Perishable stock broadened coverage	\$5,000 Included within BPP limit
Personal effects (\$1,000 theft limit – excluding theft of employees' tools)	\$25,000
Pollutant cleanup and removal from land or water at each insured premises	\$25,000 (per coverage term) ²
Premises boundary 1000 feet – BPP in the open or in a vehicle	Included
Preservation of covered property (up to 60 days)	BPP limit
Property temporarily at other premises (not per location)	\$10,000
Property in transit in a vehicle (not per location)	\$10,000
Rewards for reporting arson, V&MM, theft and burglary (not available in NY)	\$10,000
Signs: <ul style="list-style-type: none"> If attached to building, include in building limit If detached but permanently installed within 1,000 feet of premises, may be scheduled Detached but not part of building (does not apply per location) 	Included Per Dec page \$10,000

Coverage Summary for CinciPlus® Commercial Property XC+® (continued)

Property Coverages (all limits per location unless indicated otherwise)	Limits
Trailers (detached and nonowned left in the insured's care, custody or control)	\$5,000
Underground property	Included in building limit
Utility services (off-premises water, communication and power supply, excluding overhead lines) for direct and time element loss	\$25,000
Water backup from sewers, drains or sump pumps (not available in FL)	\$10,000

¹ All property coverage dollar limits are per any one occurrence. Some property coverage dollar limits may also be per coverage term² as indicated.

² Coverage term is defined in the policy. It generally means one policy year.

This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. "The Cincinnati Insurance Companies" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through □ The Cincinnati Insurance Company or one of its wholly owned subsidiaries – □ The Cincinnati Indemnity Company, □ The Cincinnati Casualty Company or □ The Cincinnati Specialty Underwriters Insurance Company – and life and disability income insurance and annuities through □ The Cincinnati Life Insurance Company. Each insurer provides coverage in most states and has sole financial responsibility for its own products. 6200 S. Gilmore Road, Fairfield, OH 45014-5141. Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496.



www.cinfin.com

Coverage Summary CinciPlus® Crime XC+

Crime XC+® Option CA102 08 07 available with the
CinciPlus® Commercial Property Expanded Coverage XC® Endorsement and the
CinciPlus® Commercial Property Expanded Coverage XC+® Endorsement

Crime Coverages	Limits ¹
Employee theft (blanket including ERISA coverage)	\$25,000
Forgery	\$25,000
Money and securities	\$25,000 inside \$5,000 outside
Money orders and counterfeit money	\$25,000

¹ Limits apply per coverage term. Coverage term is defined in the policy. It generally means one policy year.

This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. For information, quotes or policy service, please contact your local independent agent recommending coverage. "The Cincinnati Insurance Companies" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through □ The Cincinnati Insurance Company or one of its wholly owned subsidiaries – □ The Cincinnati Indemnity Company, □ The Cincinnati Casualty Company or □ The Cincinnati Specialty Underwriters Insurance Company – and life and disability income insurance and annuities through □ The Cincinnati Life Insurance Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. 6200 S. Gilmore Road, Fairfield, OH 45014-5141.



www.cinfin.com

Automatic Coverage Extensions

Cincinnati General Liability Broadened Coverage Extension GA 210NY

- Employee Benefits Liability - \$1,000,000 per occ/\$3,000,000 agg, \$1,000 deductible.
- Unintentional Failure to Disclose Hazards Condition.
- Damage to Premises Rented to You- lesser of \$500,000 or the policy occurrence limit.
- Supplementary Payments - \$1,000 for bail bonds and \$350 per day loss of earnings.
- Medical Payments \$10,000 per person.
- 180 Day Coverage for Newly Formed or Acquired Organizations.
- Waiver of Subrogation.
- Automatic Additional Insured for:
 - Managers or Lessors of Premises
 - Lessor of Leased Equipment
 - Vendors
 - State or Political Subdivisions-Permits relating to Premises.
- Property Damage to Borrowed Equipment at \$10,000 per occurrence (\$250 deductible)
- Employees as Insureds for Specified Health Care Services – Nurses, Emergency Medical Technicians and Paramedics.
- Broadened Notice of Occurrence Condition.

Refer to policy forms for a complete description, of actual forms, coverage and conditions.

Bonadio & Co., LLP
Certified Public Accountants

November 29, 2011

Mr. Bill Tomlinson
NorthCoast Corporation
339 East Avenue, Suite 302-4
Rochester, NY 14604-2693

Dear Bill:

We are prepared to do the Condo Association audit for The Reserve Association, Inc. for \$1,700. .

Very truly yours,

BONADIO & CO., LLP

By: 

Scott W. Cresswell, CPA

171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

ROCHESTER • BUFFALO
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PERRY • GENEVA

R26



BRUCKNER, TILLET, ROSSI, CAHILL & ASSOCIATES

A full-service real estate appraisal, analysis and consulting group

Christopher S. Tillett, MAI, SRA

Kevin L. Bruckner, MAI, CCIM

Alfred T. Rossi, SRA

Patrick W. Cahill, SRA

April 20, 2012

Stephen E. Hall Esq.
Suite 400
36 West Main Street
Rochester, New York 14614

Re: Assessment of Clubhouse & Green Space for The Reserve Association, Inc. at
The Reserve at Erie Canal

Dear Mr. Hall:

At your request, I have prepared the following estimates relative to the assessment of the common areas owned by The Reserve Association Inc., ie, principally being the Clubhouse Unit (Clubhouse) with exterior pool/spa and grounds, and the trail-accessible green areas (Green Space). If, as is the case at The Reserve, the HOA common areas are available for the sole and exclusive use of the Development residents (as opposed to the HOA also leasing out the same for use by third parties on a paying basis), then the assessments on the individual units throughout the Development will include the value of the common areas, which in effect have no independent value in and of themselves given the exclusive use rights of the residents.

In developing the assessments and estimate of taxes for the various condominium units comprising The Reserve, we have assigned a 15% premium for the enhanced value of the HOA common areas to the figures used in estimating the assessments. The Town of Brighton Assessor, Elaine Ainsworth, was consulted during the process of estimating the assessments relative to the correctness of the methodology used and the reasonableness of the assumptions used. Furthermore, the assessments on the single family homes would also include a premium for the HOA common areas as the assessment would theoretically be based upon the sale price of the home and that sale price inherently includes a premium for the HOA common areas. Under this scenario, a nominal assessment estimated at \$1,000 would be assigned to each one of the three tax parcels comprising the HOA common area. The estimated annual taxes would be approximately \$40 per tax parcel for an aggregate tax of approximately \$120.

Conversely, in the worst case scenario, should the assessor attempt to estimate the value of the HOA common areas separate from the individual unit assessments, the following formula is the best and most reasonable estimate for what that assessment may be: the total estimated assessment of the HOA common areas would be the total aggregate assessed value (TAAV) less the total aggregate assessed value divided by 1.15 ($TAAV - TAAV/1.15$). The total aggregate assessed value of the condominium units is \$16,521,600. Assuming an average sale price for the 40 single family homes of \$750,000, the total aggregate assessed value of the single family home would be \$30,000,000. Hence, the total aggregate assessed value for all units is \$46,521,600. Applying the above formula yields an estimated assessment for the HOA common areas under this scenario of \$6,068,035. The corresponding annual taxes based upon

April 20, 2012

Page - 2

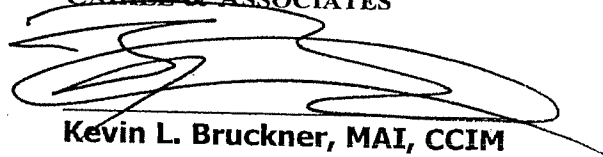
Re: The Reserve Association, Inc.

this estimated assessment would be approximately \$242,722. It is important to note that if this scenario for estimating the assessment of the HOA common areas is applied, then there *must* be a corresponding off-set to each of the individual unit assessments otherwise the HOA common areas would be taxed twice.

Sincerely,

BRUCKNER, TILLET, ROSSI,

CAHILL & ASSOCIATES

A large, stylized handwritten signature in black ink, appearing to read 'Kevin L. Bruckner', is written over the company name.

Kevin L. Bruckner, MAI, CCIM

Attachment: actual calculations

April 20, 2012

Page - 3

Re: The Reserve Association, Inc.

HOA Common Area Tax Parcel A	Tax Year	Tax Rate Per 1000	Estimated Assessment	Estimated Taxes
Town/County Tax Estimate	2012	\$ 13.30	\$ 1,000	\$ 13.30
School Tax Estimate	2011-12	\$ 24.49	\$ 1,000	\$ 24.49
Total Combined Town, County & School Taxes:				\$ 37.79

HOA Common Area Tax Parcel B	Tax Year	Tax Rate Per 1000	Estimated Assessment	Estimated Taxes
Town/County Tax Estimate	2012	\$ 13.30	\$ 1,000	\$ 13.30
School Tax Estimate	2011-12	\$ 24.49	\$ 1,000	\$ 24.49
Total Combined Town, County & School Taxes:				\$ 37.79

HOA Common Area Tax Parcel C	Tax Year	Tax Rate Per 1000	Estimated Assessment	Estimated Taxes
Town/County Tax Estimate	2012	\$ 13.30	\$ 1,000	\$ 13.30
School Tax Estimate	2011-12	\$ 24.49	\$ 1,000	\$ 24.49
Total Combined Town, County & School Taxes:				\$ 37.79

Total Combined Estimated Taxes for All Three Parcels: \$ 113.37

EXHIBIT S

UNIT RESERVATION AGREEMENT

Prospective Seller: Anthony J. Costello & Son (Joseph) Development, LLC
Suite 300
One Airport Way
Rochester, New York 14624

Prospective Buyer: _____

Property: Lot _____,
The Reserve on the Erie Canal
Town of Brighton, County of Monroe
State of New York

1. The Prospective Seller ("PS") and Prospective Buyer ("PB") contemplate engaging in discussions and negotiations as to their possible entry into a purchase agreement ("Purchase Agreement") for the sale by PS to PB of the above Property in The Reserve on the Erie Canal, Town of Brighton, County of Monroe, State of New York, together with a detached single family dwelling to be newly constructed and finished thereon by PS. At least three (3) business days prior to PB signing this Agreement, PB acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "Offering Plan"), and all amendments thereto, if any, filed by PS as Sponsor with the Department of Law of the State of New York (hereinafter, referred to as the "Offering Plan"). If PB has not received and read the Offering Plans and all amendments thereto at least three (3) business days prior to PB signing this Agreement, PB shall have the right to rescind this Agreement within seven (7) days after delivery to the Sponsor of this Agreement as executed by PB together with the Unit Reservation Deposit provided for below.

2. It is agreed that until termination of this Agreement on _____ (subject to any earlier termination of this Agreement as provided for below), the PS will not enter into any purchase agreement with respect to the Property with any party other than PB. PS nevertheless reserves all rights and powers, as owner of the Property, to continue to engage, without restriction or interruption, in all advertising, promotion, listing, and other marketing of the Property for sale.

3. This Agreement does not constitute an offer to sell or purchase the Property, any Purchase Agreement with respect thereto, nor does it create any option or right of first refusal with respect to the Property. This Agreement comprises only a mutual accommodation between PS and PB under which they will discuss and negotiate pricing, plans, and other terms for potential entry into such a Purchase Agreement, with absolutely no obligation on the part of either PB or PS to so proceed with a Purchase Agreement.

4. Upon execution of this Agreement, the PB, in consideration of the within agreement by PS, is depositing with PS funds in the total amount of \$ _____ (the

EXHIBIT S

"Unit Reservation Deposit") via PB's check, which Unit Reservation Deposit will be held in escrow in an attorney's IOLA trust account maintained by PS's counsel at Northwest Savings Bank, as more fully set forth in Section 8 below. Within seven (7) business days after PB delivers to PS this Agreement as executed by PB together with a check for said Unit Reservation Deposit, the PS must either accept this Agreement and return a fully executed counterpart to the PB, or reject this Agreement and refund the entirety of said Unit Reservation Deposit as previously tendered. If the PS takes no action within said time period, the PS will be deemed to have rejected this Agreement, and must refund the entirety of said Unit Reservation Deposit previously tendered.

THE UNIT RESERVATION DEPOSIT WILL BE FULLY REFUNDABLE TO PB UPON TERMINATION OF THIS AGREEMENT FOR ANY REASON AND IN ALL EVENTS AND CIRCUMSTANCES WHATSOEVER, AND PS WILL IN NO EVENT HAVE ANY RIGHT, TITLE, OR INTEREST TO THE UNIT RESERVATION DEPOSIT, NOR WILL THE PS HAVE ANY RIGHT, IN ANY CIRCUMSTANCES WHATSOEVER, TO RETAIN ANY PORTION OF THE UNIT RESERVATION DEPOSIT. THE TIME PERIODS SET FORTH IN THIS AGREEMENT FOR RETURN OF THE UNIT RESERVATION DEPOSIT ARE SUBJECT TO THE CLEARING OF ANY CHECK FURNISHED BY THE PB FOR THE UNIT RESERVATION DEPOSIT AND SO DEPOSITED IN THE ESCROW AGENT'S SPECIAL ESCROW ACCOUNT.

5. This Agreement will terminate upon the above date of _____, and unless then extended by further signed agreement between PB and PS, the Unit Reservation Deposit will be paid and refunded in full to PB within five (5) business days after such termination date.

6. Notwithstanding the foregoing:

(i) PB will also have the right to terminate this Agreement by written notice to PS at any time of PB's choosing, for any reason or for no reason at all, following which notice of termination PS will return the Unit Reservation Deposit to PB in full within five (5) business days following such notice of termination; and

(ii) PS will have the right to provide notice to PB at any time that unless PS and PB execute a Purchase Agreement with respect to the Property within a period of three (3) calendar days following such notice, PS will then have the right to terminate this Unit Reservation Agreement by written notice to PB, with the Unit Reservation Deposit to be refunded and paid in full to PB within five (5) business days following such notice of termination.

7. Upon any execution of a Purchase Agreement with respect to the Property between PS and PB, if this Agreement has not previously terminated, then it will be deemed terminated upon and by execution of such Purchase Agreement by PB, and the Unit Reservation Deposit will be paid and refunded in full to PB within five (5) business days after such date of termination. Notwithstanding the foregoing, at the sole option of Purchaser, and as an accommodation to Purchaser, upon any execution of such a Purchase Agreement and termination of this Agreement accordingly, the Unit Reservation Deposit, rather than being paid and

refunded to PB, will instead be credited towards Purchaser's payment of the Deposit payable by PB as Purchaser under any said Purchase Agreement, and will be retained by the Escrow Agent in the aforesaid attorney's IOLA trust account as such a Deposit, and the Purchase Agreement will provide for the same accordingly. In the event the PB so elects to apply the Unit Reservation Deposit towards payment of the Deposit under such Purchase Agreement, and the amount of the Unit Reservation Deposit exceeds the amount of Deposit due upon execution of the Purchase Agreement, then such excess will be refunded and paid in full to PB within five (5) business days after termination of this Agreement by virtue of execution of said Purchase Agreement; in the event the PB so elects to apply the Unit Reservation Deposit towards payment of the Deposit under such Purchase Agreement, and the amount of the Unit Reservation Deposit is less than the amount of the Deposit due upon execution of the Purchase Agreement, then the PB, as Purchaser under any such Purchase Agreement, will pay the balance of such Deposit to PS, as Seller under such Purchase Agreement, pursuant to the terms of the Offering Plans and the Purchase Agreement.

8. The PS will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h, and the Attorney General's regulations promulgated pursuant thereto. The Unit Reservation Deposit will be placed, within five (5) business days after this Agreement is signed by PS and PB, in a segregated special escrow account of Stephen E. Hall, Esq. ("the Escrow Agent"), an attorney admitted to practice law in the State of New York, who is independent of the PS, and whose address and telephone number are Suite 400, 36 West Main Street, Rochester, New York 14614, telephone number (585) 546-3770. The only signatory on said account authorized to withdraw funds is Stephen E. Hall, Esq., and neither PS nor the Principal thereof is or can be a signatory.

The name of the segregated special escrow account is the "Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc.", with said account located in Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. Northwest Savings Bank is covered by Federal bank deposit insurance. As a separate Interest on Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497, the escrow account will be covered by such insurance without limit until December 31, 2012. If such unlimited coverage is not then extended, the maximum amount of such insurance is \$250,000.00 per account through December 31, 2013; if not extended by Congress, the maximum amount of insurance will then reduce to \$100,000.00 per account. If aggregate deposits in the account are in excess of the then applicable maximum amount, such deposits will not be Federally insured in excess of such then applicable maximum amount.

The account does not bear interest for the PB, as the PS has elected to place the funds in a separate Interest-On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497. However, no fees of any kind may be deducted from the account principal, and the PS shall bear any administrative cost for maintenance of the account.

Any provision of any Agreement, whether oral or in writing, by which the PB purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the New York State Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in this Agreement. PB shall not be obligated to pay any legal or other expense of PS in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

Within ten (10) business days after tender of the Unit Reservation Deposit submitted with this Agreement, the Escrow Agent will notify the PB that such funds have been deposited into such escrow account, and will provide the PB with the account number thereof. If the PB does not receive notice of such Unit Reservation Deposit within fifteen (15) business days after tender of the Unit Reservation Deposit, the PB may cancel this Agreement and receive a full return of said Deposit. The Escrow Agent will hold funds in escrow until termination of this Agreement, upon which event the entire Unit Reservation Deposit will be returned to the PB.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds.

Prospective Seller:

Prospective Purchaser:

Anthony J. Costello & Son
(Joseph) Development, LLC

Name:

Title:

thereserve.251a

FIRST AMENDMENT
TO THE
HOMEOWNERS ASSOCIATION OFFERING PLAN
FOR
THE RESERVE ASSOCIATION INC.
THE RESERVE ON THE ERIE CANAL
SOUTH CLINTON AVENUE AT THE ERIE CANAL
TOWN OF BRIGHTON, COUNTY OF MONROE
STATE OF NEW YORK

FIRST AMENDMENT DATED: OCTOBER 24, 2012

Member. 432. + 162. = 594 (556)

1311 Glenville - 432 + 701 (488) 10 new + 2 new + 12

Waterfall -

Reserve - ~~Waterfall~~ Waterfall -
Fellam -

THE RESERVE ASSOCIATION INC.
THE RESERVE ON THE ERIE CANAL
SOUTH CLINTON AVENUE AT THE ERIE CANAL
TOWN OF BRIGHTON, COUNTY OF MONROE
STATE OF NEW YORK

FIRST AMENDMENT

The Homeowners Association offering plan for the premises located in the Reserve on the Erie Canal, South Clinton Avenue at the Erie Canal, Town of Brighton, County of Monroe, State of New York, as originally accepted for filing on August 14, 2012 (the "Plan"), is hereby amended as follows:

1. Addition to Procedure to Purchase Section of the Plan. The attachment hereto designated as **Exhibit S** is hereby added to and incorporated into the Plan, henceforth comprising **Exhibit S** to the Plan, and the following corresponding provision is hereby added to the Procedure to Purchase Section of the Plan:

Unit Reservation Agreements

Without any obligation to do so, prior to entry into a Purchase Agreement the Sponsor may first engage in discussions with a prospective Purchaser as to entry by the Sponsor and the prospective Purchaser into a Unit Reservation Agreement substantially in the form attached hereto as **Exhibit S**. Any Unit Reservation Agreement entered into between the Sponsor and a prospective Purchaser will not constitute any offer to sell or purchase any Unit, any purchase agreement with respect thereto, nor will the same create any option or right of first refusal with respect to any Unit; such Agreement will comprise only a mutual accommodation between the prospective Purchaser and Sponsor, under which they will discuss and negotiate pricing, plans, and other terms for potential entry into a Purchase Agreement; upon entry by the prospective

Purchaser and Sponsor into a Unit Reservation Agreement, neither party will have any obligation to proceed with entry into a Purchase Agreement.

Under the terms of the Unit Reservation Agreement, until termination thereof, the Sponsor agrees not to enter into any Purchase Agreement with respect to the Unit with any party other than a prospective Purchaser, but with the Sponsor nevertheless reserving all rights and powers, as owner of the Unit, to engage, without restriction or interruption, in all advertising, promotion, listing, and other marketing of the Unit for sale. Upon execution of a Unit Reservation Agreement, the prospective Purchaser will be required to deposit with the Sponsor funds in an agreed amount to comprise the Unit Reservation Deposit, which Unit Reservation Deposit will be paid to and held by the Escrow Agent in the aforesaid segregated special escrow account for the Plan. Within seven (7) business days after the prospective Purchaser delivers to the Sponsor a Unit Reservation Agreement as executed by the prospective Purchaser with the check for the Unit Reservation Deposit, the Sponsor must either accept such Agreement and return a fully executed counterpart to the prospective Purchaser, or reject the Agreement and refund the entirety of said Unit Reservation Deposit as previously tendered. If the Sponsor takes no action within said time period, the Sponsor will be deemed to have rejected the Unit Reservation Agreement, and must refund the entirety of said Unit Reservation Deposit previously tendered.

All time periods set forth for return of the Unit Reservation Deposit to a prospective Purchaser are subject to the clearing of any check furnished by the prospective Purchaser for the Unit Reservation Deposit after deposit in the Escrow Agent's special escrow account.

The Unit Reservation Deposit will be fully refundable to the prospective Purchaser upon termination of the Unit Reservation Agreement for any reason and in all events and circumstances whatsoever, and the Sponsor will in no event have any right, title, or interest to the Unit Reservation Deposit, nor will the Sponsor have any right, in any circumstances whatsoever, to retain any portion of the Unit Reservation Deposit.

At any time of the prospective Purchaser's choosing, the prospective Purchaser will have the right to terminate any Unit Reservation Agreement by written notice to the Sponsor, for any reason or for no reason at all, following which notice of termination the Sponsor must return the Unit Reservation Deposit to the prospective Purchaser in full within five (5) business days following such notice of termination.

The Sponsor will have the right to provide notice to the prospective Purchaser, at any time after execution of a Unit Reservation Agreement, that unless the Sponsor and prospective Purchaser execute a Purchase Agreement with respect to the Unit within a period of three (3) calendar days following such notice from Sponsor, the Sponsor will then have the right to terminate any such Unit Reservation Agreement by written notice to the prospective Purchaser,

with the Unit Reservation Deposit to be refunded and paid in full to the prospective Purchaser within five (5) business days following such notice of termination.

Further, upon any execution of a Purchase Agreement with respect to the Unit between the prospective Purchaser and Sponsor, if any such Unit Reservation Agreement has not previously terminated, then it will be deemed terminated upon or by execution of said Purchase Agreement. The prospective Purchaser, as the Purchaser under such Purchase Agreement, may at its sole option then either (i) obtain return in full of the Unit Reservation Deposit, and separately pay to Sponsor the Deposit as required under the Purchase Agreement, or (ii) apply the Unit Reservation Deposit in such escrow account against the Purchaser's obligation to pay the Deposit under the Purchase Agreement, and with any portion of the Unit Reservation Deposit in excess of the amount of the Deposit to be paid and refunded to the Purchaser within five (5) business days after Purchaser's execution of the Purchase Agreement; in the event the amount of the Unit Reservation Deposit is less than the amount of the Deposit under the Purchase Agreement, the Purchaser will be required to pay such amount upon its execution of the Purchase Agreement, so as to comprise the full Deposit required under the Purchase Agreement, when added to the amount of the Unit Reservation Deposit already held by the Escrow Agent in such account.

The above is set forth as a summary of certain terms of such Unit Reservation Agreement attached hereto as **Exhibit S**, and with reference made to such **Exhibit S** for the full content and terms thereof.

WITH RESPECT TO UNIT RESERVATION AGREEMENTS, PURCHASERS AND PROSPECTIVE PURCHASERS MUST ALSO TAKE NOTICE OF THE FOLLOWING:

A. As to any requirement by a Purchaser's mortgage lender that a minimum percentage of Units in the Development must have previously been sold to Purchasers or Closed for owner-occupancy as a loan prerequisite, the execution of any number of such Unit Reservation Agreements by Sponsor with prospective Purchasers will not be counted or applied by any lender to satisfaction of any such loan requirement.

B. The amount of the Unit Reservation Deposit, and the initial time frame of any Unit Reservation Agreement entered into by a prospective Purchaser with the Sponsor, will be set and established separately in individual negotiations between the Sponsor and any such prospective Purchaser with whom a Unit Reservation Agreement is executed.

2. Revision to Exhibit A Purchase Agreement. The form of Purchase Agreement attached to the Plan as **Exhibit A** is hereby amended through addition of the following provision at the end of Section 4(a), so as to properly reference possible previous entry by the Sponsor and the Purchaser into a Unit Reservation Agreement:

CHECK AS APPLICABLE

_____ The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which Unit Reservation Agreement is deemed terminated upon and by execution of this Purchase Agreement. The Unit Reservation Deposit previously paid by Purchaser under the Unit Reservation Agreement will be paid and refunded in full by Sponsor to Purchaser within five (5) business days after execution of this Purchase Agreement by Purchaser.

_____ (Note: If this paragraph is checked, also check one of three subparagraphs below, as applicable). The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which Unit Reservation Agreement is deemed terminated upon and by execution of this Purchase Agreement. Purchaser hereby elects to apply the Unit Reservation Deposit of \$_____ previously paid by Purchaser to Sponsor under the Unit Reservation Agreement against payment of the Deposit due upon the Purchaser's signing and submitting this Agreement, and Sponsor hereby agrees to credit such sum of \$_____ against the payment of said Deposit.

_____ The amount of the Unit Reservation Deposit is equal to the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly the full amount of the Unit Reservation Deposit is retained by Escrow Agent in the segregated special escrow account described below, and with the Deposit thus paid in full by Purchaser upon its signature and submission of this Agreement.

_____ The amount of the Unit Reservation Deposit is in excess of the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly, \$_____ of the Unit Reservation Deposit is to be retained by Escrow Agent in the segregated special escrow account described below, and with the Deposit thus paid in full by Purchaser upon its signature and submission of this Agreement. The balance of the Unit Reservation Deposit in the amount of \$_____ will be paid and refunded in full by Sponsor to Purchaser within five (5) business days after execution of this Purchase Agreement by Purchaser.

_____ The amount of the Unit Reservation Deposit is less than the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly, the full amount of the Unit Reservation Deposit is to be retained by Escrow Agent in the segregated special escrow account described below, and with the balance of the Deposit due, \$_____, being paid by Purchaser upon signing and submitting this Agreement.

3. Plan as Amended by this Amendment is Incorporated by Reference. The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth herein at length. Accordingly, all provisions, schedules and exhibits heretofore contained in the Plan shall be deemed amended to reflect the provisions contained herein.

4. Definition of Terms. All capitalized terms used in this Amendment not otherwise defined herein shall have the meaning ascribed to them in the Plan.

5. No Material Change. Except as set forth herein there have been no material changes to the Plan.

Dated: Rochester, New York

October 24, 2012

SPONSOR:

Anthony J. Costello & Son (Joseph)
Development, LLC

thereserve.251

UNIT RESERVATION AGREEMENT

Prospective Seller: Anthony J. Costello & Son (Joseph) Development, LLC
Suite 300
One Airport Way
Rochester, New York 14624

Prospective Buyer: _____

Property: Lot _____,
The Reserve on the Erie Canal
Town of Brighton, County of Monroe
State of New York

1. The Prospective Seller ("PS") and Prospective Buyer ("PB") contemplate engaging in discussions and negotiations as to their possible entry into a purchase agreement ("Purchase Agreement") for the sale by PS to PB of the above Property in The Reserve on the Erie Canal, Town of Brighton, County of Monroe, State of New York, together with a detached single family dwelling to be newly constructed and finished thereon by PS. At least three (3) business days prior to PB signing this Agreement, PB acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "Offering Plan"), and all amendments thereto, if any, filed by PS as Sponsor with the Department of Law of the State of New York (hereinafter, referred to as the "Offering Plan"). If PB has not received and read the Offering Plans and all amendments thereto at least three (3) business days prior to PB signing this Agreement, PB shall have the right to rescind this Agreement within seven (7) days after delivery to the Sponsor of this Agreement as executed by PB together with the Unit Reservation Deposit provided for below.

2. It is agreed that until termination of this Agreement on _____ (subject to any earlier termination of this Agreement as provided for below), the PS will not enter into any purchase agreement with respect to the Property with any party other than PB. PS nevertheless reserves all rights and powers, as owner of the Property, to continue to engage, without restriction or interruption, in all advertising, promotion, listing, and other marketing of the Property for sale.

3. This Agreement does not constitute an offer to sell or purchase the Property, any Purchase Agreement with respect thereto, nor does it create any option or right of first refusal with respect to the Property. This Agreement comprises only a mutual accommodation between PS and PB under which they will discuss and negotiate pricing, plans, and other terms for potential entry into such a Purchase Agreement, with absolutely no obligation on the part of either PB or PS to so proceed with a Purchase Agreement.

4. Upon execution of this Agreement, the PB, in consideration of the within agreement by PS, is depositing with PS funds in the total amount of \$_____ (the

EXHIBIT S

"Unit Reservation Deposit") via PB's check, which Unit Reservation Deposit will be held in escrow in an attorney's IOLA trust account maintained by PS's counsel at Northwest Savings Bank, as more fully set forth in Section 8 below. Within seven (7) business days after PB delivers to PS this Agreement as executed by PB together with a check for said Unit Reservation Deposit, the PS must either accept this Agreement and return a fully executed counterpart to the PB, or reject this Agreement and refund the entirety of said Unit Reservation Deposit as previously tendered. If the PS takes no action within said time period, the PS will be deemed to have rejected this Agreement, and must refund the entirety of said Unit Reservation Deposit previously tendered.

THE UNIT RESERVATION DEPOSIT WILL BE FULLY REFUNDABLE TO PB UPON TERMINATION OF THIS AGREEMENT FOR ANY REASON AND IN ALL EVENTS AND CIRCUMSTANCES WHATSOEVER, AND PS WILL IN NO EVENT HAVE ANY RIGHT, TITLE, OR INTEREST TO THE UNIT RESERVATION DEPOSIT, NOR WILL THE PS HAVE ANY RIGHT, IN ANY CIRCUMSTANCES WHATSOEVER, TO RETAIN ANY PORTION OF THE UNIT RESERVATION DEPOSIT. THE TIME PERIODS SET FORTH IN THIS AGREEMENT FOR RETURN OF THE UNIT RESERVATION DEPOSIT ARE SUBJECT TO THE CLEARING OF ANY CHECK FURNISHED BY THE PB FOR THE UNIT RESERVATION DEPOSIT AND SO DEPOSITED IN THE ESCROW AGENT'S SPECIAL ESCROW ACCOUNT.

5. This Agreement will terminate upon the above date of _____, and unless then extended by further signed agreement between PB and PS, the Unit Reservation Deposit will be paid and refunded in full to PB within five (5) business days after such termination date.

6. Notwithstanding the foregoing:

(i) PB will also have the right to terminate this Agreement by written notice to PS at any time of PB's choosing, for any reason or for no reason at all, following which notice of termination PS will return the Unit Reservation Deposit to PB in full within five (5) business days following such notice of termination; and

(ii) PS will have the right to provide notice to PB at any time that unless PS and PB execute a Purchase Agreement with respect to the Property within a period of three (3) calendar days following such notice, PS will then have the right to terminate this Unit Reservation Agreement by written notice to PB, with the Unit Reservation Deposit to be refunded and paid in full to PB within five (5) business days following such notice of termination.

7. Upon any execution of a Purchase Agreement with respect to the Property between PS and PB, if this Agreement has not previously terminated, then it will be deemed terminated upon and by execution of such Purchase Agreement by PB, and the Unit Reservation Deposit will be paid and refunded in full to PB within five (5) business days after such date of termination. Notwithstanding the foregoing, at the sole option of Purchaser, and as an accommodation to Purchaser, upon any execution of such a Purchase Agreement and termination of this Agreement accordingly, the Unit Reservation Deposit, rather than being paid and refunded to PB, will instead be credited towards Purchaser's payment of the Deposit payable by

PB as Purchaser under any said Purchase Agreement, and will be retained by the Escrow Agent in the aforesaid attorney's IOLA trust account as such a Deposit, and the Purchase Agreement will provide for the same accordingly. In the event the PB so elects to apply the Unit Reservation Deposit towards payment of the Deposit under such Purchase Agreement, and the amount of the Unit Reservation Deposit exceeds the amount of Deposit due upon execution of the Purchase Agreement, then such excess will be refunded and paid in full to PB within five (5) business days after termination of this Agreement by virtue of execution of said Purchase Agreement; in the event the PB so elects to apply the Unit Reservation Deposit towards payment of the Deposit under such Purchase Agreement, and the amount of the Unit Reservation Deposit is less than the amount of the Deposit due upon execution of the Purchase Agreement, then the PB, as Purchaser under any such Purchase Agreement, will pay the balance of such Deposit to PS, as Seller under such Purchase Agreement, pursuant to the terms of the Offering Plans and the Purchase Agreement.

8. The PS will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h, and the Attorney General's regulations promulgated pursuant thereto. The Unit Reservation Deposit will be placed, within five (5) business days after this Agreement is signed by PS and PB, in a segregated special escrow account of Stephen E. Hall, Esq. ("the Escrow Agent"), an attorney admitted to practice law in the State of New York, who is independent of the PS, and whose address and telephone number are Suite 400, 36 West Main Street, Rochester, New York 14614, telephone number (585) 546-3770. The only signatory on said account authorized to withdraw funds is Stephen E. Hall, Esq., and neither PS nor the Principal thereof is or can be a signatory.

The name of the segregated special escrow account is the "Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc.", with said account located in Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. Northwest Savings Bank is covered by Federal bank deposit insurance. As a separate Interest on Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497, the escrow account will be covered by such insurance without limit until December 31, 2012. If such unlimited coverage is not then extended, the maximum amount of such insurance is \$250,000.00 per account through December 31, 2013; if not extended by Congress, the maximum amount of insurance will then reduce to \$100,000.00 per account. If aggregate deposits in the account are in excess of the then applicable maximum amount, such deposits will not be Federally insured in excess of such then applicable maximum amount.

The account does not bear interest for the PB, as the PS has elected to place the funds in a separate Interest-On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497. However, no fees of any kind may be deducted from the account principal, and the PS shall bear any administrative cost for maintenance of the account.

Any provision of any Agreement, whether oral or in writing, by which the PB purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the New York State Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in this Agreement. PB shall not be obligated to pay any legal or other expense of PS in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

Within ten (10) business days after tender of the Unit Reservation Deposit submitted with this Agreement, the Escrow Agent will notify the PB that such funds have been deposited into such escrow account, and will provide the PB with the account number thereof. If the PB does not receive notice of such Unit Reservation Deposit within fifteen (15) business days after tender of the Unit Reservation Deposit, the PB may cancel this Agreement and receive a full return of said Deposit. The Escrow Agent will hold funds in escrow until termination of this Agreement, upon which event the entire Unit Reservation Deposit will be returned to the PB.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds.

Prospective Seller:

Prospective Purchaser:

Anthony J. Costello & Son
(Joseph) Development, LLC

Name:

Title:

thereserve.251a

**SECOND AMENDMENT
TO THE
HOMEOWNERS ASSOCIATION OFFERING PLAN
FOR
THE RESERVE ASSOCIATION INC.
THE RESERVE ON THE ERIE CANAL
SOUTH CLINTON AVENUE AT THE ERIE CANAL
TOWN OF BRIGHTON, COUNTY OF MONROE
STATE OF NEW YORK**

SECOND AMENDMENT DATED: JULY 22, 2013

THE RESERVE ASSOCIATION INC.
THE RESERVE ON THE ERIE CANAL
SOUTH CLINTON AVENUE AT THE ERIE CANAL
TOWN OF BRIGHTON, COUNTY OF MONROE
STATE OF NEW YORK

SECOND AMENDMENT

The Homeowners Association offering plan for the premises located in the Reserve on the Erie Canal, South Clinton Avenue at the Erie Canal, Town of Brighton, County of Monroe, State of New York, as originally accepted for filing on August 14, 2012, and as previously amended (the "Plan"), is hereby further amended, as provided below.

The Department of Law has revised its regulations to eliminate the Attorney General's authority to adjudicate disputes regarding the disposition of deposits, down payments, or advances ("Deposits") received by Sponsor pursuant to New York General Business Law ("GBL") §§352-3(2-b) and 352-h. The changes only impact Purchasers who have not received a fully executed Purchase Agreement prior to the date of service of this Amendment. For all other Purchasers, the disclosures set forth in the Procedure to Purchase and other Sections of the Plan are modified as set forth herein.

1. **Revision to Special Risks.** Under the Special Risks Section of the Plan, Special Risk No. 9 is modified by revising the third and fourth sentences thereof to provide as follows in the entirety:

"The Escrow Agent's Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit."

2. **Modification to Procedure to Purchase Section of the Plan.** Under the Procedure to Purchase Section of the Plan, the portion thereof starting with the sixth paragraph on page 44 (beginning "Any provision of ..."), and extending through the ninth paragraph on

page 46 (beginning, "Attached hereto as Exhibit J ..."), is replaced in its entirety with the following provisions:

"The Escrow Agent:

Stephen E. Hall, Esq., with an address at Suite 400, 36 West Main Street, Rochester, New York 14614, telephone number (585) 546-3770, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Stephen E. Hall, Esq. The designated signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor the authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit.

All Deposits received from Purchaser shall be in the form of checks, and, with the exception of Extras Charges as described and defined below, shall be made payable to or endorsed by the Purchaser to the order of Stephen E. Hall Esq., as Escrow Agent.

The account does not bear interest for the Purchaser, as the Sponsor has elected to place the funds in a separate Interest on Lawyers Account ("IOLA") pursuant to Judiciary Law Section 497. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Escrow Agreement:

The Escrow Agreement is attached hereto as **Exhibit J** in Part II of the Plan. The Escrow Agreement must be executed by the Sponsor, Purchaser, and Escrow Agent.

Notification to Purchaser:

Within ten (10) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Escrow Agent shall notify the Purchaser that such funds have been placed in the Bank by providing written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

All Deposits, except for Extras Charges as described and defined below, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

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

the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit.

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

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

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

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

Waiver Void:

Any provision in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto."

3. **Revision to Exhibit A Purchase Agreement.** The form of Purchase Agreement attached to the Plan as **Exhibit A** is hereby amended through Section 4(c) thereof being replaced in its entirety with provisions as necessary to reflect the aforesaid revision of the Department of Law's regulations pertaining to Deposits, with the modified form of Purchase Agreement attached hereto in its entirety as **Schedule A**.

The modified form of Purchase Agreement attached to this Amendment as **Schedule A** also reflects amendment through addition of the following paragraph to Section 8 thereof:

"At Closing the Escrow Agent will release the Deposit and Additional Deposit to the Sponsor, for application against Purchaser's payment of the Purchase Price."

4. **Revision to Exhibit J Escrow Agreement.** The form of Escrow Agreement attached to Part II of the Plan as **Exhibit J**, which Escrow Agreement is to be separate from the Purchase Agreement, is hereby replaced in its entirety with **Schedule B** to this Amendment.

5. **Engagement of Selling Agent.** Rather than conducting sales and marketing efforts solely through the Principal, and employees of the Sponsor, including Mr. Dominick Caroselli, as previously indicated on pages 125 and 127 of the Plan, the Sponsor is now engaging John T. Nothnagle, Inc., of 217 West Main Street, Rochester, New York 14614 ("Nothnagle"), as Selling Agent for the Offering, with the cover page of the Plan hereby modified to reflect the same, as attached to this Amendment as **Schedule C**. Nothnagle does not have any family or other affiliation with the Sponsor or its Principal.

John T. Nothnagle, Inc., was formed and commenced business operations in 1948, and is the largest realty firm in the Greater Rochester area, currently operating 32 neighborhood offices.

There exist no prior felony convictions of Nothnagle, or any principals of Nothnagle. There exist no prior convictions, injunctions or judgments against Nothnagle or any principals of Nothnagle, that may be material to the Offering Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of the Offering Plan.

6. **Plan as Amended by this Amendment is Incorporated by Reference.** The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth herein at length. Accordingly, all provisions, schedules and exhibits heretofore contained in the Plan shall be deemed amended to reflect the provisions contained herein.

7. **Definition of Terms.** All capitalized terms used in this Amendment not otherwise defined herein shall have the meaning ascribed to them in the Plan.

8. **No Material Change.** Except as set forth herein there have been no material changes to the Plan.

Dated: Rochester, New York

July 22, 2013

SPONSOR:

Anthony J. Costello & Son (Joseph)
Development, LLC

SCHEDULE A

PURCHASE AGREEMENT

Lot _____

The Reserve on the Erie Canal**Town of Brighton, County of Monroe, State of New York**

AGREEMENT, made as of _____, 20____, between
ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, having an office at Suite
300, One Airport Way, Rochester, New York 14624, as seller and builder ("Sponsor" or
"Builder"), and _____ having an address of
_____, as purchaser ("Purchaser").

RECITALS

A. Anthony J. Costello & Son (Joseph) Development LLC, having an office at Suite 300, One Airport Way, Rochester, New York 14624, is the sponsor ("Sponsor") of an Offering Plan for The Reserve Association Inc., encompassing the Development known as The Reserve on the Erie Canal, located in the Town of Brighton, County of Monroe, State of New York (the "Property"), which Offering has been accepted for filing by the Department of Law of the State of New York, and Purchaser is desirous of purchasing a detached single family dwelling to be constructed by the Sponsor within the Development together with the associated subdivision lot (the "Unit").

B. The Property and the Unit are also subject to the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, and By-Laws, for The Reserve Association Inc. (the "Association" or "HOA"), with membership by the Purchaser in said Association mandatory together with and upon purchase of the Unit.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Purchase Agreement, the receipt and legal sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties mutually agree as follows:

1) THE OFFERING PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "HOA Offering Plan") and all amendments thereto, if any, filed by Sponsor with the Department of Law of the State of New York (hereinafter, referred to as the "Offering Plan"), at least three (3) business days prior to Purchaser signing this Agreement. If Purchaser has not received and read the Offering Plan and all amendments thereto at least three (3) business days prior to Purchaser signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days after delivery to the Sponsor of this Agreement as executed by Purchaser together with the Deposit below. The Offering Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and said Plan, the provisions of the Plan will govern and be binding.

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2) **DEFINITIONS.** Terms used herein which are also used in the Offering Plan shall have the same meanings herein as therein unless the context otherwise requires.

3) **THE UNIT.** Upon and subject to the terms and conditions set forth, Sponsor agrees to construct and convey, and Purchaser agrees to purchase, the Unit to be constructed by the Sponsor on Lot _____ of the Development, pursuant to Section 5 below.

4) **PURCHASE PRICE.**

a) The purchase price ("Purchase Price") is as follows:

Base Price \$ _____

Charges for all upgrades, add-ons, extras or
special or custom finishes or work ("Extras Work")
Per **Exhibit A** ("Extras Charges")

\$ _____

Total Purchase Price \$ _____

The Purchase Price is payable as follows:

(i) \$ _____ (the "Deposit"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(ii) \$ _____ (the "Extras Charges Payment"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(iii) \$ _____ (the "First Additional Deposit"), due upon the Builder's commencement of drywall work within the Unit, by check (subject to collection).

(iv) \$ _____ (the "Second Additional Deposit"), due upon the Builder's commencement of kitchen or other cabinetry work within the Unit, by check (subject to collection).

(v) \$ _____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable at Closing as hereinafter provided.

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CHECK ONE OF THE TWO PARAGRAPHS IMMEDIATELY FOLLOWING IF AND
AS APPLICABLE

_____ The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which Unit Reservation Agreement is deemed terminated upon and by execution of this Purchase Agreement. The Unit Reservation Deposit previously paid by Purchaser under the Unit Reservation Agreement will be paid and refunded in full by Sponsor to Purchaser within five (5) business days after execution of this Purchase Agreement by Purchaser.

_____ The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which Unit Reservation Agreement is deemed terminated upon and by execution of this Purchase Agreement. Purchaser hereby elects to apply the Unit Reservation Deposit of \$_____ previously paid by Purchaser to Sponsor under the Unit Reservation Agreement against payment of the Deposit due upon the Purchaser's signing and submitting this Agreement, and Sponsor hereby agrees to credit such sum of \$_____ against the payment of said Deposit.

NOTE: IF THE IMMEDIATELY PRECEDING PARAGRAPH IS CHECKED,
ALSO CHECK ONE OF THREE SUBPARAGRAPHS BELOW, AS
APPLICABLE.

_____ The amount of the Unit Reservation Deposit is equal to the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly the full amount of the Unit Reservation Deposit is retained by Escrow Agent in the segregated special escrow account described below, and with the Deposit thus paid in full by Purchaser upon its signature and submission of this Agreement.

_____ The amount of the Unit Reservation Deposit is in excess of the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly, \$_____ of the Unit Reservation Deposit is to be retained by Escrow Agent in the segregated special escrow account described below, and with the Deposit thus paid in full by Purchaser upon its signature and submission of this Agreement. The balance of the Unit Reservation Deposit in the amount of \$_____ will be paid and refunded in full by Sponsor to Purchaser within five (5) business days after execution of this Purchase Agreement by Purchaser.

_____ The amount of the Unit Reservation Deposit is less than the amount of the Deposit due upon the Purchaser's signing and submitting this Agreement. Accordingly, the full amount of the Unit Reservation Deposit is to be retained by Escrow Agent in the segregated special escrow account described below, and with the balance of the Deposit due, \$_____, being paid by Purchaser upon signing and submitting this Agreement.

b) All checks shall represent United States currency. Checks for the Deposit and Additional Deposit shall be made payable to Stephen E. Hall, Esq., as Escrow Agent. Checks for any Extra Charges Payment under (ii) above, and checks for the balance of the Purchase Price under (iv) above, shall be made payable to Anthony J. Costello & Son (Joseph) Development LLC, or such other party as Sponsor may designate.

c) 1. Stephen E. Hall, Esq., with an address at Suite 400, 36 West Main Street, Rochester, New York 14614, telephone number (585) 546-3770, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Stephen E. Hall, Esq. The designated signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

2. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

3. The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit.

4. All Deposits received from Purchaser shall be in the form of checks, and, with the exception of Extras Charges, shall be made payable to or endorsed by the Purchaser to the order of Stephen E. Hall, Esq., as Escrow Agent.

5. The account does not bear interest for the Purchaser, as the Sponsor has elected to place the funds in a separate Interest on Lawyers Account ("IOLA") pursuant to Judiciary Law Section 497. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

6. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Escrow Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number.

7. The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

8. All Deposits, except for Extra Charges, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

9. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

10. The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in this Purchase Agreement in Paragraph 8 upon Closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

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

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

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

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

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

11. Any provision of the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment

thereto.

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

13. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

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

15. Sponsor agrees that Sponsor and its agent, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

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

17. Sponsor shall obtain or cause any selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

18. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

5) CONSTRUCTION AND COMPLETION OF UNIT. Builder agrees to construct, finish, and sell, and Purchaser agrees to purchase, the Unit to be so completed by Builder in accordance with plans and specifications therefor on file in the Builder's office (the "Unit Plans"), including the Extras Work. Builder shall furnish and perform, or cause to be furnished and performed, all of the work, labor, services, materials, and equipment required in connection with the construction and finishing of said Unit pursuant to the Unit Plans. All work, labor and services are

to be performed in a good and workmanlike manner pursuant to the custom of the trade. Purchaser understands that it may make changes and alterations in the Unit Plans provided that such changes are made prior to the start of construction, and are listed on a change authorization form signed by Purchaser and Builder.

Purchaser understands that any model home or unit displayed by Builder may contain furnishings, finishes, special features, and fixtures which are not included in the Unit being constructed and purchased hereunder.

Builder reserves the right to: (i) make changes or substitutions of materials for those as set forth in the Unit Plans, provided any such changes are of equal or better value and quality; (ii) determine the final grading, site elevation, and location of the Unit, its foundation, set back, driveway, and landscaping, so as to conform to and satisfy drainage requirements, topographical conditions, and any governmental requirements.

Builder has the specific right to change grades, foundations, and footings, and the setback of the Unit if underground conditions are such that the original placement is inadvisable. Underground conditions can be the result of rock, water, soil type or any other condition which in the judgment of Builder would necessitate a change in elevation or setback, or result in extraordinary construction costs or necessitate unusual construction methods.

While the Sponsor is obligated to timely complete the Unit and to obtain a certificate of occupancy therefor from the Town of Brighton, as more fully set forth in this Purchase Agreement and the Offering Plan, including but not limited to the time set for such completion and procuring of a certificate of occupancy under Sponsor's Two Year Completion Obligation as more fully set forth in the Offering Plan, the Sponsor may at its option defer the commencement of construction of the Unit until all of the contingencies to Purchaser's obligation under Section 6 below are waived or satisfied, or are deemed waived or satisfied.

6) CONTINGENCIES ON PURCHASER'S OBLIGATIONS.

A. The Purchaser's obligations under this Agreement, but not the Builder's obligations under this Agreement, are contingent on Purchaser obtaining and accepting a written commitment for a mortgage loan to Purchaser for Closing on purchase of the Unit hereunder (the "Mortgage Loan"), from a lender of Purchaser's choice (the "Lender"), in an amount not in excess of \$_____, and to be repaid over a term of not less than _____ years, at such fixed, variable, or adjustable rate of interest which the Lender may lawfully charge, and subject to such other terms and conditions as the Lender may lawfully require. Any conditions of Purchaser's mortgage commitment will not be conditions of this Agreement, but shall be the sole responsibility of the Purchaser. Acceptance of a written mortgage commitment by the Purchaser shall be deemed a waiver and satisfaction of this contingency.

a) Purchaser agrees to make application to its Lender within five (5) business days from the date a copy of this Agreement as fully executed is delivered to Purchaser, and to pursue receipt of the same diligently and in good faith. Any additional information, data, or documents requested by the Lender must be supplied by Purchaser promptly after Lender's request therefor. Once a Purchaser receives a written mortgage commitment ("Commitment"), Purchaser must provide the Builder with a copy thereof within five (5) days of receipt.

b) All fees, costs, charges, and expenses which may arise by reason of Purchaser's Mortgage Loan application and Mortgage Loan closing, shall be borne exclusively by Purchaser.

c) In the event the Purchaser fails to obtain a Commitment from the Lender within _____ (____) days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Builder within ten (10) days after the expiration of such period, with the Builder to have no such right to terminate this Agreement. Upon any such termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with Builder to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser to the Builder within such ten (10) day period, the above financing contingency clause for the Purchaser's benefit shall be deemed automatically waived, and the Purchaser will not be relieved from its obligations under this Agreement.

d) The above Mortgage Loan contingency for Purchaser's benefit shall be deemed fulfilled, and this Agreement shall be considered firm and binding on Purchaser even though the Commitment contains conditions to be satisfied by Purchaser as a prerequisite to funding the Mortgage Loan, including, but not limited to (i) proofs and confirmations regarding the creditworthiness of Purchaser or any co-applicant and existing assets of Purchaser or any co-applicant and any balances thereof, (ii) continued employment of Purchaser or any co-applicant, (iii) sale of any house, property or other asset required to be sold by Purchaser or any co-applicant and (iv) satisfaction of a debt by Purchaser or any co-applicant.

B. Purchaser's obligations under this Agreement, but not the Builder's obligations under this Agreement, are contingent upon the Purchaser securing a firm contract for the sale of the property located at _____ no later than _____, 20____. If Purchaser is unable to obtain such a firm contract for the sale of such property within _____ (____) days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Builder within ten (10) days after the expiration of such period, with the Builder to have no such right to terminate this Agreement. Upon any such termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with the Builder to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser within such ten (10) day period, the above sale contingency clause for the Purchaser's benefit shall automatically be

deemed waived, and the Purchaser will not be relieved from its obligations under the Purchase Agreement.

7) INTENTIONALLY OMITTED

8) CLOSING OF TITLE.

Builder shall notify Purchaser in writing as to the date and time of Closing, which shall take place on or about _____ days after all contingencies for Purchaser's benefit under Section 6 above are waived or satisfied, or are deemed to be waived or satisfied. Said date shall be referred to herein as the "Original Scheduled Closing Date".

As more fully set forth in the portion of the Offering Plan describing Sponsor's Two Year Completion Obligation, notwithstanding anything else herein the Builder is unconditionally obligated to complete the Unit and to procure a certificate of occupancy therefor from the Town of Brighton no later than the second (2nd) annual anniversary of the date of Purchaser's signature of this Agreement.

If there is a Lender involved in this transfer as set forth in Section 6.A. above, and said Lender, notwithstanding the issuance of a certificate of occupancy for the Unit, requires the establishment of an escrow to secure or fund the completion of punchlist or weather-related work in or about the Unit, such item(s) will not constitute an objection to Closing provided that a reasonable escrow fund is deposited by the Builder with the Lender corresponding to the Lender's inspection report identifying such work. All monies in said escrow fund will be paid by the Lender directly to the Builder when the Lender deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no such Lender involved, any such incomplete item(s) will not constitute an objection to Closing provided the Town of Brighton has issued such a certificate of occupancy. In such event the parties shall establish a list of incomplete items, which shall provide for the manner of completion and the estimated time of completion, subject to Sponsor's Two Year Completion Obligation, with no escrow to be held.

At Closing the Escrow Agent will release the Deposit and Additional Deposit to the Sponsor, for application against the Purchaser's payment of the Purchase Price.

9) POSSESSION PRIOR TO CLOSING. It is understood and agreed that Purchaser may not take possession of the Unit prior to the time of Closing unless Purchaser is expressly authorized to take such possession by a written document signed by Purchaser and Builder. Any such pre-closing occupancy shall be at the sole discretion of the Builder, and will be upon terms and conditions as required by the Builder.

10) TITLE DOCUMENTS; DELIVERY OF THE DEED(S);
UNIT OWNER POWER OF ATTORNEY; OTHER
DOCUMENTS.

a) Builder shall pay for and provide to Purchaser's attorney at least fifteen (15) days in advance of Closing, fully guaranteed tax, title and United States District Court Searches dated or redated subsequent hereto.

b) At the Closing, Builder shall deliver or cause to be delivered to Purchaser a warranty deed with lien covenant conveying to the Purchaser marketable fee simple title to the Unit, free and clear of all liens and encumbrances with the exception of Permitted Encumbrances as set forth in the Offering Plan, and those expressly agreed to by Purchaser. The deed shall be prepared by Builder in substantially the form set forth in the Offering Plan and shall be executed and acknowledged by Builder in form for recording. Purchaser shall pay all New York State real property transfer taxes, including any "mansion tax".

c) At Closing, Builder agrees to deliver to Purchaser a certificate of occupancy for the Unit as issued by the Town of Brighton.

11) CLOSING ADJUSTMENTS.

a) Subject to Paragraph 12 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing:

i) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed; and

ii) Assessments for the month, or portion of the month, in which title closes.

12) MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to New York Real Property Law Section 339-ee(2), it is specifically understood that such credit shall inure to the benefit of Builder. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible for paying the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At Closing, Builder will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

13) ADDITIONAL CLOSING COSTS.

a) In addition to all other sums payable or reimbursable elsewhere under this Agreement, at Closing Purchaser shall pay:

- i) a charge to Builder for its procuring of a survey of the Unit, being the sum of \$_____;
- ii) all fees and premiums for any title examination and the policy insuring the Purchaser's or Lender's interests, Lender's and Purchaser's attorneys' fees, all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred in connection with the Mortgage Loan, and all mortgage recording taxes;
- iii) all New York State real estate transfer tax on the deed, including any "Mansion Tax";
- iv) all recording and filing charges payable to any public official;
- v) payment to the Board of Directors of an initial non-reimbursable working capital contribution equal to two (2) months Assessments; and
- vi) a charge to Builder reimbursing its expense for a water meter fee of \$_____, and Town of Brighton recreation fee of \$_____.

14) INTENTIONALLY OMITTED

15) DEPOSIT. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser Close under this Agreement. However, the Purchaser understands and agrees that all Extras Charges will not be so handled and paid to the Escrow Agent, but will instead have been previously paid directly to the Builder.

16) BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Offering Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

17) AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies Deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any

mortgage, including, but not limited to, any construction or building loan mortgage heretofore or hereafter made, any advances heretofore or hereafter made thereon, and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. At or prior to Closing, Builder will either satisfy such mortgages, or obtain a release of each Unit from the lien of such mortgages, at Builder's option. The existence of any mortgage or mortgages encumbering the Development, or portions thereof, other than the Unit, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Builder, provided that any such mortgage(s) is subordinated to the Declaration.

18) DEFAULT BY PURCHASER.

a) If Purchaser fails to make any payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Builder shall give notice to Purchaser of such default. If such default shall not be cured within ten (10) days thereafter, Builder may terminate this Agreement by written notice to Purchaser. If Builder elects to so terminate this Agreement, (a) Builder may retain all Deposits and Extras Charges as liquidated damages, with Builder's actual damages being difficult or impossible to ascertain, and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan, and (b) Builder may sell the Unit to any third party as though this Agreement had never been made, without any obligation to account to Purchaser for any part of the proceeds of such sale.

b) If Purchaser fails for any reason to Close on the Originally Scheduled Closing Date, then at Builder's option the Closing adjustments described in Section 11 of this Agreement will be made as of midnight of the day preceding the Originally Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Builder, as a reimbursement of Builder's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to interest on the Purchase Price amount at the interest rate of nine percent (9%) per annum until paid.

c) All rights and remedies of Builder under this Section 18 are cumulative of and in addition to all rights and remedies under Section 19 below.

19) DEFAULT BY BUILDER OR PURCHASER. Upon any default by Builder or Purchaser under this Agreement, the other party shall be entitled to all rights and remedies available under law and/or equity, without limitation or restriction whatsoever, including, but not limited to, the right of specific performance.

20) **DAMAGE TO THE UNIT.** The risk of loss to the Unit by fire or other casualty is assumed by Builder until the earlier of Closing, or possession of the Unit by Purchaser, with Builder obligated to then repair or restore the Unit, and with this Agreement to continue in full force and effect. Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Builder shall be entitled to a reasonable period of time within which to complete the repair or restoration; provided, that Builder must complete the same so as to procure a certificate of occupancy for the Unit no later than the second annual anniversary of the date of signing of this Agreement by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor.

21) **EXPRESS LIMITED NEW HOME WARRANTY.** The sole warranty Purchaser is to receive on the Unit is the New York State Housing Merchant Implied Warranty as described in General Business Law Article 36B. **THE BUILDER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE UNIT CONSTRUCTED HEREUNDER, AND ANY AND ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE SAID STATUTORY WARRANTY.** SPECIFICALLY, AND WITHOUT LIMITATION THERETO, BUILDER DOES NOT WARRANT CONSUMER PRODUCTS INSTALLED WITHIN THE HOME, INCLUDING BUT NOT LIMITED TO ANY FURNACE, AIR CONDITIONING SYSTEM, SMOKE DETECTOR, WATER HEATER, RANGE, OVEN, MICROWAVE, DISHWASHER, REFRIGERATOR, AND DISPOSAL. BUILDER SHALL PROVIDE AND ASSIGN TO PURCHASER THE MANUFACTURER'S WARRANTY FOR ALL CONSUMER PRODUCTS INSTALLED BY BUILDER IN THE HOME PURSUANT TO THIS AGREEMENT.

22) **NO REPRESENTATIONS.** Purchaser acknowledges that Purchaser has not relied upon any plans or drawings, sales plans, selling brochures, advertisements, representations, warranties, statements, or estimates of any nature whatsoever, whether written or oral, made by Builder, any Selling Agent of Builder or otherwise, including, but not limited to, any such relating to the description or physical condition of the Covered Areas under the Offering Plan and Declaration, the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Assessments allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax credit with respect to the purchase of the Unit, the nature of any facilities and services to be provided by and through the Association, or any other data, except as specifically represented herein or in the Offering Plan. Purchaser has relied solely on its own judgment and investigation in deciding to enter into this Agreement and Purchase the Unit. No person has been authorized to make any representations on behalf of Builder except as specifically set forth herein or in the Offering Plan. No oral representations or statements shall be considered a part of this Agreement.

23) PROHIBITION AGAINST ADVERTISING. Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or otherwise, or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale.

24) BROKERS. Builder will pay to any listing broker engaged by Builder, all commissions earned in connection with this transaction by any such listing broker, with Builder to have no obligation to compensate any broker engaged by Purchaser. Any division of commissions paid by Builder to its listing broker, with any broker engaged by Purchaser, will be pursuant to separate agreement between such brokers, and, to the extent applicable, MLS and NYS Department of State rules, regulations, and guidelines.

25) INTENTIONALLY OMITTED

26) PURCHASER'S ATTORNEY APPROVAL. The Purchaser's obligations under this Agreement, but not the Builder's obligations under this Agreement, are contingent upon Purchaser securing its attorney's approval of this Agreement within seven (7) calendar days after the completion of execution of this Agreement by Purchaser and Builder. The failure of Purchaser's attorney to either approve or disapprove this Agreement within said seven (7) day period shall be deemed to comprise waiver by Purchaser of the need for such approval and waiver of such contingency.

27) AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Builder. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Builder. Builder's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Builder.

28) BINDING EFFECT. This Agreement shall not be binding on Builder until a copy of a fully executed counterpart hereof has been delivered to Purchaser and Builder. If this Agreement is not accepted by Builder within _____ () days from the date of Purchaser's signature hereto by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the Deposit paid on the execution hereof shall be promptly returned to Purchaser.

29) NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan shall be in writing and hand delivered or sent postage prepaid, by certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this agreement, with a copy to Stephen E. Hall, Esq., 36 West Main Street, Suite 400, Rochester, New York 14614, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of receipt or refusal thereof shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

30) JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers", if more than one person are purchasers, in which case their obligations shall be joint and several.

31) PERFORMANCE BY AND LIABILITY OF BUILDER. Purchaser's acceptance of the deed for the Unit shall be deemed to be full performance and discharge of each and every agreement and obligation on the part of Builder to be performed pursuant to the provisions of this Agreement, the Offering Plan and Part 22 of 13 NYCRR (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Offering Plan) and General Business Law §352-e, except those herein or therein expressly stated to survive delivery of such deed.

32) FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

33) COSTS OF ENFORCING AND DEFENDING AGREEMENT. Each party will be obligated to reimburse the other for any legal fees and disbursements incurred by it in enforcing its rights under this Agreement.

34) STRICT COMPLIANCE. Any failure by Builder to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Builder, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

35) GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

36) ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

37) CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

38) RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

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39) SUCCESSIONS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and its heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Builder and its successors and assigns.

40) NO ORAL CHANGES. THIS AGREEMENT CANNOT BE CHNGED OR TERMINATED ORALLY. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates set forth below.

SPONSOR:

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC

Date: _____

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

thereserve.125.003

SCHEDULE B

NEW YORK STATE DEPARTMENT OF LAW
ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC ("SPONSOR"), as sponsor of THE RESERVE ASSOCIATION INC. offering plan ("Plan") and Stephen E. Hall, Esq. ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale homeowners association ownership interests at the premises located at The Reserve on the Erie Canal, Town of Brighton, County of Monroe, State of New York, subject to the terms and conditions set forth in the Plan; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of Lot _____ (the "Purchase Agreement") at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, County of Monroe, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Stephen E. Hall, Esq. Attorney Escrow Account for The Reserve Association Inc. ("Escrow Account"). The account number is _____.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Stephen E. Hall, Esq. The designated signatory is admitted to practice law in the State of New York.

The signatory on the Escrow Account has an address of Suite 400, 36 West Main Street, Rochester, New York 14614, and a telephone number of (585) 546-3770.

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

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

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank and the account number. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

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

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

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

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

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

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

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

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

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

4. RECORDKEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

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

7. TERMINATION OF AGREEMENT.

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

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

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

13. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

Stephen E. Hall, Esq.

By: _____
Name: _____
Title: _____

SPONSOR

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC

By: _____
Name: _____
Title: _____

PURCHASER

[INSERT NAME]

By: _____
Name: _____
Title: _____

07.23.003

SCHEDULE C

HOMEOWNERS ASSOCIATION OFFERING PLAN
THE RESERVE ASSOCIATION INC.
("ASSOCIATION" or "HOA")
SOUTH CLINTON AVENUE AT THE ERIE CANAL,
TOWN OF BRIGHTON, MONROE COUNTY,
STATE OF NEW YORK

APPROXIMATE AMOUNT
OF OFFERING:

Six Million Sixty Eight Thousand Thirty Five Dollars (\$6,068,035.00), Based upon the Total Value of the Fully Improved Covered Areas to be Owned and Maintained by the Association in Section I of The Reserve on the Erie Canal ("Development"), with estimated values for Section II and III being \$1,000.00 and \$1,000.00. The cost of membership in the Association is included in the purchase price of each dwelling unit.

NUMBER OF UNITS OFFERED:

One Hundred Thirty-Seven (137), comprising Section I of the Development (with one unit therein comprising the Development's Clubhouse, not offered for sale), with Section II currently planned to include a maximum of One Hundred Thirty (130) units for sale, and Section III currently planned to include a maximum of Sixty-One (61) units for sale.

NAME AND PRINCIPAL BUSINESS
ADDRESS OF SPONSOR:

ANTHONY J. COSTELLO & SON (JOSEPH)
DEVELOPMENT, LLC
Suite 300
One Airport Way
Rochester, New York 14624
Phone: (585) 328-2280

SELLING AGENT:

JOHN T. NOTHNAGLE, INC.
217 West Main Street
Rochester, New York 14614

DATE OF ACCEPTANCE FOR FILING: August 14, 2012.

THIS PLAN MAY NOT BE USED AFTER August 13, 2013 UNLESS EXTENDED BY AMENDMENT.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF DIRECTORS OF THE ASSOCIATION UNDER THE TERMS OF THIS PLAN (SEE SECTION OF THE PLAN ENTITLED "SPECIAL RISKS").

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF AN ASSOCIATION IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE OWNED BY PURCHASERS OF RESIDENTIAL UNITS FOR THEIR OWN OCCUPANCY OR ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. (SEE SECTION OF THE PLAN ENTITLED "SPECIAL RISKS".)

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

THE RESERVE ASSOCIATION, INC.

AMENDMENT NO. 4

This is the fourth amendment to the Offering Plan for The Reserve Association Inc. The primary purposes of this amendment are to revise the purchase contract and certain provisions of the plan, change the escrow agent and extend the term of the offering.

1. No closings have occurred as of this date. One contract has been signed. There are no homes occupied by tenants.
2. The Sponsor is in control of the Association and will retain control for up to fifteen (15) years after the recording of the Declaration or until 100% of the homes are sold, whichever first occurs.
3. The principal address of Sponsor shall now be amended to read as follows:

Anthony J. Costello & Son (Joseph) Development, LLC
919 Westfall Road, Building B
Suite 200
Rochester, New York 14618
4. The incorrect home warranty was stated in the plan. The warranty to be given to home buyers is the Rochester Homebuilders Association warranty, a copy of which is attached as Exhibit A. This is the warranty typically given for new home construction in the Rochester, New York area. The limited warranty does not permit construction that is below code or below locally accepted building practices. The limited warranty limits the N.Y.S. Housing Merchant Warranty in the following respects:
 - (a) by limiting its applicability to the first owner of the home;
 - (b) by limiting the total liability of the Sponsor to 50% of the contract price paid by the home owner; and
 - (c) the warranty on the Common Areas is one year from the date of the recording of the Declaration. Said warranty was not mentioned in the Amended and Restated Plan.
 - (d) Those existing contract purchasers whose contracts set forth the N.Y.S. Housing Merchant Warranty shall have such warranty on their homes.
5. The Escrow Agent has changed. The new Escrow Agent is WOODS OVIATT GILMAN LLP. The firm's address is 2 State Street, Rochester, New York 14614. The phone number is 585-987-2800. A new escrow account has been opened at Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. The

account is called Woods Oviatt Gilman LLP as Escrow Agent for the Reserve Association, Inc. It is an IOLA account. The account number is 3386008555. Paula A. Lapin, Esq. and Jerry Goldman, Esq. are the authorized signatories on the account. Both are lawyers admitted to practice in New York Neither the Escrow Agent nor either of its signatories are related to the Sponsor, the selling agent, the management agent or any principal of any of them. Nor do the Escrow Agent or its signatories have any beneficial interest in the Sponsor or this offering. A new Escrow Agreement is attached as Exhibit B. The Lot Reservation Agreement has also been revised to reflect this change and to make it more streamlined. The new Lot Reservation Agreement is attached as Exhibit C.

6. A new purchase agreement is attached as Exhibit D. The purchase agreement has been amended as follows:
 - a) Changes Escrow Agent;
 - b) Corrects Warranty;
 - c) Has the deposit under the Unit Reservation Agreement applied to the deposit due under the purchase agreement;
 - d) Streamlines the purchase agreement to make it more understandable by purchasers.
7. The Declaration will be corrected to state that each Owner gets one vote, regardless of how many lots are owned by that Owner. It will also be amended to require the vote 66 2/3% of Owners to amend the Declaration rather than 80%.
8. There has been no change to the budget or the budget year which runs from June 1, 2014 to May 31, 2015.
9. All material changes of facts and circumstances affecting the property or the Offering Plan are included in this Amendment.

THE RESERVE ASSOCIATION, INC.
SPONSOR



The Residential Construction Performance Guidelines attached to this Limited Warranty, as adopted by the Rochester Home Builders' Association and as the same may be amended from time to time, are published by the Rochester Home Builders' Association, and have not been reviewed or approved by the Monroe County Bar Association or the Greater Rochester Association of Realtors, Inc. The Monroe County Bar Association and the Greater Rochester Association of Realtors, Inc. make no representations of any kind as to the adequacy or sufficiency of the Residential Construction Performance Guidelines

LIMITED WARRANTY

WARRANTOR:

The Warrantor _____, is the Seller identified in the **RESIDENTIAL CONSTRUCTION AND PURCHASE CONTRACT ("Contract")** to which this **LIMITED WARRANTY** is appended, with an address of _____

HOME WARRANTED:

The Dwelling warranted is the Dwelling constructed by the Seller as identified in the Contract.

TO WHOM WARRANTED:

The Dwelling is warranted to the person or persons identified as the Buyers in the Contract.

WARRANTY DATE:

This Limited Warranty is effective upon transfer of title to or possession by the Buyer or Buyer's agent, whichever is earlier (Warranty Date).

THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE DWELLING AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THIS LIMITED WARRANTY IS MADE PURSUANT TO GENERAL BUSINESS LAW §777-b AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY SET FORTH IN GENERAL BUSINESS LAW §777-a

SELLER'S LIMIT OF TOTAL AGGREGATE LIABILITY:

The maximum total aggregate liability of the Seller under this Limited Warranty shall be equal to a maximum of 50 percent of the full contract price of the Property (as defined in the Contract) paid by the Buyer to the Seller for the first year of warranty coverage and 50 percent in years 2 through 6.

CONSEQUENTIAL DAMAGES:

This Limited Warranty excludes all consequential and incidental damages, except as otherwise required by New York State law.

1. TO WHOM GIVEN. This Limited Warranty is extended solely to the Buyer named in the Contract and solely during the time the Buyer owns the Property. It does not extend to subsequent owners of the Property or to other persons.

2. BY WHOM MADE. This Limited Warranty is made exclusively by the Seller whose name and address appear on the Contract.

3. **FINAL INSPECTION OF DWELLING.** Before the Buyer moves into the Dwelling or accepts the deed, the Seller will set up an appointment for final inspection of the Dwelling with the Buyer. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature – such as cracks, chips, dents, stains, or marks – that may have occurred during the final stages in finishing the Dwelling, or any unfinished work caused by circumstances beyond the Seller's control.

All defects or flaws found on final inspection of the Dwelling will be itemized on a **FINAL INSPECTION BEFORE POSSESSION** Sheet, which will be signed by the Buyer and the Seller before occupancy of the Dwelling or transfer of title.

The purpose of the Limited Warranty is to identify the Seller's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Dwelling.

The Seller's responsibility is limited to:

a. Completion of items shown on the **FINAL INSPECTION BEFORE POSSESSION** Sheet, as provided in said Sheet; and

b. Performance of warranty obligations under the provisions of this Limited Warranty, as set out below.

4. **WARRANTY COVERAGE AND PERIODS.** The Warranty Period for all coverage begins on the Warranty Date, which shall be conclusive for all purposes. The Warranty Date is the date that the Buyer takes title to the Dwelling, or the Buyer or any person authorized by the Buyer, begins residential occupancy of the Dwelling, whichever date is earlier.

a. **First Year Basic Coverage:** For one year from the Warranty Date, the Dwelling will be free from latent defects that constitute:

(1). Defective workmanship performed by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;

(2). Defective materials provided by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller; and

(3). Defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Seller.

Workmanship, materials and design will be considered to be defective under this Limited Warranty if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code ("Building Code"); or if the Building Code does not provide a relevant specific standard, if they fail to meet or exceed the Residential Construction Performance Guidelines ("Guidelines") attached hereto, and which Guidelines are expressly made a part hereof; or if neither the Building Code nor the Guidelines provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

In the case of goods sold incidentally with or included in the sale of the Dwelling, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers, and dryers, workmanship will be considered to be defective if the Seller, an agent of the Seller, or an employee or subcontractor of the Seller, fails to install such goods in accordance with the manufacturer's standards and specifications, and the New York State Uniform Fire Prevention Building Code, or in accordance with the Guidelines, or locally accepted building practices, as applicable. As hereinafter set out (see Exclusions from All Coverage), merchantability, fitness

and all other implied warranties with respect to such goods shall be governed by applicable laws and statutes.

b. Two Year Major Systems Coverage: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Dwelling which have been installed by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller, are warranted to be free from latent defects that constitute defective installation by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller.

Installation will be considered to be defective if the workmanship in such installation fails to meet or exceed the relevant standards and specifications of the New York Uniform Fire Prevention and Building Code; or if the Building Code does not provide a relevant specific standard, if it fails to meet or exceed the Guidelines, or if neither the Building Code nor the Guidelines provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

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

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

The Heating, Cooling and Ventilation System means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

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

c. Six Year Major Structural Defect Coverage: For six years from the Warranty Date, the Dwelling will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(1). defective workmanship performed by the Seller, an agent of the Seller, employee or subcontractor of the Seller;

(2). defective materials provided by the Seller, an agent of the Seller, employee or subcontractor of the Seller; or

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

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code; or if the Building Code does not provide a relevant specific standard, if they fail to meet or exceed the Guidelines; or if neither the Building Code nor the Guidelines provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

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

5. **WARRANTY.** If a defect occurs in an item covered by this Limited Warranty, the Seller will repair, replace or pay the Buyer the reasonable cost of repairing or replacing the defective item (a), within a reasonable time after the Seller's inspection or after the Seller's testing confirms the defect, as provided in Paragraph 7, below. Repair, replacement or payment of the reasonable cost for any Major Structural Defect is further limited to (1) the repair of damage to the Load-bearing portions of the Dwelling which is necessary to restore their load-bearing function, or the reasonable cost thereof, and (2) the repair of those components of the Dwelling (exclusive of personal property) damaged by the major structural defect which made the Dwelling unsafe, unsanitary or otherwise unlivable, or the reasonable cost thereof. The choice among repair, replacement or payment is solely that of the Seller.

When the Seller finishes repairing or replacing the defect or pays the reasonable cost of doing so, the Seller shall be fully released and discharged from any liability for said defect, and upon the request of the Seller, a full release of all legal obligations with respect to the defect shall be signed by the Buyer and delivered to the Seller.

6. **EXCLUSIONS FROM ALL COVERAGE.** The following are excluded from the Basic Coverage, Major Systems Coverage, and Major Structural Defect Coverage:

a. **Magnuson-Moss Warranty Act.** Except as otherwise provided under FIRST YEAR BASIC coverage, above, this Limited Warranty does not cover manufacturing defects or loss or damage resulting from or to items excluded within the definition of "consumer products" under the Magnuson-Moss Warranty Act, P.L. 90-637, 16 U.S.C. 2301, which was signed into law in January 1975. The Act applies to written warranties on tangible personal property which is intended to be attached to or installed in a dwelling, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, furnaces, water heaters, and appliances. Merchantability, fitness, and all other implied warranties with respect to such goods shall be governed by the Magnuson-Moss Warranty Act, the New York Uniform Commercial Code, and other applicable statutes.

b. **Defects In Outbuildings and Structures.** This Limited Warranty does not cover defects in landscaping (including sodding, seeding, shrubs, trees and plantings), offsite improvements, or outbuildings and structures not constructed by the Seller, an agent of the Seller, or an employee or the subcontractor of the Seller.

c. **Obvious Defects.** This Limited Warranty does not cover any item of defective workmanship or materials which were obvious during Final Inspection and were not included in the FINAL INSPECTION BEFORE POSSESSION form, including, without limitation, any cracks, chips, dents, stains or marks on kitchen cabinets, plumbing fixtures, electrical fixtures, mirrors, glass, appliances, micas, vinyls, ceramics, painted/stained surfaces, doors, woodwork and carpeting.

d. **Alteration or Modifications.** This Limited Warranty does not cover any item of defective workmanship or materials for any material, system, or work which has been altered, modified, or supplemented in any material way, or which was performed or installed by any person other than the Seller, an agent of the Seller, employee or subcontractor of the Seller.

e. **Consequential Damages.** Except as otherwise required by the law, this Limited Warranty does not cover any injury to persons or damages to personal or real property, in whole or in part, which may be a consequence of, incident to or result from any defect in materials or performance of the work. That is, the Seller is responsible only for correcting the defect, and is not liable for any personal injury or property damages resulting from any such defect.

f. Other Exclusions from Coverage.

- (1). Loss or damage caused by workmanship performed by any person other than the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;
- (2). Loss or damage caused by defective materials supplied by any person other than the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;
- (3). Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Seller;
- (4). After the First Year Basic Coverage, loss or damage caused by non-load bearing concrete floors of basements and concrete floors of attached garages and porches;
- (5). Loss or damage of real property which is not part of the Dwelling and which is not included in the purchase price of the Dwelling;
- (6). Loss or damage to the extent that is caused or made worse by:
 - (a). negligence, improper maintenance, or improper operation by anyone other than the Seller, its employees, agents, or subcontractors; or
 - (b). failure by the Buyer or anyone other than the Seller, Seller's employees, agents, or subcontractors, to comply with the warranty requirements of manufacturers or supplier of appliances, fixtures, or items of equipment; or
 - (c). failure of the Buyer to give notice to the Seller of any defects or damage within a reasonable time; or
 - (d). changes in the grading of the ground by anyone other than the Seller, Seller's employees, agents, or subcontractors; or
 - (e). changes, alterations or additions made to the Dwelling by anyone after the Warranty Date; or
 - (f). dampness or condensation due to the failure of the Buyer or occupant to maintain adequate ventilation;
- (7). Conditions, loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, ground water springs, ground gas emissions, changes not reasonably foreseeable in the underground water table, and generally, caused by or resulting from acts of commission or omission beyond the Seller's control;
- (8). Loss or damage caused by the seepage of water, unless caused by a construction defect;
- (9). Loss or damage caused by the failure of Buyer to take timely action to minimize any such loss or damage;
- (10). Loss or damage caused by insects;

(11). Loss or damage resulting from failure of the Seller to complete construction of the Dwelling, or to complete the construction timely;

(12). Loss or damage caused by or which arises while the Dwelling is being used primarily for nonresidential purposes;

(13). Loss or damage resulting from abnormal loading on floors by the Buyer which exceeds design loads as mandated by the Building Code.

(14). Any condition which does not result in actual physical damage to the Dwelling;

(15). Normal wear and tear and normal deterioration;

(16). Costs of shelter, transportation, food, moving, storage or other expenses associated with or related to any defect, or the repair or replacement of any defect in workmanship, materials or design.

(17). Any claim not filed in a manner set forth below in Paragraph 7, "Step-by-Step Claims Procedures."

(18). Naturally occurring contaminants including but not limited to radon, animal dander, dust, dust mites, fungi, mold, bacteria and pollen (collectively, "Impurities"). Seller disclaims any liability resulting from impurities in the home, including but not limited to property damage, personal injury or death, loss of income, emotional distress, loss of use, loss of value and/or adverse health effects.

7. STEP-BY-STEP CLAIMS PROCEDURES. As noted in Paragraph 4, this Limited Warranty has three separate periods of coverage: Defects which are covered for one year; Defects which are covered for two years; and Defects which are covered for six years.

The Buyer may make a claim for a defect at any time during the appropriate period of coverage. Any such claim must be in writing and shall be made on a Notice of Warranty Claim Form provided by the Seller. A sample claim form is attached hereto. If the Seller does not provide such a form, the Buyer's claim must nevertheless be in writing and shall include a description of the defect (referred to herein as Notice of Warranty Claim, or simply Notice of Claim). However, in order for the Buyer to preserve Buyer's rights under this Limited Warranty, the Seller must receive the Notice of Warranty Claim no later than the first business day after the expiration of the warranty coverage under which the claim is made. If the Seller does not receive such Notice of Claim by the specified deadline, the Buyer will forever be barred from making any claim for any defect under this Limited Warranty for which the coverage period expired.

The Notice of Claim must be made by personal delivery or United States certified mail, and shall be deemed to have been received either at the time of personal delivery or in the case of mail, as of the date of first attempted delivery at the address of the Seller and in the manner provided herein.

IT IS EMPHASIZED THAT RECEIPT BY THE SELLER OF NOTICE OF WARRANTY CLAIM ON A TIMELY BASIS AS PROVIDED ABOVE IS A NECESSARY CONDITION TO PROTECT THE BUYER'S RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

No steps taken by the Seller, Buyer or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Seller's response to any

complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Seller, including but not limited to the Seller's right to receive a timely and properly completed Notice of Warranty Claim.

The term "correct the defect" as used herein shall mean that the Seller may, at its option, repair the defect or replace the defective item or pay the Buyer the reasonable cost of such repair or replacement.

The Buyer shall follow the following claim procedure for each separate defect which the Buyer claims is covered under this Limited Warranty:

a. The Buyer shall give Notice of Claim to the Seller, to be received by the Seller not later than the first business day after the expiration of the appropriate warranty period under which the claim is made, by written Notice of Warranty Claim.

b. The Seller shall have thirty (30) days from the date it receives Notice of Claim, not counting the day the notice is received, within which to inspect and/or test that part of the Dwelling for which the claim is made, and within a reasonable time not to exceed thirty (30) days from the date of such inspection and/or test (weather permitting and assuming required materials are available) within which to correct the defects for which notice was received. The Buyer or other occupants of the Dwelling must provide reasonable access to the Seller and its agents during normal business hours, for the purpose of such inspection, testing and corrective work. Failure by the Buyer to provide such reasonable access to the Seller will extend the time within which to perform the work.

c.. In the event:

(1). The Seller denies the claim or fails to make such inspection or tests within said thirty (30) days, although reasonable access was provided to the Seller for such inspection; or

(2). If so inspected or tested, the Seller fails to correct the defect within a reasonable time not to exceed thirty (30) days (weather permitting and assuming required materials are available), although reasonable access was provided to the Seller for the performance of the corrective work; or

(3). The Seller has corrected the defect and the Buyer is unsatisfied with the corrective action;

then, within thirty (30) days following any such event, but in no event later than six months following receipt by the Seller of the Notice of Claim, regardless of the denial of the claim or status of the corrective work or lack thereof in order to preserve Buyer's rights, the Buyer must commence, and diligently pursue the step-by-step dispute proceeding outlined in the paragraph (d) below (the "Dispute Proceeding").

d. The Buyer agrees to first pursue mediation administered by the American Arbitration Association under its Home Construction Mediation Procedures. If a party fails to respond to a written request for mediation within thirty (30) days after service of such request or fails to participate in any scheduled mediation conference, that party shall be deemed to have waived its right to mediate the issue in dispute. If mediation does not result in settlement of the dispute within thirty (30) days after the initial mediation conference or if a party has waived its right to mediate the issues in dispute, then any unresolved claim, dispute or other matter in question arising out of or related to this Limited Warranty, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association under its Home Construction Arbitration Rules in effect at the time of the arbitration. The demand for mediation

and/or arbitration, as applicable, shall be filed in writing with the other party to the Limited Warranty and with the American Arbitration Association. In no event shall the demand for mediation and/or arbitration, as applicable, be made after the date when institution of legal or equitable procedures based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Any fees and expenses for the Dispute Proceeding shall be paid in accordance with the American Arbitration Association's Home Construction Mediation Procedures or Home Construction Arbitration Rules, as applicable.

8. EXCLUSIVE REMEDY. The Seller and Buyer agree that the procedures described in Paragraph 7 set forth the Buyer's sole and exclusive means of obtaining a remedy pursuant to the terms of this Limited Warranty. Any controversy or claim arising out of or related to this Limited Warranty, or the breach thereof, shall be settled by either mediation or arbitration administered by the American Arbitration Association under its Home Construction Mediation Procedures or Arbitration Rules, as applicable, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

9. GENERAL PROVISIONS.

a. This Limited Warranty may not be changed or amended in any way except in writing signed by both parties.

b. This Limited Warranty shall be binding upon and inure to the Buyer and the Buyer's heirs, executors or administrators, and the Seller, and the Seller's heirs, successors, and assigns.

c. Should any provision of the Limited Warranty be determined unenforceable by a court of competent jurisdiction, such determination shall not affect the enforceability of the remaining provisions.

d. This Limited Warranty is to be governed under the laws of New York State.

e. Use of one gender in this Limited Warranty includes both genders, and use of the singular includes the plural, as may be appropriate.

NOTICE OF WARRANTY CLAIM FORM

Dear Buyer:

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

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

Owner's Names:

Address of Dwelling
Warranted:

Home Phone:

Work or Day Phone:

Warranty Date:

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

Signature: _____

Date: _____

Signature: _____

Date: _____

THE RESERVE ASSOCIATION, INC.

ESCROW AGREEMENT

AGREEMENT made this _____ day of March, 2014, by and among _____ ("PURCHASER"), Anthony J. Costello & Son (Joseph) Development, LLC ("SPONSOR"), and WOODS OVIATT GILMAN LLP as ESCROW AGENT ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Amended and Restated Offering Plan for the Reserve Association, Inc. with the Attorney General to offer for sale single-family Homes with mandatory homeowners' association membership at premises located at Clinton Avenue, Town of Brighton, New York 14618, subject to the terms and conditions set forth in the Amended and Restated Offering Plan; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of a single-family Home with mandatory homeowners' association membership (the "Purchase Agreement") at Northwest Savings Bank, located at 36 West Main Street, Rochester, New York 14614 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Woods Oviatt Gilman LLP Escrow Account for the Reserve Association, Inc. ("Escrow Account"). The account number is 3386008555.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Paula A. Lapin, Esq., and Jerry Goldman, Esq. Both designated signatories are admitted to practice law in the State of New York. Both of the signatories on the Escrow Account have an address of 2 State Street, Rochester, New York 14614, and a telephone number of (585) 987-2800.

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

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

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 All Deposits, except for advances made for upgrades, extras or custom work received in connection with the Purchase Agreement are, and shall continue to be, the Purchaser's money and may not be commingled with any other money, or pledged or hypothecated by Sponsor, as per GBL §352-h.

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

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

3.3.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the membership interest;

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

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

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

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

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

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

4. **RECORD KEEPING.**

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

7. TERMINATION OF AGREEMENT.

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

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

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

13. WAIVER VOID.

Any provisions in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligations of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL§352-e(2-b) and §352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan or any amendment thereto.

14. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

WOODS OVIATT GILMAN LLP

By: _____
Paula A. Lapin, Esq.

PURCHASER(S)

Anthony J. Costello & Son (Joseph) Development,
LLC, Sponsor

By: _____

LOT RESERVATION AGREEMENT

Prospective Seller: Anthony J. Costello & Son (Joseph) Development, LLC
919 Westfall Road
Building B, Suite 200
Rochester, New York 14618

Prospective Buyer: _____

Property: Lot _____
The Reserve on the Erie Canal
Town of Brighton, County of Monroe
State of New York

1. The Prospective Seller ("PS") and Prospective Buyer ("PB") are negotiating as to their possible entry into a purchase agreement ("Purchase Agreement") for the sale by PS to PB of the above Property comprising a single family home to be newly constructed and finished by PS. At least three (3) business days prior to PB signing this Agreement, PB acknowledges having received and read a copy of the Offering Plan for The Reserve Association, Inc. (the "HOA Offering Plan"), and all amendments to it. If PB has not received and read the Offering Plan at least three (3) business days prior to PB signing this Agreement, PB shall have the right to rescind this Agreement within seven (7) days after delivery to the Sponsor of this Agreement as executed by PB together with the Unit Reservation Deposit provided for below.

2. It is agreed that until termination of this Agreement on _____ (subject to any earlier termination of this Agreement as provided for below), the PS will not enter into any purchase agreement with respect to the Property with any party other than PB. PS nevertheless reserves all rights and powers, as owner of the Property, to continue to engage, without restriction or interruption, in all advertising, promotion, listing, and other marketing of the Property for sale.

3. This Agreement does not constitute a Purchase Agreement, nor does it create any option or right of first refusal with respect to the Property. This Agreement comprises only a mutual accommodation between PS and PB under which they will discuss pricing, plans, and other terms for potential entry into a Purchase Agreement, with absolutely no obligation on the part of either PB or PS to proceed with a Purchase Agreement.

4. Upon execution of this Agreement, the PB, in consideration of the agreement by PS, is depositing with PS funds in the total amount of \$ _____ (the "Reservation Deposit") via PB's check number _____, which Reservation Deposit will be held in escrow in an attorney's IOLA trust account maintained by PS's counsel at Northwest Savings Bank, as more fully set forth in Section 8 below. Within seven (7) business days after PB

delivers to PS this Agreement as executed by PB together with a check for the Reservation Deposit, the PS must either accept this Agreement and return a fully executed counterpart to the PB, or reject this Agreement and refund the entirety of the Reservation Deposit. If the PS takes no action within that time period, the PS will be deemed to have rejected this Agreement, and must refund the entirety of the Reservation Deposit to PB.

THE RESERVATION DEPOSIT WILL BE FULLY REFUNDABLE TO PB UPON TERMINATION OF THIS AGREEMENT FOR ANY REASON WHATSOEVER, AND PS WILL IN NO EVENT HAVE ANY RIGHT, TITLE, OR INTEREST TO THE RESERVATION DEPOSIT, NOR WILL THE PS HAVE ANY RIGHT TO RETAIN ANY PORTION OF THE RESERVATION DEPOSIT. THE TIME PERIODS SET FORTH IN THIS AGREEMENT FOR RETURN OF THE RESERVATION DEPOSIT ARE SUBJECT TO THE CLEARING OF ANY CHECK FURNISHED BY THE PB FOR THE RESERVATION DEPOSIT AND SO DEPOSITED IN THE ESCROW AGENT'S SPECIAL ESCROW ACCOUNT.

5. This Agreement will terminate upon the above date of _____, and unless then extended by further agreement between PB and PS, the Reservation Deposit will be paid and refunded in full to PB within five (5) business days after such termination date.

6. Notwithstanding the foregoing:

- (i) PB will also have the right to terminate this Agreement by written notice to PS at any time of PB's choosing, for any reason or for no reason at all, following which notice of termination, PS will return the Reservation Deposit to PB in full within five (5) business days following such notice of termination; and
- (ii) PS will have the right to provide notice to PB at any time that unless PS and PB execute a Purchase Agreement with respect to the Property within a period of three (3) calendar days following such notice, PS will then have the right to terminate this Lot Reservation Agreement by written notice to PB, with the Reservation Deposit to be refunded and paid in full to PB within five (5) business days following such notice of termination.

7. Upon the execution of a Purchase Agreement with respect to the Property between PS and PB, this Agreement will be deemed terminated upon execution of the Purchase Agreement by PB, and the Reservation Deposit will be credited towards Purchaser's payment of the Deposit under the Purchase Agreement, and will be retained by the Escrow Agent in the escrow account as a Deposit. If the amount of the Reservation Deposit exceeds the amount of the Deposit due under the Purchase Agreement, the excess will be refunded and paid in full to PB within five (5) business days after execution of the Purchase Agreement.

8. The PS will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h, and the Attorney General's regulations promulgated pursuant thereto. The Reservation Deposit will be placed, within five (5) business days after this Agreement is signed by PS and PB, in a segregated special escrow account of

Woods Oviatt Gilman LLP (the "Escrow Agent"), whose address and telephone number is 2 State Street, Rochester, New York 14614, telephone number (585) 987-2800. The two signatories on said account authorized to withdraw funds are Jerry A. Goldman, Esq. and Paula A. Lapin, Esq., both of whom are attorneys admitted to practice law in the State of New York.

The name of the segregated special escrow account is "Woods Oviatt Gilman LLP Attorney Escrow Account for the Reserve Association, Inc.", with said account located in Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. Northwest Savings Bank is covered by Federal bank deposit insurance

The account does not bear interest for the PB, as the PS has elected to place the funds in a separate Interest-On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497. However, no fees of any kind may be deducted from the account principal, and the PS shall bear any administrative cost for maintenance of the account.

Any provision of any Agreement, whether oral or in writing, by which the PB purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void.

Within ten (10) business days after tender of the Reservation Deposit submitted with this Agreement, the Escrow Agent will notify the PB that such funds have been deposited into such escrow account, and will provide the PB with the account number thereof. If the PB does not receive notice of such Reservation Deposit within fifteen (15) business days after tender of the Reservation Deposit, the PB may cancel this Agreement and receive a full return of said Deposit. The Escrow Agent will hold funds in escrow until termination of this Agreement, upon which event the entire Reservation Deposit will be returned to the PB.

Prospective Seller:

Anthony J. Costello & Son
(Joseph) Development, LLC

Prospective Buyer:

By: _____
Name: _____
Title: _____

PURCHASE AGREEMENT

Lot _____

The Reserve on the Erie Canal

AGREEMENT, made as of _____, 20____, between ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, having an office at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618, as seller ("Sponsor" and _____ having an address of _____, as purchaser ("Purchaser").

RECITALS

A. Sponsor is the sponsor of an Offering Plan for The Reserve Association Inc., encompassing the Development known as The Reserve on the Erie Canal, located in the Town of Brighton, County of Monroe, State of New York (the "Property"). Purchaser wishes to purchase a lot in the Development and a detached single family dwelling to be constructed by the Sponsor. (the "Unit").

B. The Property and the Unit are subject to the Declaration and By-Laws of The Reserve Association Inc. (the "HOA"), with membership in the HOA mandatory upon purchase of the Unit.

NOW, THEREFORE, in consideration of mutual promises hereby, the parties agree as follows:

1. THE OFFERING PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "Plan") and all amendments thereto, at least three (3) business days prior to Purchaser signing this Agreement. The Offering Plan is incorporated herein by reference. In the event of any inconsistency between the provisions of this Agreement and said Plan, the provisions of the Plan will govern and be binding.

2. THE UNIT. Sponsor agrees to construct and convey, and Purchaser agrees to purchase, the Unit to be constructed by the Sponsor on Lot _____ of the Development, pursuant to Paragraph 4, below.

3. PURCHASE PRICE.

a) The purchase price ("Purchase Price") is as follows:

Base Price	\$ _____
Charges for all extras ("Extras") Per Exhibit A	\$ _____
Total Purchase Price	\$ _____

The Purchase Price is payable as follows:

(i) \$_____ (the "Deposit"), due upon Purchaser's signing this Agreement; and

(ii) \$_____ (the "Extras Payment"), due upon Purchaser's signing this Agreement; and

(iii) \$_____, constituting the balance of the Purchase Price, by certified check or official bank check, payable at Closing.

(iv) The Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, which is deemed terminated upon execution of this Purchase Agreement. Purchaser hereby elects to apply the Unit Reservation Deposit of \$_____ previously paid against payment of the Deposit due upon the Purchaser's signing of this Agreement.

b) Checks for the Deposit shall be made payable to Woods Oviatt Gilman LLP as Escrow Agent for The Reserve Association, Inc. Checks for any Extras Payment under (ii) above, and checks for the balance of the Purchase Price under (iii) above, shall be made payable to Anthony J. Costello & Son (Joseph) Development, LLC.

c) Woods Oviatt Gilman LLP, with an address at 2 State Street, Rochester, New York 14614, telephone number (585) 987-2800, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Woods Oviatt Gilman LLP Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Escrow Agent has designated the following attorneys to serve as signatories: Paula A. Lapin, Esq. and Jerry Goldman, Esq. The designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor either authorized signatory on the account is the Sponsor, Selling Agent, Managing Agent, or any principal thereof; or has any beneficial interest in any of the foregoing. The complete terms of the escrow are set forth in the Escrow Agreement attached hereto. **YOU MUST SIGN THE ESCROW AGREEMENT IN ORDER FOR THIS PURCHASE AGREEMENT TO BE EFFECTIVE.**

4. **CONSTRUCTION OF UNIT.** Sponsor agrees to construct and sell, and Purchaser agrees to purchase, the Unit to be completed by Sponsor in accordance with plans and specifications on file in the Sponsor's office (the "Unit Plans"), including the Extras. Builder shall furnish and perform all of the work, materials, and equipment required in connection with the construction of the Unit pursuant to the Unit Plans.

Purchaser understands that it may make changes and alterations in the Unit Plans provided that such changes are made prior to the start of construction, and are listed on a change authorization form signed by Purchaser and Sponsor.

Sponsor reserves the right to: (i) make changes or substitutions of materials for those as set forth in the Unit Plans, provided any such changes are of equal or better value and quality; (ii) determine the final grading, site elevation, and location of the Unit, its foundation, set back, driveway, and landscaping, so as to conform to and satisfy drainage requirements, topographical conditions, and any governmental requirements.

Sponsor has the right to change grades, foundations, and footings, and the setback of the Unit if underground conditions are such that the original placement is inadvisable. Underground

conditions can be the result of rock, water, soil type or any other condition which in the judgment of Sponsor would necessitate a change in elevation or setback, or result in extraordinary construction costs or necessitate unusual construction methods.

While the Sponsor is obligated to timely complete the Unit and to obtain a certificate of occupancy therefor from the Town of Brighton, as more fully set forth in this Purchase Agreement and the Offering Plan, the Sponsor may at its option defer the commencement of construction of the Unit until all of the contingencies to Purchaser's obligation under Section 5 below are waived or satisfied.

5. CONTINGENCIES ON PURCHASER'S OBLIGATIONS.

A. The Purchaser's obligations under this Agreement are contingent on Purchaser obtaining a written commitment for a mortgage loan (the "Mortgage Loan"), from a lender of Purchaser's choice (the "Lender"), in an amount not in excess of \$_____, at such rate of interest which the Lender may lawfully charge, and subject to such other terms and conditions as the Lender may lawfully require. Any conditions of Purchaser's mortgage commitment will not be conditions of this Agreement, but shall be the sole responsibility of the Purchaser. Acceptance of a written mortgage commitment by the Purchaser shall be deemed a waiver and satisfaction of this contingency.

(i) Purchaser agrees to make application to its Lender within five (5) business days from the date of this Agreement, and to pursue the application in good faith. Once a Purchaser receives a written mortgage commitment ("Commitment"), Purchaser must provide the Sponsor with a copy within five (5) days of receipt. All fees, and expenses which may arise by reason of Purchaser's Mortgage Loan, shall be borne exclusively by Purchaser.

(ii) In the event the Purchaser fails to obtain a Commitment from the Lender within _____() days from the date of this Agreement, the Purchaser shall have the right to cancel this Agreement by written notice to the Sponsor within ten (10) days after the expiration of such period. Upon any termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with Sponsor to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser to the Sponsor within the ten (10) day period, the above financing contingency clause shall be deemed automatically waived.

B. Purchaser's obligations under this Agreement are contingent upon the Purchaser securing a firm contract for the sale of the property located at _____ no later than _____, 20____. If Purchaser is unable to obtain such a firm contract for the sale within _____() days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Sponsor within ten (10) days after the expiration of such period. Upon any termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with the Sponsor to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser within such ten (10) day period, the above sale contingency clause shall automatically be deemed waived.

6. CLOSING OF TITLE.

Sponsor shall notify Purchaser in writing as to the date and time of Closing, which shall take place on or about _____ days after all contingencies for Purchaser's benefit under Section 5 above are waived or satisfied. That date shall be referred to herein as the "Original Scheduled Closing Date".

Notwithstanding anything else herein the Sponsor is unconditionally obligated to complete the Unit and to procure a certificate of occupancy therefor from the Town of Brighton no later than the second (2nd) anniversary of the date of Purchaser's signature of this Agreement.

If there is a Lender involved in this transfer, and the Lender, notwithstanding the issuance of a certificate of occupancy for the Unit, requires the establishment of an escrow to secure or fund the completion of punchlist or weather-related work in or about the Unit, such item(s) will not constitute an objection to Closing provided that a reasonable escrow fund is deposited by the Sponsor with the Lender corresponding to the Lender's inspection report identifying such work. All monies in said escrow fund will be paid by the Lender directly to the Sponsor when the Lender deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no Lender involved, any such incomplete item(s) will not constitute an objection to Closing provided the Town of Brighton has issued such a certificate of occupancy. In such event, the parties shall establish a list of incomplete items, which shall provide for the estimated time of completion, subject to Sponsor's Two Year Completion Obligation as defined in the Plan, with no escrow to be held.

7. POSSESSION PRIOR TO CLOSING. Purchaser may not take possession of the Unit prior to the time of Closing unless Purchaser is expressly authorized in writing by Sponsor. Any such pre-closing occupancy shall be at the sole discretion of the Sponsor.

8. TITLE DOCUMENTS.

a) Sponsor shall provide to Purchaser's attorney at least fifteen (15) days in advance of Closing, fully guaranteed tax, title and United States District Court Searches dated or redated subsequent to the date of this Agreement.

b) At the Closing, Sponsor shall deliver to Purchaser a warranty deed with lien covenant conveying to the Purchaser marketable title to the Unit, free and clear of all liens and encumbrances with the exception of Permitted Encumbrances as set forth in the Plan.

c) At Closing, Sponsor agrees to deliver to Purchaser a certificate of occupancy for the Unit as issued by the Town of Brighton.

9. CLOSING ADJUSTMENTS. Subject to Paragraph 10 hereof, the following adjustments shall be made as of midnight on the day before the Closing: real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed; and assessments for the month, or portion of the month, in which title closes.

10. ADDITIONAL CLOSING COSTS.

a) In addition to all other sums payable elsewhere under this Agreement, at Closing Purchaser shall pay:

(i) a charge to Sponsor for its procuring of a survey of the Unit, being the sum of \$ _____;

(ii) all premiums for any title policies insuring the Purchaser's or Lender's interests, Lender's and Purchaser's attorneys' fees, all charges imposed or exacted by the Lender in connection with the Mortgage Loan, and all mortgage recording taxes;

(iii) all New York State real estate transfer tax on the deed, including any "Mansion Tax";

(iv) all recording and filing charges payable to any public official;

(v) payment to the Board of Directors of an initial non-reimbursable working capital contribution equal to two (2) months Assessments; and

(vi) a charge to Sponsor reimbursing its expense for a water meter fee of \$ _____, and Town of Brighton recreation fee of \$700.

11. DEFAULT BY PURCHASER.

a) If Purchaser fails to make any payment when required or fails to perform any of Purchaser's other obligations, Sponsor shall give notice to Purchaser of such default. If such default shall not be cured within ten (10) days thereafter, Sponsor may terminate this Agreement by written notice to Purchaser. If Sponsor elects to terminate this Agreement, (a) Sponsor may retain all Deposits and Extras Charges as liquidated damages, and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights or liability against the other.

b) If Purchaser fails for any reason to Close on the Originally Scheduled Closing Date, then at Sponsor's option the Closing adjustments described in Section 9 of this Agreement will be made as of the Originally Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor an amount equal to interest on the Purchase Price at the rate of nine percent (9%) per annum until paid.

c) All rights and remedies of Sponsor under this Section 11 are cumulative of and in addition to all rights and remedies under Section 12 below.

12. DEFAULT BY SPONSOR OR PURCHASER. Upon any default by Sponsor or Purchaser under this Agreement, the other party shall be entitled to all rights and remedies available under law and/or equity, without limitation or restriction whatsoever, including, but not limited to, the right of specific performance.

13. DAMAGE TO THE UNIT. The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of Closing, or possession of the Unit by Purchaser, with Sponsor obligated to then repair or restore the Unit, and with this Agreement to continue in full

force and effect. Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration; provided, that Sponsor must complete the same so as to procure a certificate of occupancy for the Unit no later than the second anniversary of the date of signing of this Agreement by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor.

14. **LIMITED WARRANTY.** The sole warranty Purchaser is to receive on the Unit is the Rochester Homebuilders Association Warranty. A copy of the Warranty is contained in the fourth amendment to the Plan.

15. **NO REPRESENTATIONS.** Purchaser acknowledges that Purchaser has not relied upon any representations or warranties except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement.

16. **PROHIBITION AGAINST ADVERTISING.** Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or otherwise, or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale.

17. **BROKERS.** Sponsor will pay to any listing broker engaged by it, all commissions earned in connection with this transaction with Sponsor to have no obligation to compensate any broker engaged by Purchaser. Any division of commissions paid by Sponsor to its listing broker, with any broker engaged by Purchaser, will be pursuant to separate agreement between such brokers.

18. **PURCHASER'S ATTORNEY APPROVAL.** The Purchaser's obligations under this Agreement, are contingent upon Purchaser securing its attorney's approval of this Agreement within seven (7) calendar days after the full execution of this Agreement. The failure of Purchaser's attorney to either approve or disapprove this Agreement within said seven (7) day period shall be deemed to comprise waiver by Purchaser of the need for such approval and waiver of such contingency.

19. **AGREEMENT MAY NOT BE ASSIGNED.** Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor.

20. **NOTICES.** Any notice under this Agreement shall be in writing and hand delivered or sent postage prepaid, by certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this agreement, with a copy to Paula A. Lapin, Esq., 2 State Street, Rochester, New York 14614, or to such other address as either party may hereafter designate to the other in writing. Any notice either of the parties receives from the other party's attorneys shall be deemed to be notice from such party itself.

21. **JOINT PURCHASERS.** The term "Purchaser" shall be read as "Purchasers", if more than one person are purchasers, in which case their obligations shall be joint and several.

22. **PERFORMANCE BY AND LIABILITY OF SPONSOR.** Purchaser's acceptance of the deed for the Unit shall be deemed to be full performance of each agreement on the part of Sponsor to be performed pursuant to the provisions of this Agreement or the Plan except those herein expressly stated to survive delivery of the deed.

23. **GOVERNING LAW** The provisions of this Agreement shall be governed by in the

internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

24. **SUCCESSORS AND ASSIGNS.** The provisions of this Agreement shall bind and inure to the benefit of Purchaser and its heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates set forth below.

SPONSOR:

**ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC**

Date: _____

By: _____

Name:

Title:

PURCHASER:

Date: _____

Date: _____

THE RESERVE ASSOCIATION, INC.

AMENDMENT NO. 5

This is the fifth amendment to the Offering Plan for The Reserve Association Inc. The primary purpose of this amendment is to extend the term of the offering.

1. No closings have occurred as of this date among the 40 single family homes that are subject only to the Reserve Association offering plan. Two contracts have been signed. There are no homes occupied by tenants.
2. There have been two closings in the Glenville Condominium One, however, which Unit Owners are also members of the Reserve Association, Inc. These were units G12.2 and G13.3. No other closings in the first phase of the Association have occurred, leaving 124 Units still owned by Sponsor: 40 among the single family homes in the Reserve Association, 22 in Glenville Condominium One, 6 in Watermark Brownstones One, and 28 each in Rexford Condominium and Frankfort Condominium.
3. The sponsor is in control of the Association and will retain control for up to fifteen (15) years after the recording of the Declaration or until 100% of the homes are sold, whichever first occurs. The initial Directors of the Association are Anthony J. Costello, President, Brett Costello, Vice President and Timothy Reidy, Secretary/Treasurer. All three have business addresses at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618.
4. The aggregate monthly Association charges for all units owned by Sponsor in the Reserve Association is \$14,788.24. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by the two closed units in Glenville Condominium One.
5. The aggregate monthly real estate taxes payable for units owned by Sponsor in the Reserve Association is \$1,227.08.
6. There has been no change to the budget or the budget year. The budget and a new certification of the budget are attached as Exhibit A
7. There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the property, the rights of unit owners, Sponsor's capacity to perform all of its obligations under the plan, or the operation of the Association.
8. The Sponsor's financial obligations to the Association over the next twelve months include the completion of the Clubhouse Building on the Property. The

Clubhouse is under construction and is expected to be completed in March of 2015.

9. All units in the Association are subject to several mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York 14614. The loans total \$ 11,749,856.00. They mature on August 31, 2017. Interest is paid monthly on these obligations in the amount of \$29,138 per month. The interest rate is 4%.
10. The obligations of Sponsor under paragraphs 4, 5, 8 and 9 will be paid by sales or other assets of Sponsor.
11. Sponsor is current on all obligations to the Association and under its financing and has been for twelve months prior to this amendment.
12. The Sponsor is the sponsor of four related offering plans, all part of the Reserve on the Erie Canal, Brighton, New York. They are: Glenville Condominium One (File No. CD12-0004); Rexford Condominium (File No. CD12-0006); Frankfort Condominium (File No. CD12-0002); and Watermark Brownstone One Condominium (File No. CD12-0005). Copies of these offering plans are on file with the Department of Law and are available for public inspection.
13. Sponsor and its principal are current on all obligations in connection with the above plans.
14. The management of the Property has been changed. It will now be managed by Kenrick Corporation, 3495 Winton Road, Building D, Suite 4, Rochester, New York 14623, an experienced condominium management company in the Rochester, NY area. Richard Aikens, the president of Kenrick Corporation, has been managing residential properties for over thirty years. The Management section of the plan and the Identity of Parties section of the Plan are deemed amended to reflect this change. A copy of the management agreement is attached as Exhibit B.
15. There is a working capital fund for the Reserve Association, Inc. The account is entitled The Reserve Association, Inc. Working Capital. It is housed in the Community Association Banc, a division of Mutual of Omaha Bank, Box 64084, Phoenix, AZ 85082. The current balance is \$477.11.
16. All material changes of facts and circumstances affecting the property or the Offering Plan are included in this Amendment.

THE RESERVE ASSOCIATION, INC.
SPONSOR

THE RESERVE ASSOCIATION INC.
BUDGET PROJECTION FOR FIRST YEAR OF HOA OPERATION
June 1, 2014 – May 31, 2015
126 Homes or Units
Pre Clubhouse Opening, and Excluding Expenses for the Clubhouse

Projected Income		Notes	
A.	Universal Maintenance Charges \$1,431.21 per home per year, payable \$119.26 monthly based on 126 homes	1	\$180,332.37
B.	Neighborhood Surcharges Separate amounts are payable per year and monthly for Units in each of Ft. Plain and Waterford single family neighborhoods, as itemized in Footnote 2.	2	\$ 44,112.00
Total			\$224,444.37

Projected Expenses		Notes	
A.	Expenses Corresponding to Universal Maintenance Charges		
	Labor	9	\$ 79,886.00
	Clubhouse Heating and Cooling	14	\$ 00.00
	Clubhouse Electricity	13	\$ 00.00
	Clubhouse Water	12	\$ 00.00
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	16	\$ 00.00
	Clubhouse HVAC Maintenance	15	\$ 00.00
	Clubhouse Pool Maintenance	18	\$ 00.00
	Landscaping	4	\$ 49,664.00
	Clubhouse Cleaning	11	\$ 00.00
	Irrigation Maintenance	5	\$ 1,470.00
	Road Maintenance	8	\$ 2,300.00
	Snow Removal		
	Snow Plowing	6	\$ 1,200.00
	Snow Shoveling of Sidewalks	7	\$ 4,680.00
	Clubhouse Rubbish Removal/Recycling	17	\$ 00.00
	Insurance	20	\$ 4,500.00
	Management Fees	21	\$ 24,192.00
	Legal Fees	23	\$ 500.00
	Accounting Fees	22	\$ 950.00
	Taxes		
	Real Estates Taxes	24	\$ 113.37
	Income Taxes	25	\$ 50.00
	Reserves	26	\$ 2,809.00

	Other			
	Office Costs	19	\$	250.00
	Security Automobile	10	\$	7,768.00
Subtotal				
				\$180,332.37
B.	Expenses Corresponding to Neighborhood Surcharges			
	Landscaping	27	\$	<u>30,781.00</u>
	Snow Removal	28	\$	5,240.00
	Rubbish Removal/Recycling	29	\$	4,406.00
	Contingency	30	\$	409.00
	Management	31	\$	3,276.00
Subtotal			\$	44,112.00
Total				\$224,444.37

The Reserve Association Inc.

Footnotes to Schedule C

1. Projected Income - Universal Maintenance Charges. This figure comprises the equal monthly Assessments in the amount of \$119.26 to be paid to the Association by each Unit Owner, and the annual total thereof, before the Clubhouse is opened for use by Members, with such total Projected Income in turn equal to item A, Expenses Corresponding to Universal Maintenance Charges, under Projected Expenses below (See Note 3). Such monthly Assessment is estimated to be set at said amount of \$119.26 per Unit for the first year of HOA operations, before the Clubhouse is opened for use by Members; upon and following opening of the Clubhouse, which is expected to occur on or about June 1, 2015, the commencement of the second year of HOA operations, such Assessments are expected to increase to the sum of \$283.68 monthly per Unit, as set forth in the Budget Projection comprising Schedule C1 following, which Schedule C1 includes expenses for operation and maintenance of the Clubhouse.
2. Projected Income - Neighborhood Surcharges - To (1) provide for uniformity in the quality of associated services, maintenance and/or repair, (2) obtain economies of scale in contracting and vendor costs, and (3) avoid fragmented or conflicting administration and operation, the Association is furnishing certain services throughout all or varying portions of the entire Development, but with the costs thereof being allocated amongst different groups of Unit Owners in a manner so as to fairly and reasonably distribute expenses based upon differing benefit levels. As a result, in addition to the universal maintenance charges explained under Footnote 1 above and paid to the Association in equal monthly amounts by the Owners of all Units of every type within the Development, an additional monthly neighborhood surcharge ("Neighborhood Surcharges") will also be payable to the Association by the Owners of all Units, with the Neighborhood Surcharge varying dependent upon the type of Unit and/or the neighborhood in which the Unit is located. Upon commencement of the first year of HOA operation, as projected to occur on June 1, 2014, Neighborhood Surcharges as follow are projected to be payable by the Owners of Units in the Ft. Plain and Waterford neighborhoods, comprised of Single Family Dwelling Units, with Units expected to Close in said neighborhoods as of commencement of the first year of the HOA operation, or to Close during such first year of HOA operation:

Ft. Plain Single Family Homes	
\$1,992.00 per home per	
year, payable \$166.00	
monthly based on 21 homes	\$ 41,832.00 annual subtotal
Waterford Single Family Homes	
\$120.00 per home per	
year, payable \$10.00	
monthly based on 19 homes	\$ 2,280.00 annual subtotal
Total	\$44,112.00

Consistent with the Sponsor's undertaking and obligation to pay only the Deficiency Contribution, as referenced on page 42 of this Offering, ie, the difference between actual Association expenses, and the total of all Association Assessments levied on Owners who have

closed on purchase of their Units, the Sponsor will not pay Assessments on any Unsold Units, whether universal maintenance charges or Neighborhood Surcharges, including Unsold Units in neighborhoods not yet offered for sale, or in which a Unit has not yet Closed; in contrast, under each Condominium Offering the Sponsor is to pay Common Charges on all Unsold Units within the Offering after the First Closing thereunder.

3. Projected Expenses – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, which is composed of an itemization of all expenses which ~~Members in turn pay through the equal monthly Assessments to the Association under Projected~~ Income, category A, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 29 through 33 itemize, on a neighborhood-by-neighborhood basis, all expenses which Members in turn pay through the monthly Assessments to the Association which comprise the applicable Neighborhood Surcharge set forth under Projected Income, category B, and Footnote 2 above.
4. Landscaping – The following services are quoted by Pin Oak Lawn and Landscape, La Terra Way, Webster NY: Grass cutting/trimming: \$413/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,593; Weed, Edge with Mulch installed at \$59.40/cu yd: \$6,574; Second Edging: \$1,221; Bi-weekly weeding, 19 trips: \$7,900; Shrub trimming/cleanup, up to 3 trips: \$14,580; Mechanical edge twice (at roads): \$2,042; Miscellaneous labor @ \$31/hr: 15 hours budgeted: \$1,004. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary – \$8,941. These services include the perpetual landscape maintenance obligations undertaken by the Association (i) within the easterly boundary area of the Development, and (i) within the adjoining Town of Brighton lands comprising a westerly segment of Meridian Centre Park pursuant to a limited license to be conveyed by the Town to the Association for that purpose, all pursuant to formation of the Brighton Reserve Park District as described in the Location and Area Information Section of this Plan. All quotes in this and the following notes include sales tax whenever applicable.
5. Irrigation Maintenance – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.
6. Snow Plowing – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt. Prior to the opening of the Clubhouse the amount of said expense will be lower, based upon the fact at such point an increased amount of such work will be performed in the area immediately surrounding the Clubhouse.
7. Snow Shoveling of Sidewalks – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections. Prior to the opening of the Clubhouse the amount of said expense will be lower, based upon the fact at such point an increased amount of such work will be performed in area immediately surrounding the Clubhouse.
8. Road Maintenance – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote dated April 17, 2012 from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 26 below).

9. Labor – Two full-time positions for security and light maintenance at annual wages of \$30,000 each. These personnel will be employees of the management firm, AJ Costello & Son Reserve Management, LLC (See Note 22 below), with the Association to reimburse the management firm for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions @ \$30,000.00 each)	\$60,000.00
Taxes and Benefits	
FICA and Medicare @ 7.65%	\$4,590.00
Health Insurance	\$7,986.00
State Long Term Disability	\$87.00
Worker's Comp	\$2,100.00
Unemployment Insurance (NYS)	\$1,008.00
Unemployment Insurance (Federal)	\$102.00
Life Insurance	\$97.00
Employee Assistance Program	\$916.00
Fee, 5% of wages, inclusive of payroll processing costs	\$3,000.00
Total	\$79,866.00

All such projections are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor, and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. Security Automobile – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. Clubhouse Cleaning –No such expense will be incurred prior to opening of the Clubhouse.
12. Clubhouse Water –No such expense will be incurred prior to opening of the Clubhouse.
13. Clubhouse Electricity –No such expense will be incurred prior to opening of the Clubhouse.
14. Clubhouse Heating and Cooling –No such expense will be incurred prior to opening of the Clubhouse.
15. Clubhouse HVAC Maintenance –No such expense will be incurred prior to opening of the Clubhouse.
16. Clubhouse Repair –No such expense will be incurred prior to opening of the Clubhouse.
17. Clubhouse Rubbish Removal/Recycling –No such expense will be incurred prior to opening of the Clubhouse.
18. Clubhouse Pool Maintenance –No such expense will be incurred prior to opening of the Clubhouse.

19. Office Costs -- Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. Insurance -- The estimate of \$4,500.00 is based upon a quote dated 16 December 2011, provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost casualty insurance on all Development signage, which casualty insurance will be sufficient to cover any reasonably expected structural replacements in the event of total loss with respect to the Development signage, with no co-insurance provision in the event of partial loss, and with a deductible of One Thousand Dollars (\$1,000.00). The casualty and general liability insurance is on terms that provides: (i) that each Member is an additional insured party; (ii) there will be no cancellation without notice to the Association's Board of Directors; (iii) a waiver of subrogation; and (iv) a waiver of invalidity because of acts of the insured and members, and (v) a waiver of prorata reduction if Unit Owners obtain additional coverage. Coverage for water damage, boiler and machinery, or auto liability, is not included in the quotation and may be available at extra cost. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The coverage is as follows:

Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

21. Management -- Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of the Sponsor; the budget amount is based on a Management Agreement with said entity, attached as Exhibit Q to the Plan, which Agreement will be assumed by the Board of Directors at the first closing of any Unit, and with the services of such entity to commence at such time. This figure is comparable to market rates, as attested by Richard K. Aikeris, President, Kenrick Corporation, managing thirty plus properties in the Rochester, NY area.
22. Audit -- Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$950.00.
23. Legal Fees-- For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$500.00.
24. Real Estate Taxes -- A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided in the attached letter from Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes,

applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30, yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49, yields a total annual tax bill of \$24.49 per tax parcel.

25. Income Tax: New York State Franchise Tax – It is unlikely that there would be any Franchise Tax due in the first year of operation. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. Federal Income Tax – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. Reserves: Reserves are established for a limited number of items as listed on the appended spreadsheet. Reserve for said items as listed in the spreadsheet are initially to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$2,809.00. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners, and are also estimated, both in terms of cost and useful life, on the appended spreadsheet; this includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section 1. Actual work may be adjusted for timing and cost, dependent on future inspections of these items. Subsequent to the opening of the Clubhouse the amount of said reserve contributions will be increased, based upon the fact corresponding facilities or components within the Clubhouse are placed in operation.
27. Landscaping (Neighborhood Surcharges): The total of \$30,781.00 is itemized as follows:
- Fort Plain Landscaping: \$30,781.00 – The following services are quoted by Pin Oak Lawn and Landscape: Grass cutting/trimming: \$448/cut, budgeted for 30 cuts; Spring & Fall Clean-ups: \$1,620; Weed, Edge with Mulch installed at \$59.40/cu yd: \$4,366; Bi-weekly weeding, 19 trips: \$3,591; Second edging: \$378; Shrub trimming/cleanup, up to 3 trips: \$2,430; mechanical edge (at road) twice: \$486. Miscellaneous labor @ \$32/hr: 35 hours budgeted: \$1,210. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: horticultural oil application and three site inspections with treatments as necessary: \$3,255. All quotes include sales tax.
28. Snow Removal (Neighborhood Surcharges): The total of \$5,240.00 is itemized as follows:
- Fort Plain Snow plowing: \$5,240.00– The following service for plowing of driveways is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$4,990 with \$250 estimated for salt.
29. Rubbish Removal/Recycling (Neighborhood Surcharges): The total of \$4,406.00 is itemized as follows:
- Fort Plain Rubbish Removal/Recycling: \$2,313.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.
- Waterford Rubbish Removal/Recycling: \$2,093.00– Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96

gallon wheeled toters; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

30. Contingency (Neighborhood Surcharges): The total of \$409.00 is itemized as follows:

Fort Plain Contingency: \$222.00– The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

~~Waterford~~ Contingency: \$187.00– The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

31. Fort Plain Management (Neighborhood Surcharges): \$3,276.00– Management services are to be provided by AJ Costello & Son Reserve Management, LLC, an affiliate of Sponsor, comparable to market rates as attested by Richard K. Aikens, President, Kenrick Corporation (see Note #21 above).

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING PROJECTED BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

IN THE OPINION OF THE SPONSOR THE FOREGOING ESTIMATED ASSESSMENTS AND SURCHARGES ARE SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE ASSOCIATION'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING ON JUNE 1, 2014 AND ENDING ON MAY 31, 2015, WITH THE BUDGET PROJECTING MONTHLY ASSESSMENTS AND SURCHARGES AS SET FORTH ABOVE PER UNIT FOR SAID FIRST FULL YEAR OF OPERATION. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES, FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION WILL BE PRECISELY AS SET FORTH IN THIS BUDGET. THE ACTUAL COSTS FOR THE FIRST FULL YEAR OF OPERATION MAY EXCEED BUDGETED COSTS, BASED ON MARKET FLUCTUATIONS AND DEPENDING ON WHEN THE FIRST FULL YEAR OF OPERATION ACTUALLY OCCURS. IF THE ACTUAL DATE OF COMMENCEMENT OF ASSOCIATION OPERATIONS, REPRESENTED BY THE FIRST CLOSING OF ANY UNIT IN THE DEVELOPMENT, IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED ABOVE, THE PLAN MUST BE AMENDED TO INCLUDE A REVISED BUDGET FOR THE FIRST YEAR OF OPERATION DISCLOSING CURRENT PROJECTIONS. WITHOUT PREJUDICE TO AND CUMULATIVE OF ANY RIGHT OR REMEDIES ACCRUING TO ANY PURCHASER TO THE EXTENT ANY SUCH DELAY RESULTS IN OR COMPRISES A BREACH OF THE SPONSOR'S TWO YEAR COMPLETION OBLIGATION, IF SUCH AMENDED PROJECTIONS FOR THE FIRST YEAR OF OPERATION EXCEED IN THE AGGREGATE THE ORIGINAL PROJECTIONS FOR THE FIRST YEAR OF OPERATION BY TWENTY-FIVE PERCENT (25%) PERCENT OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN FIFTEEN (15) DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THE RIGHT, WITHOUT PREJUDICE TO AND CUMULATIVE OF ANY RIGHT OR REMEDIES ACCRUING TO ANY PURCHASER TO THE EXTENT ANY SUCH DELAY RESULTS IN OR COMPRISES A BREACH OF THE SPONSOR'S TWO YEAR COMPLETION OBLIGATION. THE SPONSOR MUST IN SUCH EVENT RETURN ANY DEPOSIT OR DOWNPAYMENT WITHIN A REASONABLE PERIOD OF TIME TO

PURCHASERS WHO RESCIND. THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE BUDGETED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET AND FOOTNOTES THERETO.

hereserve:227:003-

KENRICK

CORPORATION

September 18, 2014

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

Re: Certification by Expert on Adequacy of Budget
The Reserve Association, Inc.

The Sponsor of the Homeowners Association has retained me to review the estimated annual budget containing projections of income and expenses for the June 1, 2014 to May 31, 2015 year of operation as a homeowners association.

My experience in this field includes: involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (40) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to the Schedule of income and expenses. I have reviewed the schedule, investigated the facts set forth in the Schedules, and the facts underlying them with due diligence in order to form a basis for this Certification. I have relied on my experience in managing residential properties.

I certify that the projections in the Schedule of income and expense appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the next year or operation as a Homeowners Association.

I certify that the Schedules:

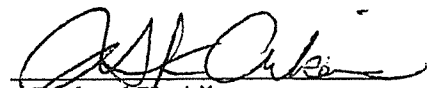
1. set forth in detail the terms of the transaction as it relates to the schedules and is complete current and accurate;

EXHIBIT A

2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a Homeowners Association;
3. does not omit any material fact;
4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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.

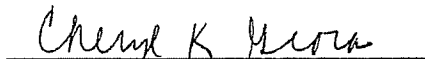
I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the next year of Homeowners Association operation but merely an opinion of their vitality.

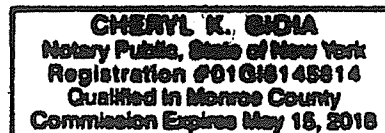
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Richard K. Aikens

STATE OF NEW YORK}
COUNTY OF MONROE} ss:

Sworn to before me this 18th day
of September 2014


Notary Public



RKA/lbk

ASSOCIATION MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 2014, by and between the Board of Directors (the "BOARD") of The Reserve Association, Inc. (the "ASSOCIATION"), not individually but on behalf of all of the owners from time to time in units at The Reserve Association, Inc., Town of Brighton, New York and on behalf of the ASSOCIATION which is organized pursuant to the Not-for-Profit Corporation Laws of the State of New York (the "OWNERS"), and Kenrick Corporation (the "AGENT").

RECITALS:

Under the provisions of the purchase contract with the purchase of each unit, the Declaration of ASSOCIATION Ownership, and the By-Laws required under the provisions of the Not-for Profit Corporation Laws of the State of New York, the OWNERS delegate the authority to manage the ASSOCIATION to an elected Board of Directors, which may be the Board of Directors of a Not-for-Profit corporation organized by the OWNERS; and

The BOARD, on behalf of the OWNERS, desires to employ the AGENT to manage the ASSOCIATION, and the AGENT desires to be employed to manage the ASSOCIATION,

IT IS AGREED:

1.0 The BOARD employs the AGENT exclusively to manage the ASSOCIATION for a period of two (2) years, beginning May 1, 2014 and ending April 31, 2016.

2.0 The AGENT shall manage the ASSOCIATION to the extent, for the period, and upon the terms of this agreement. The AGENT shall perform the following services in the name of and on behalf of the BOARD, and the BOARD hereby gives the AGENT the authority and powers required to perform these services:

2.1 The AGENT shall collect and, as necessary, receipt for all monthly or other assessments and other charges due to the BOARD for operation of the ASSOCIATION and all rental or other payments from concessionaires, if any, provided that the AGENT shall have no responsibility for collection of delinquent assessments or other charges except sending notices of delinquency.

2.2 The AGENT shall maintain records showing all its receipts and expenditures relating to the ASSOCIATION and shall promptly submit to the BOARD a cash receipts and disbursements statement for the preceding month and a statement indicating the balance or deficit in the AGENT'S account for the ASSOCIATION on or before the 20th day of the following month.

2.3 The AGENT shall prepare and submit to the BOARD; on or before sixty (60) days prior to the start of each fiscal year (during the term of this contract, and any extensions thereof) a recommended budget for the next year showing anticipated receipts and expenditures for such year. If upon commencement of this contract, there is not a budget in place to run through the first ninety (90) days of this contract, AGENT may be requested to prepare and submit a budget, at a cost to be agreed upon at that time.

2.4 Within sixty (60) days after the end of each fiscal year, the AGENT shall submit to the BOARD a summary of all receipts and expenditures relating to the ASSOCIATION for the preceding year, providing that this service shall not be construed to require the AGENT to supply an audit. Any audit required by the BOARD shall be prepared at its expense by accountants of its selection.

2.5 Subject to the direction and at the expense of the BOARD, the AGENT shall cause the common elements of the ASSOCIATION to be maintained according to appropriate standards of maintenance consistent with the character of the ASSOCIATION, including general landscape maintenance, snow removal, refuse removal, general exterior maintenance and painting, driveway maintenance, and the like, all as described in the Declaration and By-Laws of the ASSOCIATION.

2.6 AGENT shall hire, pay, negotiate collective bargaining agreements with (if necessary), supervise, and discharge whatever personnel may be required to maintain and operate the Property on behalf of the ASSOCIATION and in accordance with the budget, job standards, and wage rates previously approved by the ASSOCIATION. All such personnel shall be employees of the ASSOCIATION and not of AGENT, and all salaries, taxes, and other expenses payable to or on account of such employees shall be operating expenses of the Property.

2.7 The following costs shall be paid for initially by AGENT. Immediately after payment by AGENT, AGENT may be reimbursed out of the Operating Account.

(a) Subject to Association approval, cost of the gross salary and wages or pro-rata share thereof plus charges to cover cost of payroll taxes, insurance, workmen's compensation and other approved benefits of AGENT'S site employees required to properly, adequately, safely and economically manage, operate and maintain each Property subject to the Agreement, provided that such employees have been identified and enumerated to the Owner. During the period of this Agreement, the payroll related charges as they apply to all wages paid to site employees on behalf of the Property has been established at 30% of gross payroll. This percentage chargeback covers the following: Social Security, State Unemployment, Federal Unemployment, Disability Insurance, Worker's Compensation Insurance, Liability and Fidelity Insurance and payroll processing.

(b) The following are charges allowed for other services provided by the AGENT, not included in this management agreement:

To the Owner of the Unit:

Return check charges	\$35.00 per returned check
Resale certification	\$50.00

To the ASSOCIATION:

Community mailings	\$.50 per unit
Special Assessments	\$.50 per unit
Material reproduction	\$.10 per copy
Postage/Messenger	\$ Actual cost
Long distance telephone	\$ Actual cost

2.8 Subject to the approval of the BOARD, the AGENT shall negotiate and execute on behalf of the BOARD contracts for water, electricity, gas, telephone and such other services for the common elements of the ASSOCIATION as may be necessary or advisable. All such purchases and contracts shall be in the name and at the expense of the ASSOCIATION. The AGENT shall also purchase on behalf of the BOARD such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the ASSOCIATION. All such purchases and contracts shall be in the name and at the expense of the ASSOCIATION.

2.9 The AGENT shall pay from the funds of the ASSOCIATION all taxes, building inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the BOARD with respect to the maintenance or operation of the ASSOCIATION or incurred by the AGENT on behalf of the BOARD pursuant to the terms of this agreement or pursuant to other authority granted by the BOARD.

2.10 The AGENT shall maintain appropriate records of all insurance coverage carried by the BOARD. The AGENT shall cooperate with the BOARD in investigating and reporting all accidents or claims for damage relating to the ownership, operation, and maintenance of the common elements of the ASSOCIATION including any damage or destruction to them. The Board shall pay to the AGENT an Insurance Claim Administration Fee equal to ten percent (10%) of the cost of restoration for any losses covered under the insurance policy protecting the Association's property or property of the individual members of the ASSOCIATION. This fee shall be included by the AGENT in the claim to the insurance carrier and shall be due and payable upon receipt of payment of claim by carrier.

2.11 The AGENT will maintain an accurate and reasonably detailed record of all reports, financial records, correspondences, and property inspections it prepares on behalf of the ASSOCIATION.

3.0 In discharging its responsibilities under Paragraphs 2.0-2.11 inclusive of this agreement, the AGENT shall not make any expenditure nor incur any non-recurring contractual obligation exceeding \$1,000.00 without the prior consent of the BOARD, providing that no such consent shall be required to repay any advances made by the AGENT under the terms of Paragraph 5. Notwithstanding these limitations, the AGENT may, on behalf of the BOARD without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger of life or property or may threaten the safety of the ASSOCIATION of the OWNERS and occupants or may threaten the suspension of any necessary service to the ASSOCIATION.

4.0 Notwithstanding any other provision of this agreement, the AGENT has no authority or responsibility for maintenance of or repairs to those portions of individual dwelling units in the ASSOCIATION, which are not defined as portions of the "common elements" of the property. Such maintenance and repairs shall be the sole responsibility of the OWNERS individually.

5.0 All monies collected by the AGENT on behalf of the BOARD shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation separate and apart from AGENT'S own funds.

5.1 All expense of operation and management may be paid from the BOARD'S funds held by the AGENT, and the AGENT is authorized to pay any amounts owed to the AGENT by the BOARD from such account at any time without prior notice to the BOARD. The AGENT shall have no obligation to advance funds to the BOARD for any purpose whatsoever.

5.2 All AGENT'S employees who handle or are responsible for the safekeeping of any monies of the BOARD shall be covered by an insurance policy protecting the BOARD, such coverage to be in an amount and with a company determined by the AGENT at the expense of the AGENT.

6.0 The BOARD shall pay the AGENT a management fee equal to sixteen (\$16.00) Dollars per unit per month for the first two years. The management fee shall be paid monthly in advance. No further charge shall be made by the AGENT for the services of the AGENT, except as otherwise expressly provided in this agreement.

6.1 The ASSOCIATION shall deliver to the AGENT, true, complete and correct copies of all governing documents, rules and regulations, budget and other organizational documents of the ASSOCIATION. The ASSOCIATION will furnish the AGENT all the available architectural, electrical, mechanical and other plans of the ASSOCIATION. All such documents shall remain at all times the sole property of the ASSOCIATION and upon expiration or termination of this agreement, shall be delivered by the AGENT to the ASSOCIATION.

6.2 The AGENT shall provide, within ten (10) days following written request from an Owner, in accordance with State law, a certification of the status of payments, and any outstanding balances, of all assessments, whether regular or special, and other charges or fees, certified by the AGENT. The AGENT may charge the Owner fifty dollars (\$50.00) for the preparation of such certification.

7.0 One of the AGENT'S employees shall be designated Property Manager for the ASSOCIATION. The Property Manager or other representative of the AGENT shall attend bi-monthly meetings of the BOARD and the annual meeting of the OWNERS. Each meeting shall be limited in duration to two (2) hours. The AGENT shall be paid at the rate of seventy-five dollars (\$75.00) per hour for all time in excess of the allotted two (2) hours. Regular BOARD meetings will be held during normal business hours (8:00 am-5:00 pm).

The Property Manager or other representative of the AGENT shall, upon not less than 36 hours notice, attend meetings other than bi-monthly meetings of the Board or annual meeting of the OWNERS as requested, provided that the BOARD shall pay the AGENT of seventy-five dollars (\$75.00) per hour for the Property Manager's or other representative's attendance at each meeting. The AGENT shall be custodian of the official records of the BOARD and the ASSOCIATION but shall not be required to record the minutes of the meeting.

8.0 The BOARD shall designate a single individual who shall be authorized to deal with the AGENT on any matter relating to the management of the ASSOCIATION. The AGENT is directed not to accept directions or instruction with regard to the management of the ASSOCIATION from anyone else. In the absence of any other designation by the BOARD, the President of the BOARD shall have this authority.

9.0 The AGENT shall have no authority to make any structural changes in the ASSOCIATION or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the ASSOCIATION or the safety of the OWNERS and occupants or are required to avoid the suspension of any necessary service to the ASSOCIATION.

9.1 The AGENT has no responsibility for the compliance of the ASSOCIATION or any of its equipment with the requirements of any ordinances, laws, rules, or regulations (including those relating to the disposal of solid, liquid, and gaseous wastes) of the Village, Town, City, County, State or Federal Government, or any public authority or official thereof having jurisdiction over it, except to notify the BOARD promptly of, or forward to the BOARD promptly, any complaints, warnings, notices, or summonses received by it relating to such matters.

9.2 The OWNERS represent that to the best of their knowledge the ASSOCIATION complies with all such requirements, as named in Paragraph 9.1, and authorize the AGENT to disclose the ownership of the ASSOCIATION to any such officials, and agree to indemnify and hold harmless the AGENT, its representatives, servants, and employees, of and from all loss, cost, expense, and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations.

10.0 The BOARD shall:

10.1 Indemnify, defend, and save the AGENT harmless from all suits in connection with the ASSOCIATION and from liability for damage to property and injuries to or death of any employee or other person whomsoever, and carry at its own expense public liability, boiler, elevator liability (if elevators are part of the equipment of the ASSOCIATION), naming the BOARD and the AGENT and adequate to protect their interest and in form, substance, and amounts reasonably satisfactory to the AGENT and furnish to the AGENT certificates evidencing the existence of such insurance. Unless the BOARD shall provide such insurance and furnish such certificates within thirty (30) days from the date of this agreement, the AGENT may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the BOARD.

10.2 Pay all expenses incurred by the AGENT including, without limitation, attorneys' fees for counsel employed to represent the AGENT or the BOARD in any proceeding or suit involving an alleged violation by the AGENT or the BOARD, or both, of any constitutional provision, statute, ordinance, law, or regulation of any governmental body pertaining to environmental protection or fair housing including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion, or national origin in the sale, rental, or other disposition of housing or any services rendered in connection therewith. Nothing herein contained shall require the AGENT to employ counsel to represent the BOARD in any such proceeding or suit.

10.3 Anything herein to the contrary notwithstanding the BOARD will not assume any liability or responsibility or indemnification for damages, injury or death resulting from gross negligence, illegal or criminal acts by the AGENT or its employees, and the AGENT will indemnify the BOARD from all damages resulting from such acts.

11.0 This agreement may be terminated by either OWNER or AGENT, with or without cause, at the end of the initial two (2) year term or of any following term year upon the giving of sixty (60) days written notice prior to the end of said initial term or following term year.

11.1 Notwithstanding the foregoing; either party shall have the right to terminate this agreement immediately and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events:

(a) BREACH OF AGREEMENT - Thirty (30) days after the receipt of notice by either party to the other specifying in detail a material breach of this Agreement, if such breach has not been cured within said thirty (30) day period; or if such breach is of a nature that it cannot be cured within said thirty (30) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced or/and such efforts are not proceeding and being continued diligently both during and after such thirty (30) day period prior to the breach being cured. HOWEVER, the breach of any obligation of either party hereunder to pay any monies to the other party under the terms of this Agreement shall be deemed to be curable within thirty (30) days.

(b) FAILURE TO ACT, ETC. - In the event that any insurance required of OWNER is not maintained without any lapse, or it is alleged or charged that the Premises, or any portion thereof, or any act or failure to act by OWNER, its agent and employees with respect to the Premises, fails to comply with any law or regulation, or any order or ruling of any public authority, and AGENT, in its sole discretion, considers that the action or position of OWNER or its representatives with respect thereto may result in damage or liability to AGENT, or disciplinary proceeding with respect to Agent's license, AGENT shall have the right to terminate this Agreement at any time by written notice to OWNER of its election to do so, which termination shall be effective upon the service of such notice. Such termination shall not release the indemnities of OWNER set forth herein.

11.2 In the event a petition of bankruptcy is filed by or against the AGENT, or in the event that the AGENT shall make an assignment for the benefit of creditors, or take advantage of any federal or state bankruptcy or insolvency act, either party hereto may terminate this Agreement upon five (5) days written notice to the other.

12.0 Any notice required or permitted to be served hereunder may be served by registered or certified mail or in person as follows:

12.1 If to the AGENT:

Firm: Kenrick Corporation
Address: 3495 Winton Place, Building D, Suite 4
City: Rochester, New York 14623

12.2 If to the BOARD, to the President of the BOARD at his or her home address.

Either party may change the address for notice by notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the mail.

13.0 This agreement shall be binding upon and inure to the benefit of the successors and assigns of the AGENT and the heirs, administrators, successors, and assigns of the BOARD. Notwithstanding the preceding sentence the AGENT shall not assign its interest under this agreement except in connection with the sale of all or substantially all the assets of this business: in the event of such a sale, the ASSOCIATION has the right to terminate this contract.


IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 25 day of April, 2014.

WITNESSES:

THE RESERVE ASSOCIATION, INC.
BOARD OF DIRECTORS



KENRICK CORPORATION


AGENT

AMENDMENT NO. 6

This is the sixth amendment to the Offering Plan for The Reserve Association, Inc. The purpose of this amendment is to give post-closing information and extend the term of the offering plan.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 has closed. It closed on December 22, 2014 in Rochester, New York. The remaining 39 Units are owned by Sponsor. A list of the remaining units is contained on Exhibit 1, attached. 5 Units are under contract, being lots F-3, F-4, F-7, W10 and W11.
2. There are no homes occupied by tenants. Construction is continuing.
3. A permission to occupy was issued for Lot F-19 (9 St. Johnsville Trail) on December 12, 2014 and is attached hereto.
4. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Directors are Anthony Costello, President, Brett Costello, Vice President, and Timothy Reidy, Secretary/Treasurer. All three have business addresses at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618. Anthony Costello is the Principal of the Sponsor, Brett Costello is his son and Timothy Reidy is an employee of the Sponsor entity.
5. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.
6. (a) A reserve fund has been started. The reserve has a balance of \$602.29.
(b) There is a working capital fund. It contains \$1,431.12. The funds are deposited in the Community Association Banc, a division of Mutual of Omaha Bank, PO Box 64084, Phoenix AZ 85082. The name of the account is "The Reserve Association, Inc. Working Capital."
7. Sponsor is financially obligated to complete the Clubhouse and related improvements for the Reserve Association, Inc. The financial obligations of the Sponsor in this paragraph and paragraphs 8, 9, and 10 will be met by sales and other assets of the Sponsor.
8. The aggregate taxes for units owned by Sponsor is \$3,222.00 per month and Sponsor is paying these as they come due.
9. The aggregate monthly association charges for all single-family Units owned by Sponsor is \$4,651. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by the one Home that has

closed in the Reserve and the amounts payable by the 6 Units that have closed in Glenville Condominium One. All portions of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Common Areas.

10. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$ 14,413,165 and the maturity date is August 31, 2017. The loan is paid by monthly payments of interest only in the amount of \$35,498. The interest rate is 4%. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating to the condominium, including the financing obligations and has been for the last twelve months.

11. Neither the Sponsor nor its principal has made prior offerings of cooperative interests in realty except that Mr. Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Watermark Brownstones One (File number CD12-0005), Frankfort Condominium (file number CD12-0002), and Rexford Condominium, (file number CD12-0006). The Sponsor is current on all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

12. There have been no changes to the first year budget which commenced June 1, 2014. The budget was last certified in September of 2014 as part of the 5th amendment to the Plan.

13. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment .

Anthony J. Costello & Son (Joseph) Development, LLC,
Sponsor

REMAINING UNITS
The Reserve on the Erie Canal

Fort Plain

F-1
F-2
F-3
F-4
F-5
F-6
F-7
F-8
F-9
F-10
F-11
F-12
F-13
F-14
F-15
F-16
F-17
F-18
F-20
F-21

Waterford

W-1
W-2
W-3
W-4
W-5
W-6
W-7
W-8
W-9
W-10
W-11
W-12
W-13
W-14
W-15
W-16
W-17
W-18
W-19



No. 10416

PERMISSION FOR OCCUPANCY
OF: NEW SINGLE DWELLING
LOCATED AT: 9 ST JOHNSVILLE TRAIL

IS HEREBY GRANTED pursuant to Article 1 Section 225-4 of the Town of Brighton Comprehensive Development Regulations.

I certify that to the best of my knowledge as determined by inspections, plans, records, and reports on file in the Department of Building & Planning of the Town of Brighton, Monroe County, New York the structures and uses hereafter listed comply with the requirements of the Comprehensive Development Regulations of the Town of Brighton and the New York State Uniform Fire Prevention and Building Code. No certification is made with reference to materials and/or workmanship.

Construction work or use of property is located on street number 9 ST JOHNSVILLE TRAIL, Tax ID# 149 11-2-41, said work done under permit number 1130346 issued 8/23/2013.

Permission for occupancy number 10416 is issued to Anthony J Costello & Son on 12/12/2014 with the condition that the Certificate of Occupancy covers construct a 1 1/2 story single family home (3 bedrm & 3 bath) w/ attached 2 car garage approx 2393 sf to include the optional porch

Edward B. Brady

BUILDING INSPECTOR

AMENDMENT NO. 7

15 years cap
12/22/2029

This is the seventh amendment to the Offering Plan for The Reserve Association, Inc. The purposes of this amendment are to disclose a new budget and to extend the term of the offering plan.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 closed on December 22, 2014 in Rochester, New York. Three additional homes have since closed. The remaining 36 lots are owned by Sponsor. Two lots are under contract, being lots F-7 and W11. A list of the unsold homes is as follows: F1,2,5,6,7,8-18, 20 and 21. Also, W1-9, 11-19.

2. There are no homes occupied by tenants. Construction is continuing.

3. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Directors are Anthony Costello, President, Brett Costello, Vice President, and Timothy Reidy, Secretary/Treasurer. All three have business addresses at 919 Westfall Road, Building B, Suite 200, Rochester, New York 14618. Anthony Costello is the Principal of the Sponsor, Brett Costello is his son and Timothy Reidy is an employee of the Sponsor entity.

4. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.

5. (a) A reserve fund has been started. The reserve has a balance of \$1,272.

(b) There is a working capital fund. It contains \$2,863. The funds are deposited in the Community Association Banc, a division of Mutual of Omaha Bank, PO Box 64084, Phoenix AZ 85082. The name of the account is "The Reserve Association, Inc. Working Capital."

6. Sponsor is financially obligated to complete the Clubhouse and related improvements for the Reserve Association, Inc. The clubhouse is nearly complete and will open in September of 2015. The financial obligations of the Sponsor in this paragraph and paragraphs 7, 8 and 9, will be met by sales and other assets of the Sponsor.

7. The aggregate taxes for units owned by Sponsor is \$4,430.00 per month and Sponsor is paying these as they come due.

8. The aggregate monthly association charges for all single-family homes owned by Sponsor is \$9,366. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by the four Homes that have closed in the Reserve and the amounts payable by the 11 Units that have closed in Glenville Condominium One. All sections of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Common Areas.

9. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$14,949,237 and the maturity date is August 31, 2017. The loan is paid by monthly payments of interest only. The amount varies monthly. The interest rate is 4%. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating to the Association, including the financing obligations and has been for the last twelve months.

10. Neither the Sponsor nor its principal has made prior offerings of cooperative interests in realty except that Mr. Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Glenville Condominium Two (file number CD14-0320), Watermark Brownstones One (file number CD12-0005), Frankfort Condominium (file number CD12-0002), and Rexford Condominium, (file number CD12-0006). The Sponsor is current on all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

11. A new budget for the second year of operation, starting June 1, 2015, is attached as Exhibit A. A budget certification is attached as Exhibit B. Certified financial statements for the first year of operation are attached as Exhibit C.

12. A dog park has been added to the project. It is in two sections, one for small dogs, and one for large dogs. It is located on lot C-1 of the common areas.

13. The Brewerton neighborhood in phase 2 of the project was previously envisioned to be 26 patio homes. Due to market demand, Sponsor has decided to create instead a separate condominium entitled the Brewerton Condominium containing 35 ranch, townhome style condominium Units. The Town Planning Board has approved this change. An offering plan for this condominium has been submitted to the Attorney General's office and is under review. Since this increase would increase the total number of units in the development, the Sponsor has agreed to build fewer loft apartment units in the development. Plans are being developed to do so and the pertinent offering plans will be amended as soon as the plans are finalized and approved by the Town.

14. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment .

Anthony J. Costello & Son (Joseph) Development, LLC,
Sponsor

SCHEDULE A
BUDGET FOR SECOND YEAR OF HOA OPERATION
JUNE 1, 2015 – MAY 31, 2016
126 Homes or Units

Post Clubhouse Opening and Including Expenses for the Clubhouse

Projected Income

			<u>Notes</u>
A.	Universal Maintenance Charges \$3,122.19 per home payable \$260.18 monthly	\$393,397.00	1
B.	Neighborhood Surcharges for Glenville Condominium One, Glenville Condominium Two, Ft. Plain and Waterford Neighborhoods. See Footnote 2.	\$96,885.00	2
	Total	\$490,282.00	

Projected Expenses

			<u>Notes</u>
A.	Expenses -Universal Maintenance Charges		
	Labor	\$185,189.00	9
	Clubhouse Heating and Cooling	\$ 10,190.00	14
	Clubhouse Electricity	\$ 16,963.00	13
	Clubhouse Water	\$ 515.00	12
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	\$ 5,000.00	16
	Clubhouse HVAC Maintenance	\$ 1,850.00	15
	Clubhouse Pool Maintenance	\$ 4,000.00	18
	Landscaping	\$ 26,257.00	4
	Clubhouse Cleaning	\$ 27,096.00	11
	Irrigation Maintenance	\$ 1,470.00	5
	Road Maintenance	\$ 2,300.00	8
	Snow Removal		
	Snow Plowing	\$ 1,940.00	6
	Snow Shoveling of Sidewalks	\$ 5,198.00	7
	Clubhouse Rubbish Removal/Recycling	\$ 1,104.00	17
	Insurance	\$ 34,781.00	20
	Management Fees	\$ 24,192.00	21
	Legal Fees	\$ 1,000.00	23
	Accounting Fees	\$ 2,000.00	22
	Taxes		
	Real Estates Taxes	\$ 114.00	24
	Income Taxes	\$ 100.00	25
	Reserves	\$ 20,370.00	27
	Other		
	Office Costs	\$ 1,000.00	19
	Clubhouse Contingency	\$ 13,000.00	26
	Security Automobile	\$ 7,768.00	10
	Subtotal	\$393,397.00	

B. Expenses Corresponding to Neighborhood
Surcharges

Landscaping	\$ 63,793.00	28
Snow Removal	\$ 18,180.00	29
Road Maintenance	\$ 1,560.00	30
Rubbish Removal/Recycling	\$ 9,667.00	31
Contingency	\$ 409.00	32
Management	\$ <u>3,276.00</u>	33

Subtotal \$96,885.00

Total \$490,282.00

The Reserve Association Inc.

Footnotes to Schedule A

1. **Projected Income - Universal Maintenance Charges.** Each Unit Owner will pay \$260.18 in monthly Assessments to the Association after the Clubhouse is opened.
2. **Projected Income – Neighborhood Surcharges** –The Association is furnishing certain services throughout the Development, but the costs are being allocated by neighborhood based upon differing benefit levels. As a result, in addition to the charges explained under Footnote 1 paid by all Units, an additional monthly neighborhood surcharge (“Neighborhood Surcharges”) will be payable to the Association by neighborhood as set forth below:

Glenville Condominium One

\$1,142.20 per home per year, payable

\$95.18 monthly based on 24 homes

\$27,413.00 annually

Ft. Plain Single Family Homes

\$1978.80 per home per year, payable

\$164.90 monthly based on 21 homes

\$41,555.00 annually

Waterford Single Family Homes

\$120.00 per home per year, payable

\$10.00 monthly based on 19 homes

\$2,280.00 annually

Glenville Condominium Two

\$1,165.32 per home per year payable

\$97.11 monthly based on 22 homes

\$25,637.00 annually

Total

\$96,885.00

3. **Projected Expenses** – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 28 through 33 itemize, for each neighborhood, all expenses which Members pay as Neighborhood Surcharges.
4. **Landscaping** – \$26,257.00 The following services are quoted by Lakeview Lawn and Landscape, for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Shrub trimming/cleanup 2 trips, Mechanical edging twice (at roads), Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care: one horticultural oil application and three site inspections with treatments as necessary. All quotes in this and the following notes include sales tax whenever applicable.
5. **Irrigation Maintenance** – Flower City Irrigation, Inc., 160 Ling Road, Rochester NY: Annual inspection: \$270, Winterize and Start Up: \$540, Service calls \$140/call, estimated 4 calls.

6. **Snow Plowing** – The following service for the private portion of Reserve View Boulevard is quoted by Pin Oak Lawn and Landscape: clearance commences whenever snowfall reaches an average depth of two inches: \$1,440 with \$500 estimated for salt..
7. **Snow Shoveling of Sidewalks** – All Sidewalks adjoin private roadways: Pin Oak Lawn & Landscape: At all Sections: \$324/trip, 30 trips/season, prorated prior to inclusion of all Sections.
8. **Road Maintenance** – Routine repair (eg., filling of potholes), of the private road asphalt is estimated at \$2,300 annually, based upon the quote from Pittsford Paving Inc. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 28 below).
9. **Labor** – a. Two full-time positions for security and light maintenance at annual wages of \$30,000 each; b. Four part-time positions for Clubhouse concierge and trainer (30 hours/week each, wages of \$22,500 each annually). These personnel will be employees of AJ Costello & Son with the Association to reimburse AJ Costello, & Son for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (2 full time positions)	\$ 60,000.00
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Taxes and Benefits

FICA and Medicare @ 7.65%	\$ 4,590.00
Health Insurance	\$ 7,986.00
State Long Term Disability	\$ 87.00
Worker's Comp	\$ 2,100.00
Unemployment Insurance (NYS)	\$ 1,008.00
Unemployment Insurance (Fed)	\$ 102.00
Life Insurance	\$ 97.00
Employee Assistance Program	\$ 916.00
Fee, 5% of wages, inclusive of payroll processing costs	\$ 3,000.00

Total	\$ 79,886.00
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Wages (4 part time positions)	\$ 90,000.00
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Taxes and Benefits

FICA and Medicare @ 7.65%	\$ 6,885.00
Worker's Comp	\$ 1,800.00
Unemployment Insurance (NYS)	\$ 2,016.00
Unemployment Insurance (Fed)	\$ 102.00
Fee, 5% of wages, inclusive of payroll processing costs	\$ 4,500.00

Total	\$105,303.00
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All such provisions are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies with all applicable housing, labor and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. **Security Automobile** – Estimates: lease including tax: \$3,888, Insurance: \$1,500, Fuel: \$2,800, and Maintenance: \$300.
11. **Clubhouse Cleaning** – Quote from McNair Building Service, Inc., PO Box 26253, Rochester, NY: \$2,258 per month for service 5 days a week.
12. **Clubhouse Water** – Based on estimates for DJC Architecture, PLLC, 99 Garnsey Road, Pittsford, NY: 20,246 cubic feet of water at \$0.0254/cubic foot.
13. **Clubhouse Electricity** – Based on estimates for DJC Architecture, PLLC, 99 Garnsey Road, Pittsford, NY: Lighting and equipment usage: 121,167 kilowatt-hours per year at \$0.14/kilowatt-hour. The unit cost of \$0.14 kilowatt-hour is based upon Rochester Gas & Electric average 2014 cost per kwh.
14. **Clubhouse Heating and Cooling** – Based on estimates for DJC Architecture, PLLC, 99 Garnsey Road, Pittsford, NY. Gas for heating: 4,097 therms/year at \$1.86/therm; the cost of \$1.86/therm is based on Rochester Gas & Electric's average 2014 cost per kwh. Electricity for cooling: 18,357 kilowatt-hours at \$0.14/kilowatt-hour. The unit cost of \$0.14 kilowatt-hour is based upon Rochester Gas & Electric average 2014 cost per kwh.
15. **Clubhouse HVAC Maintenance** – Estimate based on similar experience of Sponsor in building management.
16. **Clubhouse Repair** – Estimate by Kenrick Corporation, 3405 Winton Place, D-4, Rochester, NY 14623 for routine repairs.
17. **Clubhouse Rubbish Removal/Recycling** – Weekly rubbish and recyclables pick-up is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 96 gallon wheeled toters; the quote is \$92.00 per month.
18. **Clubhouse Pool Maintenance** – Based on a quote from Beauty Pools, Inc., 2000 Commerce Parkway, Lancaster, NY for weekly service (cleaning and maintenance) for a 15-week season, includes estimate for supplies.
19. **Office Costs** – Copies @ 10c/copy, postage, printing, and supplies (rubber stamps, binder clips, etc.). Estimate by Kenrick Corporation.
20. **Insurance** – The estimate of \$34,781.00 is based upon a June 4, 2015 quote, provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Together with liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, the Association is procuring replacement cost fire/casualty insurance covering the Clubhouse, and its equipment, furniture and furnishings, as well as replacement cost casualty insurance on the pool/spa and all Development signage, with a deductible of Two Thousand Five Hundred Dollars (\$2,500.00).

The coverage is as follow:

Building	\$5,780,000
Business Personal Property	\$ 662,000
Pool	\$ 230,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

21. **Management** – Management services are to be provided by Kenrick Corporation: the budget amount is based on a Management Agreement with said entity.
22. **Audit** – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY: \$2,000.00.
23. **Legal Fees**– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted: \$1000.00.
24. **Real Estate Taxes** – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided BY Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30; yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49; yields a total annual tax bill of \$24.49 per tax parcel.
25. **Income Tax: New York State Franchise Tax** – It is unlikely that there would be any Franchise Tax due. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. **Federal Income Tax** – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal in the first full year of operation.
26. **Clubhouse Unit Contingency** – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.
27. **Reserves:** Reserves are established for a limited number of items. Reserve are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$20,370.00, requiring contributions of \$12.48per unit per month for Section 1, which includes a figure of \$1.72/unit/month for sealing private roads every 3 years. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners. This includes a Special Assessment estimated at \$961 per member in approximately 20 years for private road re-surfacing in Section I.

28. **Landscaping (Neighborhood Surcharges):** The total of \$63,793.00 is itemized as follows:

Glenville Condominium One Landscaping: \$18,027.00 – the following services are quoted by Lakeview Lawn & Landscape for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Mechanical edging (at road), Shrub trimming/cleanup, 2 trips. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care; one horticultural oil application and three site inspections with treatments as necessary. All quotes in this and the following notes include sales tax whenever applicable.

Glenville Condominium Two Landscaping: \$16,775.00 – the following services are quoted by Lakeview Lawn & Landscape for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Mechanical edging (at road), Shrub trimming/cleanup, 2 trips. Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care; one horticultural oil application and three site inspections with treatments as necessary. All quotes in this and the following notes include sales tax whenever applicable.

Fort Plain Landscaping: \$28,991.00 – the following services are quoted by Lakeview Lawn & Landscape for 2015: Grass cutting/trimming, Spring & Fall Clean-ups, Weed, Edge with Mulch, Shrub trimming/cleanup, 2 trips, mechanical edging (at road). Three lawn fertilization and weed control trips, two crabgrass control trips, ornamental tree and shrub care; horticultural oil application and three site inspections with treatments as necessary. All quotes include sales tax.

29. **Snow Removal (Neighborhood Surcharges):** The total of \$18,180.00 plus salting is itemized as follows:

Glenville Condominium One Snow Plowing: \$5,962.00 – Snow removal for driveways & walkways per contract with Oxford East dated November 2014: clearance commences whenever snowfall reaches an average depth of two inches including \$2,640.00 estimated for application of salt.

Glenville Condominium Two Snow Plowing: \$5,465.00 – Snow removal for driveways & walkways per contract with Oxford East dated November 2014: clearance commences whenever snowfall reaches an average depth of two inches including \$2,420.00 estimated for application of salt.

Fort Plain Snow Plowing: \$6,753.00– Snow removal for driveways & walkways per contract with Oxford East dated November 2014: clearance commences whenever snowfall reaches an average depth of two inches including \$1,080.00 estimated for application of salt.

30. **Road Maintenance (Neighborhood Surcharges):** The total of \$1,560.00 is itemized as follows:

Glenville Condominium One Road Maintenance: \$780.00 Routine repair of the private road asphalt (filling potholes). These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

Glenville Condominium Two Road Maintenance: \$780.00 Routine repair of the private road asphalt (filling potholes). These repairs do not include sealing or replacement/resurfacing of the asphalt. These items are covered in the Reserve Fund (see below).

31. **Rubbish Removal/Recycling (Neighborhood Surcharges):** The total of \$9,667.00 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$2,644.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Glenville Condominium Two Rubbish Removal/Recycling: \$2,617.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Fort Plain Rubbish Removal/Recycling: \$2,313.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

Waterford Rubbish Removal/Recycling: \$2,093.00 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide two 66 or 96 gallon wheeled toter; the toter should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$9.18 per house per month.

32. **Contingency (Neighborhood Surcharges):** The total of \$409.00 is itemized as follows:

Fort Plain Contingency: \$222.00- The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187.00- The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

33. **Fort Plain Management (Neighborhood Surcharges):** \$3,276.00- Management services are to be provided by Kenrick Corporation.

PARTICULARLY GIVEN THE COMPLEXITY AND POTENTIAL SIZE OF THE DEVELOPMENT, THE FOREGOING BUDGET PROJECTION MAY BE MODIFIED FROM TIME TO TIME PRIOR TO THE COMMENCEMENT OF, OR DURING, ASSOCIATION OPERATIONS, TO ADD OR INCREASE ONE OR MORE ITEMS OF OPERATING EXPENSE. IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THESE FUNDS, IT MAY BE NECESSARY TO INCREASE MAINTENANCE CHARGES OR SEPARATELY ASSESS ALL UNIT OWNERS.

THE FOREGOING BUDGET PROJECTION IS NOT INTENDED AS A GUARANTEE BY ANYONE THAT THE ASSESSMENTS OR SURCHARGES FOR THE SECOND OR ANY SUBSEQUENT YEAR OF OPERATION WILL BE AS SET FORTH IN THIS PROJECTION. ANY OR ALL OF THE ACTUAL COSTS FOR THE SECOND FULL YEAR OF OPERATION MAY SUBSTANTIALLY EXCEED ANY OR ALL OF SAID PROJECTED COSTS. FURTHER, THE SPONSOR IS NOT RESPONSIBLE FOR FUTURE CHANGES IN THE ASSESSMENTS OR SURCHARGES DUE TO CHANGING MARKET CONDITIONS, CHANGES IN THE LEVEL OF SERVICE WHICH THE BOARD OF DIRECTORS OF THE ASSOCIATION CHOOSES TO EFFECTUATE, OR DUE TO THE AGING OF IMPROVEMENTS. THE SPONSOR HAS NOT PROCURED OR ARRANGED ACTUAL CONTRACTS FOR ANY OF THE INDICATED SERVICES EXCEPT TO THE EXTENT IDENTIFIED IN THE BUDGET PROJECTION AND FOOTNOTES.

KENRICK

CORPORATION

June 24, 2015

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd floor
New York, New York 10271

Re: The Reserve Association, Inc.
Town of Brighton, New York

The Sponsor of the Homeowners Association has retained me to review the annual budget containing projections of income and expenses for the fiscal year, June 1, 2015 – May 31, 2016. My experience in this field includes:

Involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (49) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to Schedule A.

I have reviewed the schedule and investigated the facts set forth in Schedule A, and the facts underlying them with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential properties.

I certify that the projections in Schedule A appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year or operation as a Homeowners Association.

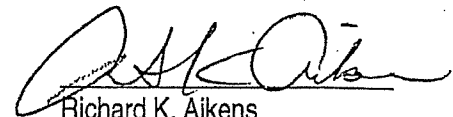
I certify that the Schedule:

1. sets forth in detail the terms of the projected income and expenses for the operation.
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the operation as a Homeowners Association;
3. does not omit any material fact;

4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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 Homeowners Association operation but merely an opinion of their vitality.

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

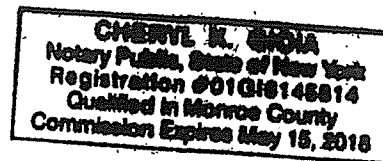


Richard K. Aikens
Kenrick Corporation

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

Sworn to before me this 24th day
of June 2015.


Notary Public



RKA/lbk

THE RESERVE ASSOCIATION, INC.

**FINANCIAL STATEMENTS
MAY 31, 2015**

THE RESERVE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Reserve Association, Inc., which comprise the balance sheet as of May 31, 2015, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Reserve Association, Inc. at May 31, 2015, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Eric D. Richards & Co., LLP

Rochester, New York
June 25, 2015

THE RESERVE ASSOCIATION, INC.

BALANCE SHEET

MAY 31, 2015

ASSETS

Assets

Cash and cash equivalents	\$ 11,930
Accounts receivable from homeowners	390
Accounts receivable from sponsor	1,739
Accounts receivable from other associations	<u>5,718</u>
Total assets	\$ <u><u>19,777</u></u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ 19,226
Advance payments from homeowners	<u>439</u>
Total liabilities	<u>19,665</u>

Fund balances

Operating	0
Major maintenance	<u>112</u>
Total fund balances	<u>112</u>
	\$ <u><u>19,777</u></u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2015**

	Operating <u>Fund</u>	Major Maintenance <u>Fund</u>	<u>Total</u>
Revenues			
Common charges	\$ 7,775	\$ 111	\$ 7,886
Working capital	3,101	0	3,101
Sponsor contributions	26,739	0	26,739
Interest	5	1	6
Other	2,718	0	2,718
	<u>40,338</u>	<u>112</u>	<u>40,450</u>
Total revenues			
Expenses			
Landscaping and grounds maintenance	5,975	0	5,975
Trash removal	385	0	385
Snow removal	30,051	0	30,051
Administrative expenses	323	0	323
Management fees	960	0	960
Insurance	2,644	0	2,644
	<u>40,338</u>	<u>0</u>	<u>40,338</u>
Total expenses			
Excess of revenues over expenses	0	112	112
Transfers	0	0	0
Fund balances - beginning of year	0	0	0
Fund balances - end of year	\$ <u>0</u>	\$ <u>112</u>	\$ <u>112</u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MAY 31, 2015

Cash flows from operating activities:	
Excess of revenues over expenses	\$ 112
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided by operating activities:	
(Increase) decrease in:	
Accounts receivable from homeowners	(390)
Accounts receivable from sponsor	(1,739)
Accounts receivable from other associations	(5,718)
Increase (decrease) in:	
Accounts payable	19,226
Advance payments from homeowners	439
Net cash and cash equivalents provided by operating activities	11,930
Cash and cash equivalents - beginning of year	<u>0</u>
Cash and cash equivalents - end of year	<u>\$ 11,930</u>
Supplemental disclosure of cash flow information:	
Cash paid for income taxes	<u>\$ 0</u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1: SUMMARY OF OPERATIONS

The Association was incorporated under Section 402 of the New York State Not-for-Profit Corporation Law on December 20, 2011, for the purpose of owning common land, recreational facilities and a community center and maintaining the common areas (consisting of asphalt, sidewalks, driveways, clubhouse, and pool) of The Reserve Association, Inc., in Brighton, New York. The Association is a master association for other condominium and homeowner associations consisting of one hundred and twenty six units in phase I with an additional two hundred and one units in phase II. Currently, there are eleven condominiums and two single family homes sold. The homeowners elect a board of directors who hire an independent property management firm to manage the Association. Currently, Anthony J. Costello & Son Development, LLC. (Sponsor), is in control of the board.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The Association's tax returns for the years ending 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

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

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through June 25, 2015, the date the financial statements were available to be issued.

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to homeowners for the year ended May 31, 2015 were \$119, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of homeowners are determined by the board of directors. The Association retains any operating surplus for use in future operating years. Additionally, there are monthly surcharges for related entities ranging from \$10 to \$167 for landscaping, snow and trash removal, and road maintenance. There is an optional monthly cable charge of \$80. For the year ended May 31, 2015, the Sponsor opted not to assess the surcharge for related entities. As of June 1, 2015, the monthly assessments and surcharges remained the same and will be assessed to all homeowners.

The homeowners are assessed two months common charges for working capital at the time of closing their unit.

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

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Kenrick Corporation for management of its operations. The agreement provides for a monthly fee of \$960 for the year ended April 30, 2016.

NOTE 5: SPONSOR ASSESSMENTS

The Sponsor is required to pay operating deficits until all units are sold, or November 13, 2028, whichever ever comes first.

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

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

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

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 7: CONCENTRATIONS OF CREDIT RISK

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

See independent auditors' report.



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

Kenneth Bonn Jr.
Joseph P. Dioguardi Jr.
Michael S. Ray
Allison M. Notaro

Michael S. Boychuk
Thomas A. Walter
William S. Bailey

70 Linden Oaks Office Park, Rochester, NY 14625
www.bdrllp.com • 585-381-9888 • Fax: 585-248-0803

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

We have audited the financial statements of The Reserve Association, Inc. as of and for the year ended May 31, 2015, and our report thereon dated June 25, 2015, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bonn, Dioguardi & Ray, LLP

Rochester, New York
June 25, 2015

THE RESERVE ASSOCIATION, INC.

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

MAY 31, 2015

The offering plan contains a study to estimate the remaining useful lives and the replacement costs of components of common property. The estimates were based on estimated current replacement costs.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Asphalt sealing	3	\$ 7,804
Sidewalk replacement	60	106,848
Driveway sealing	3	3,706
Clubhouse		
Roof	40	113,000
HVAC	25	120,000
Elevator	60	75,000
Pool - plaster	20	11,500
Pool - equipment	15	28,000
Flooring	20	44,860
Deck	25	16,800

See independent auditors' report on supplemental information.

AMENDMENT NO. 8
The Reserve Association, Inc.

This is the eighth amendment to the Offering Plan for The Reserve Association, Inc. The purposes of this amendment are to disclose changes to the development and extend the term of the offering.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 closed on December 22, 2014 in Rochester, New York. Five additional homes have since closed. The remaining 34 lots are owned by Sponsor. One lot is under contract, being lot F-16. A list of the unsold homes is as follows: F1, 2, 5, 6, 8-18, 20 and 21. Also, W1 6-9 and 12-19.

2. There are no homes occupied by tenants. Construction is continuing.

3. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.

4. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Directors are Brett Costello, President, and Timothy Reidy, Secretary/Treasurer. Both have business addresses at One Airport Way, Rochester, New York 14624. Brett Costello is the Principal of the Sponsor and Timothy Reidy is an employee of the Sponsor entity.

5. The principal of the Sponsor, Anthony J. Costello, died on March 13, 2016. His son, Brett A. Costello, succeeds him as Manager of the Sponsor. Brett Costello has many years of experience in real estate development in the Rochester area. A new Certification of sponsor is attached as Exhibit A.

6. A new budget for the year June 1, 2016 to May 31, 2017 is attached as Exhibit B. A certification of the budget is attached as Exhibit C.

7. Certified financial statements for the year ending May 31, 2017 are not yet available. The Sponsor will file another amendment to this plan once the new financial statements become available.

8. The Sponsor's address has changed to One Airport Way, Suite 300, Rochester, New York 14624. A N.Y. Form M-3 has been filed with the New York State Department of Law to set forth this change of address.

9. Neither the Sponsor nor its new principal has made prior offerings of cooperative interests in realty except that Brett Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Glenville Condominium Two (file number CD14-0320), Watermark Brownstones One (file number CD12-0005), Frankfort Condominium (file number CD12-0002), Rexford Condominium, (file number CD12-0006) and Brewerton Condominium (file number CD15-0218). The Sponsor is current on

all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

10. A number of changes have been made to the development with Town of Brighton approval. As set forth in the last amendment, the Brewerton neighborhood has been changed to townhome condominiums based on market demand. This increased the number of homes in Brewerton from 26 to 35. In light of this, Sponsor was required to reduce the number of loft condominiums to keep the total number of condominiums in the overall development the same. This was required by the Town.

11. The new loft arrangements will be as follows:

- a) The Rexford Condominium has been abandoned.
- b) The future planned lofts, Frankfort, Champlain, Kingston and Pendleton will each have 32 units and the future planned Black Rock Condominium will have 16 Units, for a total of 144 loft condominiums.
- c) The total approved lots in the development remains at 327. The Sponsor reserves the right to change aspects of the development from time to time based on market demand.

12. (a) A reserve fund has been started. The reserve has a balance of \$4,555.

(b) There is a working capital fund. It contains \$4,655. The funds are deposited in the Community Association Banc, a division of Mutual of Omaha Bank, PO Box 64084, Phoenix AZ 85082. The name of the account is "The Reserve Association, Inc. Working Capital."

13. Sponsor is financially obligated to complete the balance of the development known as the Reserve on the Erie Canal and to maintain and repair the Covered Areas as defined in the Plan.

14. The aggregate taxes for units owned by Sponsor is \$10,222.00 per month and Sponsor is paying these as they come due.

15. The aggregate monthly association charges for all single-family homes owned by Sponsor is \$8,846. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by all Homes that have closed in the Reserve development. All sections of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Areas.

16. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$14,854,446 and the maturity date is August 31, 2017. The loan is paid by monthly payments of interest only. The amount varies monthly. The interest rate is 4%, but varies with the prime rate. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating

to the Association, including the financing obligations and has been for the last twelve months.

17. The financial obligations of the Sponsor in paragraphs 13, 14, 15, 16 will be met by sales and other assets of the Sponsor.

18. The purchase agreement has been amended to state that purchasers must make their selections within ten (10) days after written notice, and if purchaser does not, Sponsor will make selections. A revised purchase agreement is attached as Exhibit D.

19. The Escrow Agreement has been amended to add Kelly Ross Brown, Esq. as a signatory on the escrow account. An amended Escrow Agreement is attached as Exhibit E.

20. The architect's report in the plan suggests that the Sponsor will provide a topcoat for all Unit driveways. The topcoat is usually provided within 18-24 months after the home closes. Commencing with new contracts signed after July 31, 2016, the Sponsor will not be providing topcoats on driveways. It will become an obligation of the Purchaser. The Sponsor will continue to provide the crushed stone base and the asphalt binder course of the driveway, as provided in the architect's report in Section (c) (2).

21. The plan is further amended to provide that the Association shall have access to the Owners' outside water taps for landscaping purposes only.

22. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment.

Anthony J. Costello & Son (Joseph) Development, LLC,
Sponsor

ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC
One Reserve View Boulevard
Rochester, New York 14618

March 29, 2016

State of New York
Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor New
York, New York 10271

Re: The Reserve on the Erie Canal
Town of Brighton, Monroe County, New York

Gentlemen:

We are the Sponsor and the principal of the Sponsor of the Condominium Offering Plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the New York General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable.

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

- (1) Set forth the detailed terms of the transaction and be complete, current, and accurate;
- (2) Afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment;
- (3) Not omit any material fact;
- (4) Not contain any untrue statement of a material fact;
- (5) Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;
- (6) Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

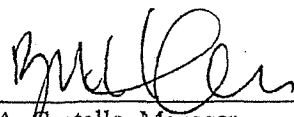
(7) Not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

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

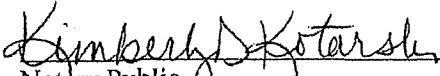
Very truly yours,

Anthony J. Costello & Son (Joseph) Development,
LLC

By: _____


Brett A. Costello, Manager

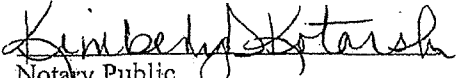
Sworn to before me this 29th
day of March, 2016.


Notary Public

KIMBERLY D. KOTARSKI
Notary Public, State of New York
No. 01KO5076581
Qualified in Genesee County
Commission Expires April 21, 2019


Brett A. Costello

Sworn to before me this 29th
day of March, 2016.


Notary Public

KIMBERLY D. KOTARSKI
Notary Public, State of New York
No. 01KO5076581
Qualified in Genesee County
Commission Expires April 21, 2019

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EXHIBIT A

**SCHEDULE A – APPROVED
BUDGET FOR THIRD YEAR OF HOA OPERATION
JUNE 1, 2016 – MAY 31, 2017**

126 Homes or Units

Post Clubhouse Opening and Including Expenses for the Clubhouse

Projected Income

			<u>Notes</u>
A.	Universal Maintenance Charges	\$393,397.00	1
	\$3,122.20 per home annually		
	\$260.18 per home monthly		
B.	Neighborhood Surcharges	\$163,300.00	2
	for Glenville Condominium One, Glenville		
	Condominium Two, Ft. Plain, Waterford,		
	Watermark Brownstones & Brewerton		
	Neighborhoods. See Footnote 2.		
	Total	\$556,697.00	

Projected Expenses

			<u>Notes</u>
A.	Expenses -Universal Maintenance Charges		
	Labor	\$187,386.00	9
	Clubhouse Electricity	\$ 27,153.00	13
	Clubhouse Water	\$ 515.00	12
	Clubhouse Telephone & cable	\$ 2740.00	14
	Repairs, Maintenance and Supplies		
	Clubhouse Repair	\$ 12,000.00	16
	Clubhouse HVAC Maintenance	\$ 6,000.00	15
	Clubhouse Pool Maintenance	\$ 4,000.00	18
	Landscaping	\$ 26,257.00	4
	Clubhouse Cleaning	\$ 37218.00	11
	Irrigation Maintenance	\$ 6000.00	5
	Road Maintenance	\$ 1,000.00	8
	Snow Removal		
	Snow Plowing	\$ 9,600.00	6
	Snow Shoveling of Sidewalks	\$ 6,480.00	7
	Clubhouse Rubbish Removal/Recycling	\$ 535.00	17
	Insurance	\$ 13,103.00	20
	Management Fees	\$ 24,192.00	21
	Legal Fees	\$ 1,000.00	23
	Accounting Fees	\$ 2,000.00	22
	Taxes		
	Real Estates Taxes	\$ 114.00	24
	Income Taxes	\$ 100.00	25
	Reserves	\$ 15,208.00	26
	Other		
	Administrative / Office Costs	\$ 3,600.00	19
	Security Automobile	\$ 7,196.00	10
	Subtotal	\$393,397.00	

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EXHIBIT B

B. Expenses Corresponding to Neighborhood
Surcharges

Landscaping	\$107,450.00	27
Snow Removal	\$ 42,922.00	28
Rubbish Removal/Recycling	\$ 12,519.00	29
Contingency	<u>\$ 409.00</u>	30

Subtotal	\$163,300.00
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Total	\$556,697.00
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The Reserve Association, Inc.

Footnotes to Schedule A

June 1, 2016 – May 31, 2017

1. **Projected Income - Universal Maintenance Charges.** Each Unit Owner will pay \$260.18 in monthly Assessments to the Association.
2. **Projected Income – Neighborhood Surcharges** –The Association is furnishing certain services throughout the Development, but the costs are being allocated by neighborhood based upon differing benefit levels. As a result, in addition to the charges explained under Footnote 1 paid by all Units, an additional monthly neighborhood surcharge (“Neighborhood Surcharges”) will be payable to the Association by neighborhood as set forth below:

Glenville Condominium One

\$1,207.33 per home per year, payable	
\$100.61 monthly based on 24 homes	\$28,976.00 annually

Ft. Plain Single Family Homes

\$2037.86 per home per year, payable	
\$169.82 monthly based on 21 homes	\$42,795.00 annually

Waterford Single Family Homes

\$116.79 per home per year, payable	
\$9.73 monthly based on 19 homes	\$ 2,219.00 annually

Glenville Condominium Two

\$1,227.86 per home per year payable	
\$102.32 monthly based on 22 homes	\$27,013.00 annually

Brewerton Condominium

\$1,540.83 per home per year payable	
\$128.41 monthly based on 35 homes	\$53,929.00 annually

Watermark Brownstone One Condominium

\$1,394.66 per home per year payable	
\$116.23 monthly based on 6 homes	\$ 8,368.00 annually

Total	\$163,300.00
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3. **Projected Expenses** – Projected Expenses are comprised of (i) category A, Expenses Corresponding to Universal Maintenance Charges, and (ii) category B, Expenses Corresponding to Neighborhood Surcharges; footnotes 28 through 31 itemize, for each neighborhood, all expenses which Members pay as Neighborhood Surcharges.
4. **Landscaping** – \$26,257 The following services are quoted by TLC Lawn and Landscape, LLC,: Grass cutting/trimming, Mechanical edging twice (at roads), Four lawn fertilization and weed control trips, ornamental tree and shrub care. All quotes in this and the following notes include sales tax whenever applicable.

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EXHIBIT B

5. **Irrigation Maintenance** – Based on actual costs for irrigation system for along the Boulevard, canal and clubhouse.
6. **Snow Plowing** – The following service for the private roads including of Reserve View Circle, public canal access, canal to Watermark Landing West, Watermark Landing East and West and parking area, is quoted by TLC Lawn and Landscape, LLC: clearance commences whenever snowfall reaches an average depth of two inches.
7. **Snow Shoveling of Sidewalks** – All clubhouse exits and walks and pool deck: TLC Lawn & Landscape, LLC.
8. **Road Maintenance** – Routine repair (eg. filling of potholes), of the private road asphalt is estimated at \$1,000 annually. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund (see Note 27 below).
9. **Labor** – a. Two full-time positions for Concierge/Administrators, one full-time manager/trainer and one part-time maintenance person. These personnel will be employees of AJ Costello & Son with the Association to reimburse AJ Costello & Son for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs.

Wages (3 full-time positions for Clubhouse)	\$113,240.00
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Taxes and Benefits

FICA	\$ 8,663.00
Health Insurance	\$ 15,072.00
State Long Term Disability	\$ 164.00
Worker's Comp	\$ 3,963.00
Unemployment Insurance (NYS)	\$ 1,902.00
Unemployment Insurance (Fed)	\$ 193.00
Life Insurance	\$ 183.00
Employee Assistance Program	\$ 1,729.00
Fee, 5% of wages, inclusive of payroll	<u>\$ 5,662.00</u>
Total	\$ 150,771.00

Wages (1 part-time position for Maintenance)	\$ 27,500.00
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Taxes and Benefits

FICA	\$ 2,104.00
Health Insurance	\$ 3,660.00
State L-T Disability	\$ 40.00
Worker's Comp	\$ 963.00
Unemployment Insurance (NYS)	\$ 462.00
Unemployment Insurance (Fed)	\$ 47.00
Life Insurance	\$ 44.00
Employee Assistance Program	\$ 420.00
Fee, 5% of wages, inclusive of payroll	<u>\$ 1,375.00</u>
Total	\$ 36,615.00

All such provisions are based on an assumption that any such employees will not be union members. However, it should be noted that a union affiliation may be possible and costs may be altered accordingly. The projected level of future staffing and compensation as proposed complies

with all applicable housing, labor and minimum wage laws. Taxes and benefit costs are assumed to comply with rates then in effect.

10. **Security Automobile** – Estimates: lease including tax: \$2,396, Insurance: \$1,500, Fuel: \$3,000, and Maintenance: \$300.
11. **Clubhouse Cleaning** – Based on actual costs from McNair Building Service, Inc., PO Box 26253, Rochester, NY.
12. **Clubhouse Water** – Based on actual usage.
13. **Clubhouse Electricity** – Based on actual usage.
14. **Clubhouse Telephone & Cable** – Based on actual usage
15. **Clubhouse HVAC Maintenance** – Based on actual costs.
16. **Clubhouse Repair** – Based on actual costs.
17. **Clubhouse Rubbish Removal/Recycling** – Weekly rubbish and recyclables pick-up is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide 96 gallon wheeled tote; the quote is \$535 per year including tax.
18. **Clubhouse Pool Maintenance** – Based on actual costs from Beauty Pools, Inc., 2000 Commerce Parkway, Lancaster, NY for weekly service (cleaning and maintenance) for a 15-week season.
19. **Administrative / Office Costs** – Based on actual expenses, plus clubhouse office expenses.
20. **Insurance** – The quote of \$13,103 provided by First Niagara Risk Management, Inc., 777 Canal View Boulevard, Rochester NY. Provides liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, replacement cost fire/casualty insurance covering the Clubhouse, and its equipment, furniture and furnishings, as well as replacement cost casualty insurance on the pool/spa and all Development signage, with a deductible of Two Thousand Five Hundred Dollars (\$2,500).

The coverage is as follow:

Building	\$5,780,000
Business Personal Property	\$ 662,000
Pool	\$ 230,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

21. **Management** – Management services are to be provided by Kenrick Corporation: the budget amount is based on a Management Agreement with said entity.

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EXHIBIT B

22. **Accounting Fees** – Annual certified audit: Bonadio & Co., LLP, certified public accountant, 171 Sully's Trail, Pittsford NY.
23. **Legal Fees**– For minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted.
24. **Real Estate Taxes** – A property tax assessment of \$1,000 each for the three (3) tax parcels within the Covered Areas to be owned by the Association in fee simple, has been provided BY Bruckner, Tillett, Rossi, Cahill & Associates, 110 Linden Oaks, Suite B, Rochester NY. The taxing authorities issuing the two (2) subject tax bills are the County of Monroe/Town of Brighton, and the Brighton School District. For Town and County taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$13.30; yields a total annual tax bill of \$13.30 per tax parcel. For Brighton School taxes, applying the assessed valuation of \$1,000.00 against a tax rate of \$24.49; yields a total annual tax bill of \$24.49 per tax parcel.
25. **Income Tax: New York State Franchise Tax** – It is unlikely that there would be any Franchise Tax due. The nominal \$100 budgeted is to represent a tax that may occur in later years of the life of the Association. **Federal Income Tax** – Budgeted at \$0 since there is a \$100 exemption and tax only on interest revenue which is anticipated to be minimal.
26. **Reserves:** Reserves are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$15,208. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED ON THE ADEQUACY OF THE FUNDS FOR RESERVES.
27. **Landscaping (Neighborhood Surcharges):** The total of \$107,450 is itemized as follows:
- Glenville Condominium One Landscaping:** \$18,027 – the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, Mechanical edging (at road), four lawn fertilization and weed control trips, four ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.
- Glenville Condominium Two Landscaping:** \$16,775 – the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, Mechanical edging (at road), four lawn fertilization and weed control trips, four ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.
- Fort Plain Landscaping:** \$32,494 – the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, Mechanical edging (at road), four lawn fertilization and weed control trips, four ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.
- Brewerton Condominium Landscaping:** \$36,352 - the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, Mechanical edging (at road), four lawn fertilization and weed control trips, four ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.

Watermark Brownstones One Condominium Landscaping: - \$3,802 - the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, Mechanical edging (at road), four lawn fertilization and weed control trips, four ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.

28. **Snow Removal (Neighborhood Surcharges):** The total of \$42,922 plus salting is itemized as follows:

Glenville Condominium One Snow Plowing: \$8,382 – Snow removal for driveways & walkways per estimate with Oxford East: clearance commences whenever snowfall reaches an average depth of two inches including applications of salt.

Glenville Condominium Two Snow Plowing: \$7,885 – Snow removal for driveways & walkways per estimate with Oxford East: clearance commences whenever snowfall reaches an average depth of two inches including applications of salt.

Fort Plain Snow Plowing: \$7,833 – Snow removal for driveways & walkways per estimate with Oxford East: clearance commences whenever snowfall reaches an average depth of two inches including applications of salt.

Brewerton Condominium Plowing: \$14,742 – Snow removal for driveways & walkways per estimate with Oxford East: clearance commences whenever snowfall reaches an average depth of two inches including applications of salt.

Watermark Brownstones One Condominium Plowing: \$4,080 – Snow removal for driveways & walkways per estimate with Oxford East: clearance commences whenever snowfall reaches an average depth of two inches including applications of salt.

29. **Rubbish Removal/Recycling (Neighborhood Surcharges):** The total of \$12,519 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$2,567 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$8.91 per house per month.

Glenville Condominium Two Rubbish Removal/Recycling: \$2353 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$8.91 per house per month.

Fort Plain Rubbish Removal/Recycling: \$2,246 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$8.91 per house per month.

Waterford Rubbish Removal/Recycling: \$2,032 – Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$8.91 per house per month.

Brewerton Condominium Rubbish Removal/Recycling: \$2,835 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$6.75 per house per month.

Watermark Brownstone One Condominium Rubbish Removal/Recycling: \$486 - Weekly rubbish and recycle pickup is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$6.75 per house per month.

30. **Contingency (Neighborhood Surcharges):** The total of \$409 is itemized as follows:

Fort Plain Contingency: \$222 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

Waterford Contingency: \$187 – The contingency fund is intended to provide for any unanticipated expenses, or unanticipated increases in projected expenses.

The foregoing budget projection is not intended as a guarantee that the assessments or surcharges will be as set forth in this projection.

KENRICK

CORPORATION

July 22, 2016

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd floor
New York, New York 10271

Re: The Reserve Association, Inc.
Town of Brighton, New York

The Sponsor of the Homeowners Association has retained me to review the annual budget containing projections of income and expenses for the fiscal year, June 1, 2016 – May 31, 2017. My experience in this field includes:

Involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (49) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to Schedule A.

I have reviewed the schedule and investigated the facts set forth in Schedule A, and the facts underlying them with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential properties.

I certify that the projections in Schedule A appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year or operation as a Homeowners Association.

I certify that the Schedule:

1. sets forth in detail the terms of the projected income and expenses for the operation.
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the operation as a Homeowners Association;
3. does not omit any material fact;

4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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 Homeowners Association operation but merely an opinion of their vitality.

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

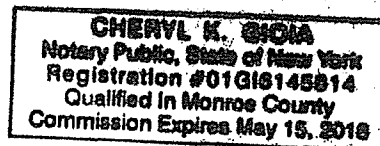


Richard K. Aikens
Kenrick Corporation

STATE OF NEW YORK}
COUNTY OF MONROE} ss:

Sworn to before me this 22nd day
of July 2016.

Cheryl K. Biron
Notary Public



RKA/lbk

PURCHASE AGREEMENT

Lot _____

The Reserve on the Erie Canal

AGREEMENT, made as of _____, 20____, between ANTHONY J. COSTELLO & SON (JOSEPH) DEVELOPMENT, LLC, having an office at One Airport Way, Suite 300, Rochester, New York 14624, as seller ("Sponsor" and _____ having an address of _____, as purchaser ("Purchaser").

RECITALS

A. Sponsor is the sponsor of an Offering Plan for The Reserve Association Inc., encompassing the Development known as The Reserve on the Erie Canal, located in the Town of Brighton, County of Monroe, State of New York (the "Property"). Purchaser wishes to purchase a lot in the Development and a detached single family dwelling to be constructed by the Sponsor. (the "Unit").

B. The Property and the Unit are subject to the Declaration and By-Laws of The Reserve Association Inc. (the "HOA"), with membership in the HOA mandatory upon purchase of the Unit.

NOW, THEREFORE, in consideration of mutual promises, the parties agree as follows:

1. THE OFFERING PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for The Reserve Association Inc. (the "Plan") and all amendments thereto, at least three (3) business days prior to Purchaser signing this Agreement. The Offering Plan is incorporated herein by reference. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern.

2. THE UNIT. Sponsor agrees to construct and convey, and Purchaser agrees to purchase, the Unit to be constructed by the Sponsor on Lot _____ of the Development, pursuant to Paragraph 4, below.

3. PURCHASE PRICE.

a) The purchase price ("Purchase Price") is as follows:

Base Price	\$ _____
Charges for all extras ("Extras Charges") Per Exhibit A	\$ _____
Total Purchase Price	\$ _____

The Purchase Price is payable as follows:

- (i) \$_____ (the "Deposit"), due upon Purchaser's signing this Agreement; and
- (ii) \$_____ (the "Extras Payment"), due upon Purchaser's signing this Agreement; and
- (iii) \$_____, constituting the balance of the Purchase Price, by certified check or official bank check, payable at Closing.

(iv) If Sponsor and Purchaser have previously entered into a Unit Reservation Agreement with respect to the Unit, it is deemed terminated upon execution of this Purchase Agreement. Purchaser hereby elects to apply the Unit Reservation Deposit of \$_____, if previously paid, against payment of the Deposit due upon the Purchaser's signing of this Agreement.

b) Checks for the Deposit and any Extras payment shall be made payable to Woods Oviatt Gilman LLP as Escrow Agent for The Reserve Association, Inc. Checks for the balance of the Purchase Price, shall be made payable to Anthony J. Costello & Son (Joseph) Development, LLC.

c) Woods Oviatt Gilman LLP, with an address at 2 State Street, Rochester, New York 14614, telephone number (585) 987-2800, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The Escrow Agent has established the escrow account at Northwest Savings Bank, located at 36 West Main Street, City of Rochester, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Woods Oviatt Gilman LLP Escrow Account for The Reserve Association Inc. ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Escrow Agent has designated the following attorneys to serve as signatories: Paula A. Lapin, Esq., Kelley Ross Brown, Esq., and Jerry Goldman, Esq. The designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor either authorized signatory on the account is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or has any beneficial interest in any of the foregoing. The complete terms of the escrow are set forth in the Escrow Agreement attached hereto. **YOU MUST SIGN THE ESCROW AGREEMENT IN ORDER FOR THIS PURCHASE AGREEMENT TO BE EFFECTIVE.**

4. CONSTRUCTION OF UNIT. Sponsor agrees to construct and sell, and Purchaser agrees to purchase, the Unit to be completed by Sponsor in accordance with plans and specifications on file in the Sponsor's office (the "Unit Plans"), including the Extras.

In the event any finish selections, or other required selections to be made by the Purchaser are not included within the Unit Plans, if the Purchaser then fails to make any remaining selection(s), and such failure continues for ten (10) days after written notice from the Sponsor, then the Sponsor will proceed to make all such selections from the Sponsor's base selections list; the Sponsor will then proceed to complete the Unit based on those selection(s).

Purchaser understands that it may make changes in the Unit Plans provided that such changes are made prior to the start of construction, and that Purchaser and Sponsor reach agreement

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as to adjustment to the Purchase Price as listed on a change authorization form signed by Purchaser and Sponsor.

Sponsor reserves the right to: (i) make changes or substitutions of materials for those as set forth in the Unit Plans, provided any such changes are of equal or better value and quality; (ii) determine the final grading, site elevation, and location of the Unit, its foundation, set back, driveway, and landscaping, so as to conform to and satisfy drainage requirements, topographical conditions, and any governmental requirements.

Sponsor has the right to change grades, foundations, and footings, and the setback of the Unit if underground conditions are such that the original placement is inadvisable. Underground conditions can be the result of rock, water, soil type or any other condition which in the judgment of Sponsor would necessitate a change in elevation or setback, or result in extraordinary construction costs or necessitate unusual construction methods.

While the Sponsor is obligated to timely complete the Unit and to obtain a certificate of occupancy therefor from the Town of Brighton, as more fully set forth in this Purchase Agreement and the Offering Plan, the Sponsor may at its option defer the commencement of construction of the Unit until all of the contingencies to Purchaser's obligation under Section 5 below are waived or satisfied.

5. CONTINGENCIES ON PURCHASER'S OBLIGATIONS.

A. The Purchaser's obligations under this Agreement are contingent on Purchaser obtaining a written commitment for a mortgage loan (the "Mortgage Loan"), from a lender of Purchaser's choice (the "Lender"), in an amount not in excess of \$_____, at such rate of interest which the Lender may lawfully charge, and subject to such other terms and conditions as the Lender may lawfully require. Any conditions of Purchaser's mortgage commitment will not be conditions of this Agreement, but shall be the sole responsibility of the Purchaser. Acceptance of a written mortgage commitment by the Purchaser shall be deemed a waiver and satisfaction of this contingency.

(i) Purchaser agrees to make application to its Lender within five (5) business days from the date of this Agreement, and to pursue the application in good faith. Once a Purchaser receives a written mortgage commitment ("Commitment"), Purchaser must provide the Sponsor with a copy within five (5) days of receipt. All fees, and expenses which may arise by reason of Purchaser's Mortgage Loan, shall be borne exclusively by Purchaser.

(ii) In the event the Purchaser fails to obtain a Commitment from the Lender within _____() days from the date of this Agreement, the Purchaser shall have the right to cancel this Agreement by written notice to the Sponsor within ten (10) days after the expiration of such period. Upon any termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with Sponsor to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser to the Sponsor within the ten (10) day period, the above financing contingency clause shall be deemed automatically waived.

B. Purchaser's obligations under this Agreement are contingent upon the Purchaser securing a firm contract for the sale of the property located at _____ no later than _____, 20____. If Purchaser is unable to obtain such a firm contract for the sale

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within _____ (_____) days from the date a fully executed copy of this Agreement is given to Purchaser, the Purchaser shall have the right to cancel this Agreement by written notice to the Sponsor within ten (10) days after the expiration of such period. Upon any termination by the Purchaser, the Deposit will be returned to the Purchaser within twenty (20) days after receipt of such notice, but with the Sponsor to retain any Extras Charges paid by Purchaser. If such notice is not sent by the Purchaser within such ten (10) day period, the above sale contingency clause shall automatically be deemed waived.

6. CLOSING OF TITLE.

Sponsor shall notify Purchaser in writing as to the date and time of Closing, which shall take place on or about _____ days after all contingencies for Purchaser's benefit under Section 5 above are waived or satisfied. That date shall be referred to herein as the "Original Scheduled Closing Date". The estimated closing date shall be _____, 201_.

Notwithstanding anything else herein the Sponsor is unconditionally obligated to complete the Unit and to procure a certificate of occupancy therefor from the Town of Brighton no later than the second (2nd) anniversary of the date of Purchaser's signature of this Agreement.

If there is a Lender involved in this transfer, and the Lender, notwithstanding the issuance of a certificate of occupancy for the Unit, requires the establishment of an escrow to secure or fund the completion of punchlist or weather-related work in or about the Unit, such item(s) will not constitute an objection to Closing provided that a reasonable escrow fund is deposited by the Sponsor with the Lender corresponding to the Lender's inspection report identifying such work. All monies in said escrow fund will be paid by the Lender directly to the Sponsor when the Lender deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing for any funds so held in escrow.

If there is no Lender involved, any such incomplete item(s) will not constitute an objection to Closing provided the Town of Brighton has issued such a certificate of occupancy. In such event, the parties shall establish a list of incomplete items, which shall provide for the estimated time of completion, subject to Sponsor's Two Year Completion Obligation as defined in the Plan, with no escrow to be held.

7. POSSESSION PRIOR TO CLOSING. Purchaser may not take possession of the Unit prior to the time of Closing unless Purchaser is expressly authorized in writing by Sponsor. Any such pre-closing occupancy shall be at the sole discretion of the Sponsor.

8. TITLE DOCUMENTS.

a) Sponsor shall provide to Purchaser's attorney at least fifteen (15) days in advance of Closing, fully guaranteed tax, title and United States District Court Searches dated or redated subsequent to the date of this Agreement.

b) At the Closing, Sponsor shall deliver to Purchaser a warranty deed with lien covenant conveying to the Purchaser marketable title to the Unit, free and clear of all liens and encumbrances with the exception of Permitted Encumbrances as set forth in the Plan.

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c) At Closing, Sponsor agrees to deliver to Purchaser a certificate of occupancy for the Unit as issued by the Town of Brighton.

9. CLOSING ADJUSTMENTS. Subject to Paragraph 10 hereof, the following adjustments shall be made as of midnight on the day before the Closing: real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed; and assessments for the month, or portion of the month, in which title closes.

10. ADDITIONAL CLOSING COSTS.

a) In addition to all other sums payable elsewhere under this Agreement, at Closing Purchaser shall pay:

(i) a charge to Sponsor for its procuring of a survey of the Unit, being the sum of \$ _____;

(ii) all premiums for any title policies insuring the Purchaser's or Lender's interests, Lender's and Purchaser's attorneys' fees, all charges imposed or exacted by the Lender in connection with the Mortgage Loan, and all mortgage recording taxes;

(iii) all New York State real estate transfer tax on the deed, including any "Mansion Tax";

(iv) all recording and filing charges payable to any public official;

(v) payment to the Board of Directors of an initial non-reimbursable working capital contribution equal to two (2) months Assessments; and

(vi) a charge to Sponsor reimbursing its expense for a water meter fee of \$215, and Town of Brighton recreation fee of \$700.

11. DEFAULT BY PURCHASER.

a) If Purchaser fails to make any payment when required or fails to perform any of Purchaser's other obligations, Sponsor shall give notice to Purchaser of such default. If such default shall not be cured within ten (10) days thereafter, Sponsor may terminate this Agreement by written notice to Purchaser. If Sponsor elects to terminate this Agreement, (a) Sponsor may retain all Deposits and Extras Charges as liquidated damages, and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights or liability against the other.

b) If Purchaser fails for any reason to Close on the Originally Scheduled Closing Date, then at Sponsor's option the Closing adjustments described in Section 9 of this Agreement will be made as of the Originally Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor an amount equal to interest on the Purchase Price at the rate of nine percent (9%) per annum until paid.

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c) All rights and remedies of Sponsor under this Section 11 are cumulative of and in addition to all rights and remedies under Section 12 below.

12. **DEFAULT BY SPONSOR OR PURCHASER.** Upon any default by Sponsor or Purchaser under this Agreement, the other party shall be entitled to all rights and remedies available under law and/or equity, without limitation or restriction whatsoever, including, but not limited to, the right of specific performance.

13. **DAMAGE TO THE UNIT.** The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of Closing, or possession of the Unit by Purchaser, with Sponsor obligated to then repair or restore the Unit, and with this Agreement to continue in full force and effect. Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration; provided, that Sponsor must complete the same so as to procure a certificate of occupancy for the Unit no later than the second anniversary of the date of signing of this Agreement by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor.

14. **LIMITED WARRANTY.** The sole warranty Purchaser is to receive on the Unit is the Rochester Homebuilders Association Warranty. A copy of the Warranty is contained in the fourth amendment to the Plan.

15. **NO REPRESENTATIONS.** Purchaser acknowledges that Purchaser has not relied upon any representations or warranties except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement.

16. **PROHIBITION AGAINST ADVERTISING.** Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or otherwise, or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale.

17. **BROKERS.** Sponsor will pay to any listing broker engaged by it, all commissions earned in connection with this transaction with Sponsor to have no obligation to compensate any broker engaged by Purchaser. Any division of commissions paid by Sponsor to its listing broker, with any broker engaged by Purchaser, will be pursuant to separate agreement between such brokers.

18. **PURCHASER'S ATTORNEY APPROVAL.** The Purchaser's obligations under this Agreement, are contingent upon Purchaser securing its attorney's approval of this Agreement within seven (7) calendar days after the full execution of this Agreement. The failure of Purchaser's attorney to either approve or disapprove this Agreement within said seven (7) day period shall be deemed to comprise waiver by Purchaser of the need for such approval and waiver of such contingency.

19. **AGREEMENT MAY NOT BE ASSIGNED.** Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor.

20. **NOTICES.** Any notice under this Agreement shall be in writing and hand delivered or sent postage prepaid, by certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this agreement, with a copy to

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Paula A. Lapin, Esq., 2 State Street, Rochester, New York 14614, or to such other address as either party may hereafter designate to the other in writing. Any notice either of the parties receives from the other party's attorneys shall be deemed to be notice from such party itself.

21. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers", if more than one person are purchasers, in which case their obligations shall be joint and several.

22. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be full performance of each agreement on the part of Sponsor to be performed pursuant to the provisions of this Agreement or the Plan except those herein expressly stated to survive delivery of the deed.

23. GOVERNING LAW The provisions of this Agreement shall be governed by in the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

24. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and its heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates set forth below.

SPONSOR:

ANTHONY J. COSTELLO & SON
(JOSEPH) DEVELOPMENT, LLC

Date: _____

By: _____
Name:
Title:

PURCHASER:

Date: _____

Date: _____

Seller's attorney:
Paula A. Lapin, Esq.
Woods Oviatt Gilman LLP
2 State Street
Rochester, New York 14614
585-445-2750 (direct)
585-445-2650- fax
plapin@woodsoviatt.com

Purchaser's attorney :

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THE RESERVE ASSOCIATION, INC.

ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 201_, by and among _____ ("PURCHASER"), Anthony J. Costello & Son (Joseph) Development, LLC ("SPONSOR"), and WOODS OVIATT GILMAN LLP as ESCROW AGENT ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Amended and Restated Offering Plan for the Reserve Association, Inc. with the Attorney General to offer for sale single-family Homes with mandatory homeowners' association membership at premises located at Clinton Avenue, Town of Brighton, New York 14618, subject to the terms and conditions set forth in the Amended and Restated Offering Plan; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of a single-family Home with mandatory homeowners' association membership (the "Purchase Agreement") at Northwest Savings Bank, located at 36 West Main Street, Rochester, New York 14614 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Woods Oviatt Gilman LLP Escrow Account for the Reserve Association, Inc. ("Escrow Account"). The account number is 3386008555.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Paula A. Lapin, Esq., Kelley Ross Brown, Esq. and Jerry Goldman, Esq. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 2 State Street, Rochester, New York 14614, and a telephone number of (585) 987-2800.

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

EXHIBIT E

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

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 All Deposits, except for advances made for upgrades, extras or custom work received in connection with the Purchase Agreement are, and shall continue to be, the Purchaser's money and may not be commingled with any other money, or pledged or hypothecated by Sponsor, as per GBL §352-h.

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

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

3.3.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the membership interest;

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

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

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

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

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

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

4. RECORD KEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

7. TERMINATION OF AGREEMENT.

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

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

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

13. WAIVER VOID.

Any provisions in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligations of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL§352-e(2-b) and §352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan or any amendment thereto.

14. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

WOODS OVIATT GILMAN LLP

By: _____
Paula A. Lapin, Esq.

PURCHASER(S)

Anthony J. Costello & Son (Joseph) Development,
LLC, Sponsor

By: _____
Brett A. Costello, Manager

AMENDMENT NO. 9
The Reserve Association, Inc.

This is the ninth amendment to the Offering Plan for The Reserve Association, Inc. The purpose of this amendment is to extend the term of the offering.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 closed on December 22, 2014 in Rochester, New York. Five additional homes have since closed. The remaining 34 lots are owned by Sponsor. One lot is under contract, being lot F-16. A list of the unsold homes is as follows: F1, 2, 5, 6, 8-18, 20 and 21. Also, W1 6-9 and 12-19.

2. There are no homes occupied by tenants. Construction is continuing.

3. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.

4. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Director is Brett Costello, President. Mr. Costello has a business addresses at One Airport Way, Rochester, New York 14624. Brett Costello is the Principal of the Sponsor.

5. A new budget for the year June 1, 2016 to May 31, 2017 and a certification of same was included in the last amendment. Certified financial statements for the year ending May 31, 2016 are now available and are attached as Exhibit A. When the new budget is adopted, the Sponsor will distribute it to owners and prospective purchasers along with a new certification of adequacy of budget.

6. Neither the Sponsor nor its principal has made prior offerings of cooperative interests in realty except that Brett Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Glenville Condominium Two (file number CD14-0320), Watermark Brownstones One (file number CD12-0005), Frankfort Condominium (file number CD12-0002), and Brewerton Condominium (file number CD15-0218). The Sponsor is current on all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

7. (a) A reserve fund has been started. The reserve has a balance of \$7,761.00.

(b) There is a working capital fund. It contains \$6,216.00. The funds are deposited in the Community Association Banc, a division of Mutual of Omaha Bank, PO Box 64084, Phoenix AZ 85082. The name of the account is "The Reserve Association, Inc. Working Capital."

8. Sponsor is financially obligated to complete the balance of the development known as the Reserve on the Erie Canal and to maintain and repair the Covered Areas as defined in the Plan.

9. The aggregate taxes for units owned by Sponsor is \$13,337.00 per month and Sponsor is paying these as they come due.

10. The aggregate monthly association charges for all single-family homes owned by Sponsor is \$8,846.00. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by all Homes that have closed in the Reserve development. All sections of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Areas.

11. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$16,662,370.00 and the maturity date is August 31, 2017. The loan is paid by monthly payments of interest only. The amount varies monthly. The interest rate is 4%, but varies with the prime rate. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating to the Association, including the financing obligations and has been for the last twelve months.

12. The financial obligations of the Sponsor in paragraphs 8,9,10 and 11 will be met by sales and other assets of the Sponsor.

13. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment.

Anthony J. Costello & Son (Joseph) Development, LLC,
Sponsor

THE RESERVE ASSOCIATION, INC.

**FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

EXHIBIT A

THE RESERVE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Reserve Association, Inc., which comprise the balance sheets as of May 31, 2016 and 2015, and the related statements of revenues, expenses and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Reserve Association, Inc. as of May 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

As described in note 6 to the financial statements, the financial statements for the year ended May 31, 2015, have been restated to properly account for certain revenues in the proper fund.

Ernst, Delgado & Ray, LLP

Rochester, New York
September 22, 2016

THE RESERVE ASSOCIATION, INC.

BALANCE SHEETS
MAY 31, 2016 AND 2015 (RESTATED)

ASSETS

	<u>2016</u>	<u>2015</u> <u>(Restated)</u>
Assets		
Cash and cash equivalents	\$ 38,410	\$ 11,930
Accounts receivable from homeowners	1,383	390
Accounts receivable from sponsor	0	4,840
Accounts receivable from affiliated associations	<u>12,059</u>	<u>5,718</u>
Total assets	<u>\$ 52,752</u>	<u>\$ 22,878</u>

LIABILITIES AND FUND BALANCES

	<u>2016</u>	<u>2015</u> <u>(Restated)</u>
Liabilities		
Accounts payable	\$ 19,924	\$ 19,226
Accounts payable to sponsor	12,270	0
Advance payments from homeowners	6,268	439
Accrued income taxes	<u>13</u>	<u>0</u>
Total liabilities	<u>38,475</u>	<u>19,665</u>
Fund balances		
Operating	0	0
Major maintenance	3,779	112
Working capital	<u>10,498</u>	<u>3,101</u>
Total fund balances	<u>14,277</u>	<u>3,213</u>
	<u>\$ 52,752</u>	<u>\$ 22,878</u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED MAY 31, 2016 AND 2015 (RESTATED)

	2016				2015 (Restated)			
	Operating Fund	Major Maintenance Fund	Working Capital Fund	Total	Operating Fund	Major Maintenance Fund	Working Capital Fund	Total
Revenues								
Common charges	\$ 89,552	\$ 3,664	\$ 0	\$ 93,216	\$ 7,775	\$ 111	\$ 0	\$ 7,886
Cable assessments	21,198	0	0	21,198	2,718	0	0	2,718
Working capital	0	0	7,393	7,393	0	0	3,101	3,101
Sponsor contributions	58,499	0	0	58,499	29,840	0	0	29,840
Interest	13	3	4	20	5	1	0	6
Other	1,854	0	0	1,854	0	0	0	0
Total revenues	171,116	3,667	7,397	182,180	40,338	112	3,101	43,551
Expenses								
Landscaping and grounds maintenance	69,602	0	0	69,602	5,975	0	0	5,975
Trash removal	1,999	0	0	1,999	385	0	0	385
Snow removal	48,528	0	0	48,528	30,051	0	0	30,051
Utilities	22,688	0	0	22,688	0	0	0	0
Administrative expenses	1,245	0	0	1,245	323	0	0	323
Management fees	4,368	0	0	4,368	960	0	0	960
Legal and professional fees	2,000	0	0	2,000	0	0	0	0
Insurance	20,673	0	0	20,673	2,644	0	0	2,644
Income taxes	13	0	0	13	0	0	0	0
Total expenses	171,116	0	0	171,116	40,338	0	0	40,338
Excess of revenues over expenses	0	3,667	7,397	11,064	0	112	3,101	3,213
Transfers	0	0	0	0	0	0	0	0
Fund balances - beginning of year as restated	0	112	3,101	3,213	0	0	0	0
Fund balances - end of year	\$ 0	\$ 3,779	\$ 10,498	\$ 14,277	\$ 0	\$ 112	\$ 3,101	\$ 3,213

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MAY 31, 2016 AND 2015 (RESTATED)

	2016	2015 (Restated)
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 11,064	\$ 3,213
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided by operating activities:		
(Increase) decrease in:		
Accounts receivable from homeowners	(993)	(350)
Accounts receivable from sponsor	4,840	(4,840)
Accounts receivable from affiliated associations	(7,241)	(5,718)
Increase (decrease) in:		
Accounts payable	698	19,226
Accounts payable to sponsor	12,270	0
Advance payments from homeowners	5,829	439
Accrued income taxes	13	0
Net cash and cash equivalents provided by operating activities	26,480	11,930
Cash and cash equivalents - beginning of year	11,930	0
Cash and cash equivalents - end of year	\$ 38,410	\$ 11,930
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 0	\$ 0

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016 AND 2015 (RESTATED)

NOTE 1: SUMMARY OF OPERATIONS

The Reserve Association Inc. was incorporated under Section 402 of the New York State Not-for-Profit Corporation Law on December 20, 2011, for the purpose of owning common land, recreational facilities and a community center and maintaining the common areas (consisting of asphalt, sidewalks, driveways, clubhouse, and pool) of the Association, in Brighton, New York. The Reserve Association Inc. is a master association for other condominium and homeowner associations consisting of one hundred and twenty-six units in phase I with an additional two hundred and one units in phase II. To date there are thirty-one units sold. Currently, Anthony J. Costello & Son Development, LLC. (Sponsor) is in control of the board. They have hired an independent property management firm to manage the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting - The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the major maintenance fund generally may be made only for designated purposes. Disbursements from the working capital fund may be made at the Board's discretion. The working capital fund is funded by the original homeowners paying two months of common charges at closing.

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

The Association's tax returns for the years ending 2013, 2014 and 2015 are subject to examination by the IRS, generally for three years after they were filed.

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

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through September 22, 2016, the date the financial statements were available to be issued.

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS MAY 31, 2016 AND 2015 (RESTATEd)

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the year ended May 31, 2016 were \$119 from June 1, 2015 to September 30, 2015, and \$260 from October 1, 2015 to May 31, 2016. For the year ended May 31, 2015 monthly assessments to owners were \$119. A portion of assessments is allocated to the major maintenance fund. The annual budget and assessments to owners is determined by the Board of Directors. The Association retains any operating surplus for use in future operating years. Beginning October 1, 2015, there were monthly surcharges for affiliated associations ranging from \$10 to \$165 for landscaping, snow and trash removal, and road maintenance. There is also an optional monthly cable charge of \$80. As of September 1, 2016, the monthly assessments and cable charges will remain the same and surcharges will range from \$10 to \$170.

Owners are assessed two months common charges to be used for working capital at the time of closing of their unit.

The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are significantly in arrears. It is the opinion of management that the Association will ultimately prevail against the homeowners whose assessments are delinquent and, accordingly, an allowance for doubtful accounts has not been established.

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Kenelok Corporation for management of its operations. The agreement has been verbally extended and provides for a monthly fee of \$16 per closed unit.

NOTE 5: SPONSOR ASSESSMENTS

The Sponsor is required to pay operating deficits until all units are sold, or November 13, 2028, whichever comes first.

NOTE 6: RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the current year, the Association determined that the fund balances were not properly accounted for in the prior year. Accordingly, an adjustment of \$3,101 was made during 2016 to adjust the prior year working capital to the proper fund. As a result of this adjustment, an additional adjustment was necessary to properly reflect sponsor contributions and the corresponding accounts receivable from the sponsor.

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015 (RESTATED)**

NOTE 7: FUTURE MAJOR REPAIRS AND REPLACEMENTS

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

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

NOTE 8: CONCENTRATIONS OF CREDIT RISK

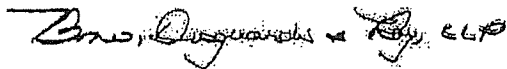
The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times such investments may be in excess of the FDIC insurance limit. The Association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

See independent auditors' report.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

We have audited the financial statements of The Reserve Association, Inc. as of and for the years ended May 31, 2016 and 2015, and our report thereon dated September 22, 2016, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Rochester, New York
September 22, 2016

THE RESERVE ASSOCIATION, INC.

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

MAY 31, 2016

The offering plan contains a study to estimate the remaining useful lives and the replacement costs of components of common property. The estimates were based on estimated current replacement costs.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Asphalt sealing	3	\$ 7,804
Sidewalk replacement	60	106,848
Driveway sealing	3	3,706
Clubhouse		
Roof	40	113,000
HVAC	25	120,000
Elevator	60	75,000
Pool - plaster	20	11,500
Pool - equipment	15	28,000
Flooring	20	44,860
Deck	25	16,800

See independent auditors' report on supplemental information.

THE RESERVE ASSOCIATION, INC.
3495 WINTON PLACE
ROCHESTER, N.Y. 14623

September 22, 2016

Bonn, Dioguardi & Ray, LLP
70 Linden Oaks
Rochester, NY 14625

Re: The Reserve Association, Inc.

Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of The Reserve Association, Inc., which comprise the balance sheets as of May 31, 2016 and 2015, and the related statements of revenues, expenses, and changes in fund balances, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 22, 2016, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 21, 2016, including our responsibility for the preparation and fair presentation of the financial statements.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Association's accounts.
- We are not aware of any known actual or possible litigation, claims, and assessments that needed to be disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

EXHIBIT A


- Transfers or designations of fund balances or interfund borrowings have been properly authorized and approved and have been properly recorded or disclosed in accordance with GAAP.


Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Completeness and availability of all minutes of the meetings of directors, and committees of directors, or summaries of actions of recent meetings for which minutes were not yet prepared. There were no meeting minutes for the year.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Association and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We acknowledge our responsibilities for presenting the required supplementary information (RSI) in accordance with U.S. GAAP. The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- We acknowledge our responsibility for presenting the Supplementary Information on Future Major Repairs and Replacements in accordance with U.S. GAAP, and we believe the Supplementary Information on Future Major Repairs and Replacements, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Supplementary Information on Future Major Repairs and Replacements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

EXHIBIT A

- The board of directors is collecting funds for future major repairs and replacements in conformity with The Reserve Association, Inc.'s policy to fund for those needs based on a study in the offering plan. The board of directors believes the funds will adequately provide for future major repairs and replacements.
- The Association's allocation of expenses against exempt and nonexempt function income conforms with IRS rules, which require that the allocation be made "on a reasonable basis. We have adequately documented such allocation.
- We understand that management is responsible for the Association's choice of filing Form 1120H and the consequences thereof.
- In regards to the financial statement and tax return preparation, proposal of journal entries, and review of the general ledger services provided by you, we have:
 - Assumed all management responsibilities.
 - Overseen the services by designating an individual who possesses suitable skill, knowledge, and / or experience.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.
- \$0 of major maintenance fund and working capital fund expenditures were authorized during the year.
- Monthly assessments to owners for the year ended May 31, 2016 were \$119 from June 1, 2015 to September 30, 2015 and \$260 from October 1, 2015 to May 31, 2016.
- \$3,664 of common charges was allocated to the major maintenance fund for the year.
- \$13 of interest income was allocated to the operating fund, \$3 of interest was allocated to the major maintenance fund and \$4 of interest was allocated to the working capital fund for the year.
- The Sponsor is required to fund operating deficits until the last unit is sold or November 13, 2028, whichever comes first. Sponsor contributions for the year ended May 31, 2016 total \$58,499. As of May 31, 2016, the Association owes the Sponsor \$12,270.
- There were no capital additions in the current year.
- No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

Signature: 
 President Secretary-Treasurer

Signature: 
 Agent

AMENDMENT NO. 10
The Reserve Association, Inc.

This is the tenth amendment to the Offering Plan for The Reserve Association, Inc. The purpose of this amendment is to extend the term of the offering.

1. The Reserve Association, Inc. contains 40 single family homes and also serves as the master association for the entire development known as The Reserve on the Erie Canal. The first single family home on lot F-19 closed on December 22, 2014 in Rochester, New York. Seven additional homes have since closed. The remaining 32 lots are owned by Sponsor. Six lots are under contract. A list of the unsold homes is as follows: F1, 2, 5, 6, 8-15, 17, 18, 20 and 21. Also, W 1-6, 8, 9 and 12-19.

2. There is one home occupied by tenants. The rent is \$4,250 per month and the lease term expires on June 30, 2018. Construction is continuing.

3. The Declaration was recorded on June 3, 2014. Separate taxes for the Units are in place.

4. The Sponsor remains in control of the Association until all units are closed or fifteen years after the first closing, whichever comes first. The first meeting of owners will be held within 30 days of the expiration of the Sponsor's control period. The initial Director is Brett Costello, President. Mr. Costello has a business addresses at One Airport Way, Suite 300, Rochester, New York 14624. Brett Costello is the Principal of the Sponsor.

5. The budget for the year June 1, 2017 to May 31, 2018 and a certification of same are attached as Exhibits A and B, respectively. Certified financial statements for the year ending May 31, 2017 are attached as Exhibit C.

6. Pursuant to the Board's powers under the By-Laws, Rule 10 (c) as contained in Schedule A-1 of the Declaration is hereby amended by the Board to provide that driveway parking is permitted.

7. Neither the Sponsor nor its principal has made prior offerings of cooperative interests in realty except that Brett Costello is a principal in the other portions of the Reserve on the Erie Canal project in Brighton, New York, namely the Glenville Condominium One (file number CD12-0004), Glenville Condominium Two (file number CD14-0320), Watermark Brownstones One (file number CD12-0005), Frankfort Condominium (file number CD12-0002), and Brewerton Condominium (file number CD15-0218). The Sponsor is current on all obligations of these offerings and has been for the past 12 months. Copies of these offering plans are on file with the Department of Law and are available for public inspection.

8. (a) A reserve fund has been started. The reserve has a balance of \$11,789.

(b) There is a working capital fund. It contains \$14,670. The funds are deposited in the Alliance Association Bank, 3033 West Ray Road, Suite 200, Chandler, AZ 85226. The name of the account is "The Reserve Association, Inc. Working Capital."

9. Sponsor is financially obligated to complete the balance of the development known as the Reserve on the Erie Canal and to maintain and repair the Covered Areas as defined in the Plan.

10. The aggregate taxes for units owned by Sponsor is \$17,747 per month and Sponsor is paying these as they come due.

11. The aggregate monthly association charges for all single-family homes owned by Sponsor is \$8,586. Sponsor, however, is paying only the deficiency between the actual expenses of the Association less the amounts payable by all Homes that have closed in the Reserve development. All sections of the Reserve on the Erie Canal pay monthly assessments to the Reserve Association, Inc. for care of the Covered Areas.

12. All Units are subject to mortgages with Northwest Savings Bank, 36 West Main Street, Rochester, New York. The loan balance is \$15,175,344.85 and the maturity date is August 30, 2018. The loan is paid by monthly payments of interest only. The amount varies monthly. The interest rate is 4%, but varies with the prime rate. Units will be released from the mortgage as they are sold. Sponsor is current on all obligations relating to the Association, including the financing obligations and has been for the last twelve months.

13. The financial obligations of the Sponsor in paragraphs 8, 9, 10 and 11 will be met by sales and other assets of the Sponsor.

14. The attorney signatories on the Escrow Account are Paula A. Lapin, Jerry A. Goldman, Kelley Ross Brown, David C. DiMarco and Kristopher J. Vurraro. The latter two signatories have been added.

15. (a) An investigation of the Sponsor by the Office of the NYS Attorney General has commenced based on a complaint filed by some residents of Glenville One and Two Condominiums as well as two residents of Watermark Brownstones One Condominium as to post lights only. The complaint alleges that heating, air conditioning and hot water systems installed in the Units at Glenville Condominium One and Glenville Condominium Two were of inferior quality and lower cost than the ones described in the offering plans. It also alleges failure to install post lights, and differences in the type of siding trim applied to certain units (Hardie plank vs. Hardie shake).

(b) The Sponsor negotiated with an attorney hired by the Owners. An offer was made to the affected residents to compensate them for the differences in specifications. Certain siding on the building consisting of units 5.1 and 5.2 has been replaced with shake trim. The offer has been accepted as of January 31st. Releases have been signed and final payment is due April 9th. Sponsor has received a subpoena from the Office of the NYS Attorney General seeking documents and testimony regarding the matter.

(c) There should be no ongoing impact of the settlement on the offering at the Reserve. None of the homes sold under the Reserve offering plan have HVAC systems or appliances that are of lesser quality, cost or design than those described in the Reserve offering plan.

16. All material changes of facts and circumstances affecting the property which is the subject of this offering or the offering itself are included in this Amendment .

Anthony J. Costello & Son (Joseph) Development, I.L.C,
Sponsor

SCHEDULE A -- APPROVED
BUDGET FOR FORTH YEAR OF HOA OPERATION
JUNE 1, 2017 -- MAY 31, 2018
127 Homes or Units
Post Clubhouse Opening and Including Expenses for the Clubhouse

PROJECTED INCOME			
A. Universal Maintenance Charges			
\$3,122.16 per home annually	\$	396,514	1
\$260.18 per home monthly			
B. Neighborhood Service Fees for:	\$	156,471	2
Glenville Condominium One,			
Glenville Condominium Two,			
Ft. Plain, Waterford, Brewerton, and			
Watermark Brownstone neighborhoods			
TOTAL RESERVE ASSOCIATION PROJECTED INCOME	\$	552,985	
PROJECTED EXPENSES			
A. Clubhouse Operations			3
LABOR	\$	185,083	4
UTILITIES:			
ELECTRIC & GAS USAGE	\$	42,145	5
WATER	\$	6,274	6
CABLE/INTERNET/PHONE	\$	3,986	7
RUBBISH REMOVAL	\$	535	8
REPAIRS/MAINTENANCE:			
HVAC REPAIR	\$	5,994	9
POOL MAINTENANCE	\$	4,600	10
GENERAL REPAIR	\$	11,406	11
IRRIGATION REPAIR	\$	1,315	12
CLEANING	\$	29,480	13
LANDSCAPING	\$	21,577	14
CLUBHOUSE CONTINGENCY	\$	6,201	15
B. Maintenance - Road & Grounds	\$	1,000	16
C. Snow Removal	\$	11,186	17
D. Insurance	\$	13,500	18
E. Professional Fees			
MANAGEMENT FEES	\$	24,192	19
ACCOUNTING FEES	\$	3,000	20
LEGAL FEES	\$	1,000	21
F. Taxes	\$	3,040	22
G. Reserves HOA	\$	21,000	23
TOTAL RESERVE ASSOCIATION PROJECTED EXPENSES	\$	396,514	
H. Expenses Corresponding to Neighborhood Surcharges			
LANDSCAPING	\$	95,486	24
SNOW REMOVAL	\$	34,703	25
RUBBISH / RECYCLING REMOVAL	\$	13,582	26
CONTINGENCY	\$	12,700	27
	\$	156,471	

EXHIBIT A

KENRICK

CORPORATION

December 1, 2018

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd floor
New York, New York 10271

Re: The Reserve Association, Inc.
Town of Brighton, New York

The Sponsor of the Homeowners Association has retained me to review the annual budget containing projections of income and expenses for the fiscal year, June 1, 2017 – May 31, 2018. My experience in this field includes:

Involvement in the development, conversion, marketing, and management of condominium and homeowners associations since 1982 and, prior to that, the construction, rehabilitation and management of commercial and multi-family residential rental properties since 1972. Current management accounts, (50) include apartments, condominiums, homeowners associations, and office buildings.

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 Part 22 insofar as they are applicable to Schedule A.

I have reviewed the schedule and investigated the facts set forth in Schedule A, and the facts underlying them with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential properties.

I certify that the projections in Schedule A appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year of operation as a Homeowners Association.

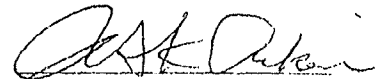
I certify that the Schedule:

1. sets forth in detail the terms of the projected income and expenses for the operation.
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the operation as a Homeowners Association;
3. does not omit any material fact;

4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
7. 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 Homeowners Association operation but merely an opinion of their vitality.

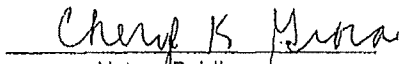
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



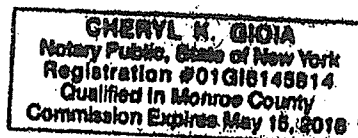
Richard K. Aikens
Kenrick Corporation

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

Sworn to before me this 1st day
of December 2017.


Notary Public

RKA/lbk



THE RESERVE ASSOCIATION, INC.

**FINANCIAL STATEMENTS
MAY 31, 2017 AND 2016**

EXHIBIT C

THE RESERVE ASSOCIATION, INC.

TABLE OF CONTENTS

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Financial statements	
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Statements of revenues, expenses and changes in fund balances	3
Statements of cash flows	4
Notes to financial statements	5-7
Independent auditors' report on supplemental information	8
Supplementary information on future major repairs and replacements	9



Bonn, Dioguardi & Ray LLP
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Kenneth Bonn Jr.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

We have audited the accompanying financial statements of The Reserve Association, Inc., which comprise the balance sheets as of May 31, 2017 and 2016, and the related statements of revenues, expenses and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

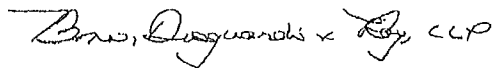
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Reserve Association, Inc. as of May 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

 Brian J. Quigley, CPA

Rochester, New York
December 15, 2017

THE RESERVE ASSOCIATION, INC.

BALANCE SHEETS

MAY 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 74,345	\$ 38,410
Accounts receivable from homeowners	7,106	1,383
Accounts receivable from affiliated associations	17,716	12,959
Prepaid expenses	<u>111</u>	<u>0</u>
Total assets	<u>\$ 99,278</u>	<u>\$ 52,752</u>

LIABILITIES AND FUND BALANCES

	<u>2017</u>	<u>2016</u>
Liabilities		
Accounts payable	\$ 6,389	\$ 19,924
Accounts payable to sponsor	60,594	12,270
Advance payments from homeowners	10,158	6,268
Accrued income taxes	<u>30</u>	<u>13</u>
Total liabilities	<u>77,171</u>	<u>38,475</u>
Fund balances		
Operating	0	0
Major maintenance	9,003	3,779
Working capital	<u>13,104</u>	<u>10,498</u>
Total fund balances	<u>22,107</u>	<u>14,277</u>
	<u>\$ 99,278</u>	<u>\$ 52,752</u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017				2016			
	Operating Fund	Major Maintenance Fund	Working Capital Fund	Total	Operating Fund	Major Maintenance Fund	Working Capital Fund	Total
Revenues								
Common charges	\$ 136,469	\$ 5,203	\$ 0	\$ 141,672	\$ 89,552	\$ 3,664	\$ 0	\$ 93,216
Cable assessments	10,795	0	0	10,795	21,198	0	0	21,198
Working capital	0	0	2,602	2,602	0	0	7,393	7,393
Sponsor contributions	189,551	0	0	189,551	58,499	0	0	58,499
Interest	28	21	4	53	13	3	4	20
Other	11,500	0	0	11,500	1,854	0	0	1,854
Total revenues	348,343	5,224	2,606	356,173	171,116	3,667	7,397	182,180
Expenses								
Landscaping and grounds maintenance	66,190	0	0	66,190	69,602	0	0	69,602
Trash removal	3,677	0	0	3,677	1,999	0	0	1,999
Snow removal	32,933	0	0	32,933	48,528	0	0	48,528
Building and grounds repairs and maintenance	683	0	0	683	0	0	0	0
Clubhouse	222,294	0	0	222,294	0	0	0	0
Utilities	0	0	0	0	22,688	0	0	22,688
Administrative expenses	523	0	0	523	1,245	0	0	1,245
Management fees	6,193	0	0	6,193	4,368	0	0	4,368
Legal and professional fees	3,000	0	0	3,000	2,000	0	0	2,000
Insurance	12,808	0	0	12,808	20,673	0	0	20,673
Income taxes	42	0	0	42	13	0	0	13
Total expenses	348,343	0	0	348,343	171,116	0	0	171,116
Excess of revenues over expenses	0	5,224	2,606	7,830	0	3,667	7,397	11,064
Transfers	0	0	0	0	0	0	0	0
Fund balances - beginning of year	0	3,779	10,498	14,277	0	112	3,101	3,213
Fund balances - end of year	\$ 0	\$ 9,003	\$ 13,104	\$ 22,107	\$ 0	\$ 3,779	\$ 10,498	\$ 14,277

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 7,830	\$ 11,064
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided by operating activities:		
(Increase) decrease in:		
Accounts receivable from homeowners	(5,723)	(993)
Accounts receivable from sponsor	0	4,840
Accounts receivable from affiliated associations	(4,757)	(7,241)
Prepaid expenses	(111)	0
Increase (decrease) in:		
Accounts payable	(13,535)	698
Accounts payable to sponsor	48,324	12,270
Advance payments from homeowners	3,890	5,829
Accrued income taxes	17	13
Net cash and cash equivalents provided by operating activities	35,935	26,480
Cash and cash equivalents - beginning of year	38,410	11,930
Cash and cash equivalents - end of year	<u>\$ 74,345</u>	<u>\$ 38,410</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	<u>\$ 13</u>	<u>\$ 0</u>

See accompanying notes and independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2017 AND 2016

NOTE 1: SUMMARY OF OPERATIONS

The Reserve Association Inc. was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law on December 20, 2011, for the purpose of owning common land, recreational facilities and a community center and maintaining the common areas (consisting of asphalt, sidewalks, driveways, clubhouse, and pool) of the Association, in Brighton, New York. The Reserve Association Inc. is a master association for other condominium and homeowner associations consisting of one hundred and twenty-six units in phase I with an additional two hundred and one units in phase II. To date there are thirty-five units sold. Currently, Anthony J. Costello & Son Development, LLC. (Sponsor) is in control of the board. They have hired an independent property management firm to manage the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting - The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the major maintenance fund generally may be made only for designated purposes. Disbursements from the working capital fund may be made at the Board's discretion. The working capital fund is funded by the original homeowners paying two months of common charges at closing.

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

The Association's tax returns for the years ending 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

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

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2017 AND 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through December 15, 2017, the date the financial statements were available to be issued.

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the year ended May 31, 2017 were \$260. For the year ended May 31, 2016 monthly assessments to owners were \$119 from June 1, 2015 to September 30, 2015, and \$260 from October 1, 2015 to May 31, 2016. A portion of assessments is allocated to the major maintenance fund. The annual budget and assessments to owners is determined by the Board of Directors. The Association retains any operating surplus for use in future operating years. Monthly surcharges for affiliated associations ranged from \$10 to \$169 for landscaping, snow and trash removal, and road maintenance. There is also an optional monthly cable charge of \$80. As of June 1, 2017, the monthly assessments and cable charges will remain the same and surcharges will range from \$10 to \$170.

Owners are assessed two months common charges to be used for working capital at the time of closing of their unit.

The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are significantly in arrears. It is the opinion of management that the Association will ultimately prevail against the homeowners whose assessments are delinquent and, accordingly, an allowance for doubtful accounts has not been established.

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Kenrick Corporation for management of its operations. For the year ending May 31, 2018, the agreement provides for a monthly fee of \$16 per closed unit. For the year ending May 31, 2019, the fee will increase by 3%.

NOTE 5: SPONSOR ASSESSMENTS

The Sponsor is required to pay operating deficits until all units are sold, or November 13, 2028, whichever comes first.

See independent auditors' report.

THE RESERVE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2017 AND 2016

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

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

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

NOTE 7: CONCENTRATIONS OF CREDIT RISK

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

See independent auditors' report.



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

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

Michael S. Boychuk
Thomas A. Walter
William S. Bailey
Harry I. Sealfon

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
The Reserve Association, Inc.

We have audited the financial statements of The Reserve Association, Inc. as of and for the years ended May 31, 2017 and 2016, and our report thereon dated December 15, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bonn, Dioguardi & Ray, LLP

Rochester, New York
December 15, 2017

THE RESERVE ASSOCIATION, INC.

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

MAY 31, 2017

The offering plan contains a study to estimate the remaining useful lives and the replacement costs of components of common property. The estimates were based on estimated current replacement costs.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Asphalt sealing	3	\$ 7,804
Sidewalk replacement	60	106,848
Driveway sealing	3	3,706
Clubhouse		
Roof	40	113,000
HVAC	25	120,000
Elevator	60	75,000
Pool - plaster	20	11,500
Pool - equipment	15	28,000
Flooring	20	44,860
Deck	25	16,800

See independent auditors' report on supplemental information.

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P 716.248.3200 F 716.854.5100

Writer's Direct Dial Number: 585.445.2750
Writer's Direct Fax Number: 585.445.2650
Email: plapin@woodsoviatt.com

March 5, 2018

VIA E-MAIL

Anthony J Costello & Son (Joseph) Development, LLC
One Airport Way, Suite 300
Rochester, New York 14624

Attention: Mr. John Stevens

**Re: Reserve Association, Inc.
Amendment No. 10**

Dear John:

Enclosed is a copy of Amendment No. 10 to the Offering Plan for the Reserve Association, Inc., which has been accepted for filing by the NYS Attorney General. The acceptance letter will be forwarded upon receipt.

A copy of the enclosed amendment must be inserted in the front of all Reserve Plans that you distribute to future prospects. All owners of units in the Reserve must receive a copy of this amendment.. Please keep a record of who you send it to and on what date.

Please let me know if you have any questions.

Very truly yours,

WOODS OVIATT GILMAN LLP

Paula A. Lapin

PAL/sz/mxm

Enclosure

{4808274: }

The art of representing people™

- I. Welcome
 - a. Thanks for Coming
 - b. Purpose
 - i. Brief discussion of how the Working Group came to be.
 - ii. Introduce working group charter
 - iii. Introduce Bill LaForte
 - iv. Q & A
- II. Working Group Genesis
 - a. We have a relatively unique, but not rare situation whereby we provide financial support for our HOA, but have absolutely no representation.
 - b. In the beginning, this did not appear to be a problem.
 - i. Anthony Costello was a developer from the old school – handshakes meant everything.
 - ii. We all bought into his vision.
 - c. No one expected that Anthony would pass away so soon.
 - d. Things began to change.
 - e. A number of concerned homeowners of all different backgrounds got together and realized that they shared a number of concerns
 - f. We also realized that the old fashioned way of communication wasn't working. Phone calls were ignored. Requests were ignored and most importantly, evidence was mounting that Anthony Costello's vision was being ignored.
 - g. Although some of us had experience serving on HOA boards, none of us had the legal expertise necessary to understand this (the book).
 - h. We were fortunate to find out about Bill LaForte (more on him later), met with him and reached an informal agreement to use his services.
 - i. That meeting formed the foundation for the September 2017 letter that we distributed to all homeowners.
 - j. From that initial solicitation, the group grew eventually to close to 20 homeowners., all of whom provided some modest financial support to secure Bil's services.
 - k. An adhoc steering committee consisting of Bruce Buritt, Mark D'Arienzo, Nel renberg, Barry Shapiro and me volunteered to guide the group's efforts.
 - l. In a few minutes, Bill will discuss in greater detail his efforts.

III. Working Group Charter

- a. There has been a misconception in the community that the Working Group is simply one person's vigilante squad. I would like to clear that misconception up for once and for all.
- b. From its beginnings, the working group has been guided by a small group of volunteers including Bruce Burritt, Mark D'Arienzo, Neil Greenberg, Greg D'Imperio and me.
- c. In the interests of transparency and inclusivity, we felt it necessary to draft a charter statement for the group.
- d. The charter includes a mission statement, a statement of values and a number of goals.
- e. If anyone needs a copy of the Charter, I have extra copies here.
- f. I am not going to read the entire statement now, but I do want to read the mission and values.

IV. Bill LaForte

I have talked more than enough. It is time to introduce our special guest. Bill LaForte is a highly respected attorney and partner with Trevett Cristo Attorneys. Bill specializes in condominium and homeowner association law and currently represents over 30 HOA's in our area.

Bill has already helped us on a number of issues and is now working with us to prioritize the most important issues so that we can maximize his efforts

V. Status

VI. Q&A

The Reserve Association, Inc.

Footnotes to Schedule A

June 1, 2018 – May 31, 2019

1. **Projected Income - Universal Maintenance Charges.** Each Unit Owner will pay \$278.00 in monthly Assessments to the Association.
2. **Projected Income – Neighborhood Surcharges** –The Association is furnishing certain services throughout the Development, but the costs are being allocated by neighborhood based upon differing benefit levels. As a result, in addition to the charges explained under Footnote 1 paid by all Units, an additional monthly neighborhood surcharge (“Neighborhood Surcharges”) will be payable to the Association by neighborhood as set forth below:

Glenville Condominium One

\$1,404.00 per home per year, payable	
\$117.00 monthly based on 24 homes	\$33,687.00 annually

Ft. Plain Single Family Homes

\$1,473.00 per home per year, payable	
\$123.00 monthly based on 21 homes	\$30,924.00 annually

Waterford Single Family Homes

\$264.00 per home per year, payable	
\$22.00 monthly based on 19 homes	\$ 5,017.00 annually

Glenville Condominium Two

\$1,179.00 per home per year payable	
\$98.00 monthly based on 22 homes	\$25,942.00 annually

Brewerton Condominium

\$1,003.00 per home per year payable	
\$84.00 monthly based on 35 homes	\$35,121.00 annually

Watermark Brownstone One Condominium

\$2,212.00 per home per year payable	
\$184.00 monthly based on 6 homes	\$ 13,271.00 annually

Total	\$141,786.00
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3. **Projected Expenses** – Projected Expenses are comprised of (i) category A Expenses, Corresponding to Universal Maintenance Charges, and (ii) category H Expenses, Corresponding to Neighborhood Surcharges; footnotes 24 through 27 itemize, for each neighborhood, all expenses which Members pay as Neighborhood Surcharges.
4. **Labor – a.** One full-time and one part-time position for Concierge. These personnel will be employees of AJ Costello & Son with the Association to reimburse AJ Costello & Son for the costs thereof, plus an additional amount equal to 5% of such gross wages for hiring and supervision and for payroll processing costs. **b.** One full-time maintenance/cleaning person. This person will be the employee of Crofton Perdue Associates, Inc. with the Association to reimburse Crofton Perdue for the costs thereof, plus an additional amount equal to 5% of such gross wages.

5. **Clubhouse Electricity & Gas** – \$52,150 based on last year's actual consumption.
6. **Clubhouse Water** – \$6,500 based on estimated usage.
7. **Clubhouse Telephone, Cable & Internet** – \$3,888 based on estimated usage.
8. **Clubhouse Rubbish Removal/Recycling** – Weekly rubbish and recyclables pick-up is quoted by Suburban Disposal, 22 Turner Drive, Spencerport, NY; Suburban will provide 96 gallon wheeled tote; the quote is \$314 per year including tax
9. **Clubhouse HVAC Maintenance** – \$5,994 based on estimated costs.
10. **Clubhouse Pool & Fountain Maintenance** – \$8,460 based on estimated expenses for operating front fountain, 3 hot tub costs for weekly service (cleaning and maintenance) for a 15-week season.
11. **Clubhouse Repair** – \$16,516 based on estimates for life safety systems, elevator inspections and maintenance, pest control in and around building, automatic door maintenance, general repairs & maintenance to electrical, plumbing and amenities at Clubhouse.
12. **Irrigation Maintenance** – \$1,636 based on actual costs for irrigation system along the Boulevard, canal and clubhouse.
13. **Clubhouse Cleaning** – \$12,690 based on estimated costs for cleaning supplies and paper products, plus window cleaning contract and door mat service.
14. **Landscaping** - \$79,128 based on quotes provided by TLC Lawn and Landscape, LLC. For maintaining lawns, trees and shrubs in common areas, and from One Step Tree & Lawn Care for fertilization, weed control, and shrub care. Funding for annual plant material for monument signs and Clubhouse is also included. All quotes include sales tax whenever applicable.
15. **Clubhouse Contingency** – \$5,000 based on estimate for unanticipated expenses.
16. **Road Maintenance** – \$1,000 based on estimated routine repair (e.g. filling of potholes), of the private road asphalt. These repairs do not include sealing or replacement/resurfacing of the asphalt, which is covered in the Reserve Fund.
17. **Snow Plowing** – \$4,948 based on quotes provided by TLC Lawn and Landscape, LLC for plowing of the private roads and Clubhouse parking. Includes funding for salting of Reserve View Circle, public canal access, canal to Watermark Landing West, Watermark Landing East and West. Plowing commences whenever snowfall reaches an average depth of two inches and it include shoveling of sidewalks and exits at the Clubhouse.
18. **Insurance** – \$13,353 based on a provided by Key Insurance & Benefits, 777 Canal View Boulevard, Rochester NY. Provides liability insurance for the Association, and its directors, officers, and employees, and fidelity coverage, replacement cost fire/casualty insurance covering the Clubhouse, and its equipment, furniture and furnishings, as well as replacement cost casualty insurance on the pool/spa and all Development signage, with a deductible of Two Thousand Five Hundred Dollars (\$2,500).

The coverage is as follow:

Building	\$6,152,500
Business Personal Property	\$ 662,000
Pool	\$ 230,000
Liability per Occurrence	\$1,000,000
Liability Aggregate	\$2,000,000
Umbrella Policy	\$5,000,000
Non-Owned/Hired Auto	\$1,000,000
Directors & Officers Liability	\$1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	included
Crime Expanded Coverage Plus	included
Broadened General Liability Endorsement	included
Equipment Breakdown	included

19. **Management** – \$26,122 based on Management services are to be provided by Crofton Perdue Associates, Inc.: the budget amount is based on a Management Agreement with said entity and includes \$2,500 for mailings, copies and secretarial services.
20. **Accounting Fees** – \$2,370 based on an estimate provided by Bond, Dioguardi and Ray, LLP, certified public accountant, for an annual certified audit.
21. **Legal Fees**– \$1,000 based on an estimate for minor issues, e.g., checking interpretation of documents, establishing appropriate procedures, with no other legal services budgeted.
22. **Real Estate Taxes** – \$5,895 based on 2017 actual cost.
23. **Reserves:** are to be funded by regular monthly contributions to the Reserve Fund in the indicated total annual amount of \$19,849. However, not all repairs or replacements are covered by these contributions to the Reserve Fund, and the yearly reserve fund may not be sufficient to pay for major capital repairs or replacements of all items likely to be needed within the first five (5) years of Association operation. Other repair or replacement costs are to be covered by Special Assessments payable by the Unit Owners. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED ON THE ADEQUACY OF THE FUNDS FOR RESERVES.
24. **Landscaping (Neighborhood Surcharges):** The total of \$55,739 is itemized as follows:

Glenville Condominium One Landscaping: \$16,862 – the following services are provided by TLC Lawn & Landscape, LLC: Grass cutting/trimming and mechanical edging (at road). One Step Tree and Lawncare, Inc. provides the four lawn fertilization and weed control trips, three ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.

Glenville Condominium Two Landscaping: \$10,066 – the following services are provided by TLC Lawn & Landscape, LLC: Grass cutting/trimming and mechanical edging (at road). One Step Tree and Lawncare, Inc. provides the four lawn fertilization and weed control trips, three ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.

Fort Plain Landscaping: \$15,172 – the following services are provided by TLC Lawn & Landscape, LLC: Grass cutting/trimming and mechanical edging (at road). One Step Tree and Lawncare, Inc. provides the four lawn fertilization and weed control trips, three ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable.

Brewerton Condominium Landscaping: \$8,868 – the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, mechanical edging (at road). One Step Tree and Lawncare, Inc. provides the four lawn fertilization and weed control trips, three ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable. All quotes in this and the following notes include sales tax whenever applicable.

Watermark Brownstones One Condominium Landscaping: \$4,771 – the following services are quoted by TLC Lawn & Landscape, LLC: Grass cutting/trimming, mechanical edging (at road). One Step Tree and Lawncare, Inc. provides the four lawn fertilization and weed control trips, three ornamental tree and shrub treatments. All quotes in this and the following notes include sales tax whenever applicable. All quotes in this and the following notes include sales tax whenever applicable.

25. **Snow Removal (Neighborhood Surcharges):** \$52,509 plus salting is itemized as follows:

Glenville Condominium One Snow Plowing: \$10,487 – Snow removal for driveways & walkways per contract with TLC Lawn & Landscape, LLC: Clearance commences whenever snowfall reaches an average depth of two inches including five total applications of salt.

Glenville Condominium Two Snow Plowing: \$7,890 – Snow removal for driveways & walkways per contract with TLC Lawn & Landscape, LLC. Clearance commences whenever snowfall reaches an average depth of two inches including five total applications of salt.

Fort Plain Snow Plowing: \$10,206 – Snow removal for driveways & walkways per contract with TLC Lawn & Landscape, LLC: Clearance commences whenever snowfall reaches an average depth of two inches including five total applications of salt.

Brewerton Condominium Plowing: \$17,010 – Snow removal for driveways & walkways per estimate with Victor Excavating & Landscape, Inc.: clearance commences whenever snowfall reaches an average depth of two inches including five total applications of salt.

Watermark Brownstones One Condominium Plowing: \$6,916 – Snow removal for driveways & walkways per contract with TLC Lawn & Landscape, LLC: Clearance commences whenever snowfall reaches an average depth of two inches including five total applications of salt.

26. **Rubbish Removal/Recycling (Neighborhood Surcharges):** \$20,838 is itemized as follows:

Glenville Condominium One Rubbish Removal/Recycling: \$3,938 – based on a quote provided by Suburban Disposal, 22 Turner Drive, Spencerport, NY for weekly rubbish and recycle pickup. Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$12.66 per household per month.

Glenville Condominium Two Rubbish Removal/Recycling: \$3,610 – based on a quote provided by Suburban Disposal, 22 Turner Drive, Spencerport, NY for weekly rubbish and recycle pickup. Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$12.66 per household per month.

Fort Plain Rubbish Removal/Recycling: \$3,446 – based on a quote provided by Suburban Disposal, 22 Turner Drive, Spencerport, NY for weekly rubbish and recycle pickup. Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$12.66 per household per month.

Waterford Rubbish Removal/Recycling: \$3,117 – based on a quote provided by Suburban Disposal, 22 Turner Drive, Spencerport, NY for weekly rubbish and recycle pickup. Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$12.66 per household per month.

Brewerton Condominium Rubbish Removal/Recycling: \$5,743 – based on a quote provided by Suburban Disposal, 22 Turner Drive, Spencerport, NY for weekly rubbish and recycle pickup. Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$12.66 per household per month.

Watermark Brownstone One Condominium Rubbish Removal/Recycling: \$984 – based on a quote provided by Suburban Disposal, 22 Turner Drive, Spencerport, NY for weekly rubbish and recycle pickup. Suburban will provide wheeled tote; the tote should be left just outside the garage, the recycle box should be placed at the street end of the driveway. The quote is \$12.66 per household per month.

27. **Contingency (Neighborhood Surcharges):** \$12,700 based on 127 homes at \$100.00 each.

The foregoing budget projection is not intended as a guarantee that the assessments or surcharges will be as set forth in this projection.