

THOMAS CREEK HOMEOWNERS ASSOCIATION OFFERING PLAN

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HOMEOWNERS
ASSOCIATION
OFFERING PLAN

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THIS OFFERING RELATES SOLELY TO MEMBERSHIP IN THE THOMAS CREEK HOMEOWNERS ASSOCIATION, INC. AND THE DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS APPLICABLE TO ALL LOTS SOLD AT THOMAS CREEK TOWNHOUSE SUBDIVISION, PATERA AVENUE, TOWN OF PERINTON, COUNTY OF MONROE, STATE OF NEW YORK. THIS OFFERING IS THE FIRST PHASE OF AN ANTICIPATED TWO PHASE DEVELOPMENT. A MAXIMUM OF 39 ADDITIONAL TOWNHOUSES MAY BE OFFERED IN SUBSEQUENT PHASES: \$420.00 (PHASE II) 39 LOTS.

APPROXIMATE AMOUNT OF OFFERING: \$580.00 for Phase I. (Cost of common areas and facilities, included in the price of 46 lots in Phase I) and \$1,000.00 for Phases I and II. (Cost of common areas and facilities, included in the price of 39 lots in Phase II.)

NAME AND ADDRESS OF SPONSOR: COLONIAL HEIGHTS DEVELOPMENT, INC.
5692 Pittsford-Palmyra Road
Pittsford, New York 14534
Telephone: (716) 385-6127

NAME AND ADDRESS OF SELLING AGENT: SANDRA THOMAS PROPERTIES
5692 Pittsford-Palmyra Road
Pittsford, New York 14534
Telephone: (716) 223-8732

THE DATE OF THE FIRST OFFERING OF THIS PLAN IS MAY 13 , 1987. THIS PLAN MAY NOT BE USED AFTER MAY 12 , 1988 UNLESS EXTENDED BY AMENDMENT.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASER.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE THOMAS CREEK HOMEOWNER'S ASSOCIATION, INC. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THE 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.

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ARTICLE ONE - SPECIAL RISKS

Purchasers and prospective purchasers of lots in Thomas Creek Townhouse Subdivision should be aware of the following special risks which are more fully described in this Offering Plan on the pages indicated:

1. The development of Thomas Creek Townhouse Subdivision is to be in two phases (see page 4 of this Offering Plan).
2. The Sponsor is not obligated to continue development beyond the forty-six (46) lots comprising Phase I. The development of additional phases will depend upon the market acceptance of the lots, the availability of financing for construction and purchase money loans, and governmental controls (see page 4 of this Offering Plan).
3. The Sponsor will not dedicate the roads within Thomas Creek Townhouse Subdivision. There is no requirement for the posting of a Bond, and no Bond may be posted (see page 5 of this Offering Plan).
4. The Sponsor will retain voting rights of the Board of Directors of Thomas Creek Homeowners Association, Inc. for 120 days after seventy-five percent (75%) of the lots in the project have been conveyed to purchasers or five years following conveyance of the first lot, whichever event first occurs.
5. The first meeting of the Board of Directors of the Association may not be held within six (6) months of the first

lot closing.

6. The Sponsor may not furnish, or cause to be furnished, Completion Bonds for the Thomas Creek Townhouse Subdivision in the event of its dissolution or the non-completion of any such work for any reason whatsoever.

7. In the event the projected budget for reserves is inadequate for future maintenance, repair and replacement the Association members may be subject to a special assessment.

8. While the Sponsor is in control of the Board of Directors, the working capital fund may be used to reduce projected association charges.

MEMBERSHIP IN THOMAS CREEK HOMEOWNERS
ASSOCIATION, INC.

ARTICLE TWO - INTRODUCTION

Colonial Heights Development, Inc., a New York corporation, is the sponsor of the Thomas Creek Homeowners Association, Inc. Colonial Heights Development, Inc., hereinafter referred to as the "Sponsor", acquired the site for Thomas Creek Townhouse Subdivision on December 10, 1986. The Thomas Creek Townhouse development is located on Patera Avenue in the Town of Perinton, Monroe County, New York, and consists of approximately 14.168 acres.

Patera Avenue runs off of Howell Road, near the intersection of Howell Road and Macedon Center Road (Route 31F) in the Town of Perinton. The neighborhood enjoys the benefit of the Fairport School District, shopping centers and religious institutions of most denominations.

The Sponsor shall improve forty-six (46) lots to be known as Thomas Creek Townhouse Subdivision Phase I on approximately 8.066 acres of land. A lot shall consist of a portion of the Thomas Creek Townhouses, excluding property owned by the Thomas Creek Homeowners Association, Inc., and each lot shall be identifiable as a separate parcel on the tax records of the Town of Perinton, or shall be shown as a separate lot on the recorded or filed subdivision map for Thomas Creek Townhouses. Thomas Creek Townhouse Subdivision, Phase I, shall consist of

forty-six (46) lots, improved by townhouses in five styles.

During the offering of Thomas Creek Phase I, there will be available forty-six (46) lots with improvements thereon, and offered in conjunction with the Homeowners Association membership. It is anticipated that there will be two stages of development for Thomas Creek Townhouses and in the latter stage, the Sponsor plans to improve an additional 39 lots, all of which will be incorporated into the Association. The Sponsor anticipates that in the event that the development is completed as presently contemplated, the Association will consist of 85 lots. Construction on Thomas Creek Phase I was commenced in December, 1986, and it is anticipated to be completed by December, 1988. Construction on the succeeding phase of Thomas Creek Townhouses is expected to be completed by December, 1990.

BECAUSE OF A VARIETY OF CIRCUMSTANCES INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROLS, AND THE GENERAL CONDITION OF THE ECONOMY, THE SPONSOR GIVES NO ASSURANCE THAT ALL OR ANY ADDITIONAL PHASES NOW CONTEMPLATED WILL BECOME A REALITY.

The Thomas Creek Homeowners Association, Inc., hereinafter referred to as the "Association", shall acquire a fee simple interest in all common areas. This will include all roads which shall remain privately owned, all lawns, all parking areas, and any other property not owned by the townhouse owners.

Each lot purchaser shall have title to exterior walls, townhouse interiors and a small portion of land as shown on the Map set forth in Exhibit 5. The entire site for Thomas Creek Townhouses Phases I and II consists of 14.168 acres.

The roads, parking areas and walkways within the project area will not be dedicated to the Town of Perinton and will be owned and/or maintained by the Homeowners Association. The cost of maintenance will be funded through the Association budget as a common expense. The roads will be incapable of being dedicated to the Town.

Water will be supplied by the Monroe County Water Authority and water mains will be dedicated to the Monroe County Water Authority. Therefore, Monroe County Water Authority will assume ownership and responsibility for the main water line with an easement granted to it by Sponsor prior to conveyance of the first townhouse.

Each townhouse owner will own and maintain the lateral water service lines between the principal main water line and his or her individual townhouse. The cost of maintenance of the lateral lines will not be funded through the Association budget as a common expense. Townhouse lots will be individually metered.

The Town of Perinton will own and maintain the main storm water sewer system. The Town of Perinton will be granted an easement over Association property to own and maintain the system. Each townhouse owner will own and maintain the storm

sewer lines between the principal storm sewer system and his or her individual townhouse. The cost of such lateral line maintenance will not be funded through the Association budget as a common expense.

The main sanitary sewer system will be dedicated to the Perinton Sewer District. The Sewer District will be granted an easement over Association Property to own and maintain the system.

Each townhouse owner will own and maintain the sanitary service laterals to the individual townhouses. The cost of maintenance of the laterals will not be funded through the Association budget as a common expense.

The Sponsor anticipates that the same common areas set forth above, to be owned by the Homeowners Association and available to its members, shall be built during Phase II, however the Sponsor has no obligation to develop Phase II and the common areas associated therewith.

The Thomas Creek Homeowners Association, Inc. shall be an organization composed of all "Owners" of lots at Thomas Creek Townhouse Development as defined in a certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, hereinafter referred to as the "Declaration" to be recorded in the Monroe County Clerk's Office prior to the transfer of title to the first lot. Upon acceptance of a deed to any lot, the owner shall simultaneously become an association member. The Association will be formed prior to the

transfer of title to the first lot for the purpose of insuring efficient preservation of the values and amenities of the Thomas Creek Townhouses (see Exhibit 2 for a copy of the Association's Certificate of Incorporation). The obligation to become a member of the Association is set forth in the purchase agreement (see Exhibit 8) and in the form of a deed both of which refer to the Declaration which governs the use and ownership of land within Thomas Creek Townhouses. A complete copy of the Declaration is set forth as Exhibit 1 of this offering.

The By-laws of the Association are set forth as Exhibit 3 of 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. The Association shall be empowered to maintain and administer the use of community property and facilities and shall administer and enforce the covenants and restrictions contained in the Declaration, Certificate of Incorporation and By-laws and shall collect and disburse the assessments and charges as set forth in the Declaration.

The Association shall be responsible for the operation and maintenance of Association property and the exterior maintenance of townhouses including repair or replacement of siding, gutters, downspouts, roof, and painting.

In addition, the Association shall maintain fire and casualty insurance covering townhouses and Association property.

The Association will also hold reserves for any unforeseen emergencies which the Board of Directors may deem proper.

The price of each townhouse or lot shall include the cost of membership in the Association. Membership costs or assessments shall be set by the Sponsor alone and shall not be subject to review or approval by the Department of Law or by any other government agency.

Townhouses or lots may be purchased by any individual eighteen (18) years or older, partnerships or corporations provided that the property is used for residential purposes only, and not for commercial purposes. Rental of less than an entire townhouse or the rental of any townhouse for a period of less than 30 days must have prior written approval of the Board of Directors of the Thomas Creek Homeowners Association, Inc.

Purchasers of lots fully improved by Sponsor may sell or mortgage their lots to anyone without restriction. The townhouse owners shall be provided with services from local government agencies including the Monroe County Sheriff, Fairport Volunteer Fire Department, Monroe County Water Authority and Perinton Sewer District. All roads and parking areas shall remain private and road maintenance and snow removal shall be provided by the Association as more fully set forth in the Declaration.

All areas adjoining the proposed two phases of Thomas Creek Townhouses are to be developed and neither the Sponsor nor any principal of Sponsor owns, in whole or in part,

or has an option to acquire the adjoining areas for purposes of development.

The purpose of this offering plan is to set forth all the terms of the offer concerning the Homeowners Association. This offering is the first phase of an anticipated two phases of offerings. Sponsor intends to develop an additional 39 lots in one or more later phases, all of which will be incorporated into the Association. As the Sponsor incorporates additional lots, this Offering Plan will be amended and a revised estimate of monthly maintenance and utility charges to be assessed by the Association will be provided. Sponsor anticipates monthly maintenance charges shall not increase substantially as phases are added, except for the adjustments due to inflation. As this plan is altered from time to time, amendments shall be filed with the Department of Law and all amendments will be given to purchasers and members of the Association.

The plan as presented to prospective purchasers contains all the detailed terms of the transaction as it relates to the Homeowners Association. Parts A, B & C of the Exhibits delivered to the Department of Law contain all of the documents referred to in the plan and copies of the plan and the Exhibits shall be made available to prospective purchasers and their attorneys without charge at the office of the selling agent and/or sponsor, which office is located at 5692 Pittsford-Palmyra Road, Pittsford, New York.

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.

EFFECTIVE DATE OF PLAN*

The Plan will become immediately effective upon the conveyance of the first townhouse lot.

*'Effective Date' is the date on which the Sponsor files the Declaration for Thomas Creek Townhouse Subdivision with the Monroe County Clerk.

ARTICLE THREE
PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
OF THE HOMEOWNERS ASSOCIATION

SCHEDULE A-1

Projected Schedule of Receipts For the First Year of Operations Commencing June 1, 1987

Projected Income⁽¹⁾

<u>Phase I</u>			<u>Phase I and II</u>		
<u>Number of Units</u>	<u>Monthly Charge</u>	<u>Total Income</u>	<u>Number of Units</u>	<u>Monthly Charge</u>	<u>Total Income</u>
46	\$82.00	\$45,260.07	85	\$80.97	\$82,583.25

Footnotes to Schedule A-1

1. Projected Income.

The project will be comprised of 46 lots in Phase I and 39 lots in Phase II. The project will be built in two phases. Each lot will be equally assessed.

SCHEDULE A-2

Projected Schedule of Expenses for First Year of Operation Commencing June 1, 1987 by Phase

	<u>Phase I</u>	<u>Full Completion</u>
Labor	\$ --	\$ --
Heating	--	--
Utilities	48.00 ⁽¹⁾	48.00 ⁽¹⁾
Water	--	--
Sewer	--	--
Telephone	--	--
Landscape Maintenance	11,615.92 ⁽²⁾	21,464.20 ⁽²⁾
Snow Removal	7,610.00 ⁽³⁾	14,000.00 ⁽³⁾
Refuse Removal	3,543.84 ⁽⁴⁾	6,548.40 ⁽⁴⁾
Dues	--	--
Insurance	7,415.00 ⁽⁵⁾	13,699.00 ⁽⁵⁾
Permits	--	--
Accountant	550.00 ⁽⁶⁾	600.00 ⁽⁶⁾
Legal	250.00 ⁽⁷⁾	500.00 ⁽⁷⁾
Franchise Tax	250.00 ⁽⁸⁾	250.00 ⁽⁸⁾
Real Property Tax	93.73 ⁽⁹⁾	161.60 ⁽⁹⁾
Income Tax	--	--
Repair and Maintenance	1,750.00 ⁽¹⁰⁾	3,000.00 ⁽¹⁰⁾
Service Contract	--	--
Security	--	--
Office Supplies	600.00 ⁽¹¹⁾	1,000.00 ⁽¹¹⁾
Management	5,658.00 ⁽¹²⁾	10,455.00 ⁽¹²⁾
Reserves	5,875.58 ⁽¹³⁾	10,857.05 ⁽¹³⁾
Cont., Petty Cash	--	--
TOTAL	\$45,260.07	\$82,583.25

Footnotes to Schedule A-2

1. Utilities. This includes electricity use for four sign monument lights at an estimated cost of \$48.00 per year.

2. Landscape Maintenance. This includes application of fertilizer four times a year and application of grub control and weed control two times a year to all lots and common areas; and mowing of all grass areas of the lots and common areas on a weekly basis as required. This estimate is based upon figures provided by McLaughlin's Lawn and Landscape, 70 Boxwood Lane, Fairport, New York and McLaughlin's Lawn and Landscape will provide this service for the stated amount for the 1987-88 season.

3. Snow Removal. This includes the snow plowing and salting of all roadways and driveways when snow accumulates to over three inches at the rate of \$160.00 per unit and an estimated 85" to 100" snowfall during the season. This estimate is based upon figures provided by Rockhurst Management Corporation, 500 Helendale Road, Rochester, New York.

4. Refuse Removal. This includes refuse pick up on a weekly basis from each unit. Fred Hoff Residential & Commercial Refuse Service, Inc., has agreed to provide this service at the rate of \$6.00 per month per unit.

5. Fire Insurance. This covers the first year coverage of all units in Phase I and Phase II of \$5,100,000.00; on the buildings with no contents coverage. This also includes general liability coverage of \$1,000,000 for each occurrence and aggregate and umbrella policy. Officers' and directors' liability is included. This estimate is from the B. H. Walker & Co., Inc., 71 Monroe Avenue, Suite A, Pittsford, New York 14534.

6. Accounting. This is an estimate of the charge for an accountant to prepare the necessary tax returns, audit the books of the association and prepare certified financial statements for the first year.

7. Legal. Legal fees were estimated by the law firm of Sutton, DeLeeuw, Clark & Darcy for the first year to be \$250.00 for Phase I and \$500.00 for Phases I and II. These fees would include minimal services to the Association such as attendance at the annual meeting, perfection of liens and consultations.

8. Franchise Taxes. The association will not be responsible for more than the minimum New York State Franchise Tax.

9. Real Property Taxes. It has been estimated by Margaret A. Kenney, Assessor for the Town of Perinton, that the common areas of the combined Phase I and II will be assessed for \$1,000.00. Phase I common areas represent 58% of the area of the total common areas in Phases I and II. The present tax rate for Town, County and School taxes are \$161.60 per thousand dollars of assessment.

10. Repairs and Maintenance. Since Phase I is new the repairs and maintenance will be minimal and will cover minor repairs, materials and miscellaneous supplies. This estimate was provided by Rockhurst Management Corporation, 500 Helendale Road, Rochester, New York.

11. Office Supplies. The estimate of the amount necessary to pay for postage, stationary and miscellaneous office supplies for the association.

12. Management. The amount necessary to manage the affairs of the association. The management fee is equal to \$10.25 per month per unit and is the going rate for the services provided in a development of this size. Rockhurst Management Corporation has agreed to provide such service at the above stated rate (see Exhibit 4 of this Offering Plan).

13. Reserves. Reserves are based upon a sum of money necessary to replace, repaint or repair major components of the units at the expiration of their useful life. A schedule of such costs is as follows:

A. Roadways and parking areas consisting of 3,842 lineal feet will require resurfacing with a 1" topping in 20 years. The cost of such retopping is estimated at \$7.00 per lineal foot.

Cost of resurfacing:	\$26,894.00
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B. Driveways consisting of approximately 17,000 square feet will require a resurfacing with 1" of new blacktop every 15 years. The cost of such resurfacing is 65 cents per square foot.

Cost of such resurfacing:	\$11,050.00
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C. Roadways, driveways and parking areas consisting of approximately 93,840 square feet will require resealing in four years. The cost of sealing is 8-1/2 cents per square foot.

Cost of resealing: \$7,976.40

D. The exteriors of the units will require repainting every five years. The cost of such repainting is \$175.00 per unit.

Cost of repainting: \$14,875.00

E. Every 20 years the roofs will have to be replaced at the cost of \$900.00 per unit.

Cost of reroofing: \$76,500.00

The reserves which must be established for such replacement or repair is therefor calculated as follows:

A. 26,894.00 ÷ 20	=	1,344.70
B. 11,050.00 ÷ 15	=	736.67
C. 7,976.40 ÷ 4	=	1,994.10
D. 14,875.00 ÷ 5	=	2,975.00
E. 76,500.00 ÷ 20	=	3,825.00
		<u>10,857.47</u>

10,857.47 ÷ 85 = \$127.73 per unit

ARTICLE FOUR
OPINION OF COUNSEL

Opinion of Sponsor's counsel regarding legal and tax aspects of the Association based on the terms of the Offering Plan.

SUTTON, DELEEuw, CLARK & DARCY

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CHRISTOPHER B. MUMFORD, # C

* MEMBER OF NY AND FL BAR

March 9, 1987

Colonial Heights Development, Inc.
5692 Pittsford-Palmyra Road
Pittsford, New York 14534

Attn: Mr. David Christa
President

Re: Thomas Creek Homeowners Association, Inc.

Gentlemen:

We have been engaged by you as the Sponsor of Thomas Creek Homeowners Association, Inc. Our opinion has been requested with respect to the Federal and State tax matters described below. In connection with the rendering of our opinion, we have examined the offering plan for Thomas Creek Townhouse Subdivision (the "Offering Plan") and the documents referred to therein for the sale of townhouses. We have also examined the applicable Federal and New York State tax laws, regulations, rulings and judicial interpretations thereof existing as of the date of this letter.

Based upon the documents and conditions hereinabove stated, we opine as follows:

1. Deductibility of Real Estate Taxes.

Each owner of a townhouse (the "Townhouse Owner") will be entitled to deduct, for Federal and New York State income tax purposes, all state and local real property taxes, as defined by Section 164 of the Internal Revenue Code, which are assessed against his townhouse and paid or accrued by the Townhouse Owner, according to the method of accounting used by him in computing his taxable income.

2. Deductibility of Mortgage Interest.

Each Townhouse Owner will be entitled to deduct, for Federal and New York State income tax purposes, all interest paid or accrued, according to the method of accounting used by him in computing his taxable income, by the Townhouse Owner on a mortgage loan secured by a mortgage on the townhouse of which he is the legal or equitable owner.

3. Deductibility of Fees and Assessments Paid the Homeowner Association.

Fees and assessments paid by each Townhouse Owner, to the Association, will not be deductible by him for Federal and New York State income tax purposes. In addition, such payments, when required to be paid by all Townhouse Owners for the same rights and privileges of membership or to be expended on Association property, will not constitute taxable income of the Association.

4. Taxation of the Homeowner 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 the association's members. Income which is not exempt function income is subject to income tax at the current rate of 30%. Examples of non-exempt function income are interest earned on reserve accounts and fees paid by association members for special use of association facilities.

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

A. The association must be organized and operated for exempt function purposes;

B. At least 60% of the association's gross income must be received as membership dues, fees or assessments from the Townhouse Owner;

C. At least 90% of the homeowner association expenditures must be for the acquisition, management, maintenance and care of association property;

D. No part of the homeowner 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.

E. The homeowners association must file the appropriate election for the tax year with the Internal Revenue Service.

5. Validly Formed Homeowner Association.

When the Declaration of Covenants, Conditions and Restrictions is recorded in the County Clerk's Office, the Association will be validly formed and the Declaration will be legal, valid, binding and enforceable upon the homeowners. In our opinion, the restriction on the rental of townhouse lots does not constitute an illegal restraint against alienation.

6. Compliance with Zoning Ordinance.

The Homeowner Association property and the townhouses to be sold in conjunction therewith, conform as built, to the zoning ordinance of the Town of Perinton, Monroe County, New York.

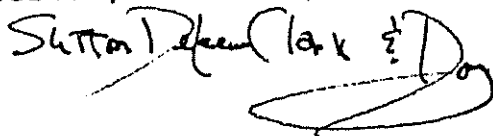
7. Homeowners Association for Franchise Tax.

The New York State tax commission in an advisory opinion dated March 9, 1982, indicates that Homeowners Associations are subject to the franchise tax on Business corporations imposes under Article 9-A of the Tax Law, and will be required to pay an annual franchise tax upon the basis of its entire net income or upon such other basis as may be applicable.

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

We authorize this letter to be set forth and made a part of the Offering Plan.

Very truly yours,
SUTTON, DE LEEUEW, CLARK & DARCY



ARTICLE FIVE
DESCRIPTION OF COMMON AREAS AND FACILITIES

The Sponsor shall develop a residential community with 85 lots and dwelling townhouses over approximately 14.168 acres of land. Phase I shall be constructed on approximately 8.066 acres of the development and will be improved by 46 townhouses. The Sponsor anticipates developing one or more phases including an additional 39 lots, all of which shall become a part of the Association, for a projected total of 85 townhouses. Construction of Thomas Creek Phase I commenced December, 1986, and is anticipated to be completed by December, 1988. A site plan of Phase I and the anticipated succeeding phases shall be set forth in Exhibit 5 attached hereto.

BECAUSE OF A VARIETY OF CIRCUMSTANCES INCLUDING CIRCUMSTANCES BEYOND THE SPONSOR'S CONTROL, SUCH AS MARKET ACCEPTANCE OF THE DEVELOPMENT, THE AVAILABILITY OF FINANCING, ENVIRONMENTAL REGULATIONS AND CONTROL AND THE GENERAL CONDITION OF THE ECONOMY, SPONSOR GIVES NO ASSURANCE THAT ALL OR ANY ADDITIONAL PHASES NOW CONTEMPLATED WILL BECOME A REALITY.

All areas contained in Phase I which are not contained within the perimeter of the lot lines on the Subdivision Map shall be known as common areas. These common areas shall be conveyed to the Association prior to closing title to the first lot in Phase I.

Additional information further describing common areas and facilities is set forth in the Engineer's Report at Exhibit A-2 in Part Two of this Offering Plan.

ARTICLE SIX - THE ASSOCIATION

SUMMARY OF CERTAIN PROVISIONS OF THE DECLARATION

Thomas Creek Homeowners Association, Inc.

The Thomas Creek Homeowners Association, Inc. hereinafter referred to as the "Association" shall be formed prior to the sale of the first lot in Phase I pursuant to the Not-For-Profit Corporation Laws of the State of New York. A Certificate of Incorporation of the Homeowners Association is set forth as Exhibit 2. The Sponsor shall record and file a Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens prior to the transfer of title to any lot or townhouse, which Declaration shall govern the use and operation of the same. The Declaration shall remain in full force and effect against the property and the owners for a period of not less than twenty (20) years from the date the Declaration is recorded and shall then be automatically and without further notice extended for successive periods of ten (10) years. The Declaration provides those provisions shall run with the land and shall be enforceable by the Sponsor of the Association and the owner of any lot. By accepting a deed, lease or other instrument conveying any interest in a lot, the grantee, lessee or any other person accepting such interests, covenants to observe, perform and honor 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 lot.

The Association has been formed to preserve the values and amenities of the common areas, to maintain and administer community property and facilities, to administer and enforce certain protective covenants and restrictions set forth in the Declaration, and to collect and disburse common assessments and charges as more specifically set forth:

The Association shall be responsible for the operation and maintenance of Association property and the exterior maintenance of townhouses including repair or replacement of siding, gutters, downspouts, roof, and painting trim.

In addition, the Association shall maintain fire and casualty insurance covering townhouses and Association property. The Association will also hold reserves for any unforeseen emergencies which the Board of Directors may deem proper.

The Association shall supervise the exterior improvements in the Thomas Creek Townhouse Development by establishing an Architectural Committee.

Membership in the Association is mandatory for all lot or townhouse owners.

Additional Property

The Sponsor, its successors and assigns, shall have the right to bring additional property within the scheme of this Declaration at any time by making amendments to the Declaration. Additions of property authorized under this Article shall be made by filing and recording a Supplemental Declaration with

respect to additional property and which will extend the scheme of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens contained in this Declaration to said additional property and shall thereby subject such additions to assessment for the just share of Association expenses. Said additional property shall consist of up to, but not greater than, 85 lots.

Easements Created by Declaration

Sponsor reserves the right to grant easements, both temporary and permanent, to all public authorities and public and private utilities over any part of the common areas. The Declaration also provides for a blanket easement upon, across, over and under all of the properties for ingress, egress, installation, replacement, repair and maintenance of all utilities including but not limited to water, sewers, gas, telephone, electricity and master television cable system. The Association and its agents and employees shall have an easement to enter all common areas and any residence to perform duties of maintenance and repair, and to prevent damage to other residences.

In addition, the Association shall have the right to grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

The Sponsor shall also have a right of ingress and egress, over, upon and across common areas or additional land

which may be added to the property and the right to store materials thereon and make use thereof as may be reasonably necessary or incident to construction, development and sales of townhouses, operation of the Association and maintenance of the common areas.

An easement is also given for common area encroachments upon any lot, and townhouse or lot encroachments upon any other townhouse or lot as a result of construction, settling, shifting, building or altering common areas.

Property Rights

Every owner shall have a right and the easement of enjoyment in and to common areas which shall be appurtenant to and shall pass with the title to every lot subject to By-laws and Rules and Regulations of the Association.

Party Walls

Each wall built as part of the original construction of a townhouse and placed on the dividing line between the lots shall constitute a party wall. The cost of reasonable repair and maintenance of the wall shall be shared by the owners of said wall, each owner being responsible for ordinary maintenance and repair of their respective sides of said wall. If substantial repairs to the wall are necessary, the cost of such repair shall be born equally by the two townhouse owners. If an owner, who by his negligent or willful acts causes damage to the party wall, then the cost of such repair shall be charged to the responsible party.

Architectural Controls

All Association members shall be subject to certain restrictions in the Declaration including certain architectural controls prohibiting the erection of any buildings, fences, walls, or structures upon the properties, and the exterior addition, change or alteration of any building or lot unless such alteration has been first submitted and approved in writing by the architectural committee. In addition the Homeowners Association shall forbid the use of any property for commercial activity, except that property used by the Sponsor for the purposes of construction and sales promotion.

Subordination of Mortgage to Declaration

The mortgage for any land or construction loan for any part of the Thomas Creek Townhouses shall be made subordinate to the Declaration or shall include a covenant insuring that the Association and/or the townhouse or lot owner's undisturbed use of the premises for the purposes described herein in the event of foreclosure.

Subordination to Mortgage

To the extent permitted by law, the lien of the Association for maintenance assessments or other charges, fees, late charges or fines levied by the Association becoming payable on or after the date of recording of the first mortgage on any lot shall be subordinate to said first mortgage lien.

Insurance

The Homeowners Association shall be obligated to maintain insurance for all Association property covering fire and casualty, liability, officers and directors liability, insurance covering the full replacement costs of any repair or reconstruction work on all townhouses and umbrella coverage as deemed necessary.

Membership and Voting Rights

Any individual, eighteen (18) years or older, partnership or corporation who obtains fee simple title to any lot in Thomas Creek Townhouses, Phase I shall automatically become a member of the Association, which membership is mandatory. The owners of any additional properties which may become subject to the Declaration shall automatically become members of the Association.

Thomas Creek Homeowners Association, Inc. was incorporated under Section 402 of the Not-For-Profit Corporation Laws of the State of New York and filed on January 27, 1987. The business and affairs of the Association shall be managed by a five member Board of Directors, however, until five years have elapsed from the date of conveyance of the first townhouse lot or until 120 days after seventy-five percent (75%) of the townhouse lots have been sold by the Sponsor, whichever occurs first, the Board of Directors shall consist of such Officers and Directors as the Sponsor shall designate. During the time that the Sponsor is in control of the Board of Directors, no mortgage

will be placed on the Homeowners Association property without the consent of at least fifty-one percent (51%) of the townhouse owners, excluding Sponsor. While the Sponsor is in control of the Board of Directors, certified financial statements will be provided each year to members.

Thereafter the five member Board of Directors shall be composed of owners, co-owners, spouses of owners or mortgagees of townhouses or in the case of corporate owners or mortgagees of townhouses, officers, directors, shareholders, or employees of such corporations or officers or employees of fiduciaries.

At the first annual meeting after the Sponsor has relinquished control, an election shall be held of members, at which time the Board of Directors shall be fixed as follows:

Two (2) members shall be elected for three (3) years.
Two (2) members shall be elected for two (2) years.
One (1) member shall be elected for one (1) year.

The first meeting of the Board shall be held within fifteen (15) days of the first annual meeting of Association members at which Board members are elected.

Officers and Directors may be removed from office with or without cause by a majority of voting Association members.

The Association shall have one class of voting membership with one (1) vote for each member. A quorum for voting purposes requires members holding in the aggregate in excess of fifty percent (50%) of the voting interests.

For purposes of amending the Declaration or By-laws, a

vote of two-thirds (2/3) of all voting members is necessary. A vote is required for any extraordinary item with a necessary two-thirds (2/3) consent of the total vote.

The names and addresses of existing officers and directors of the Association are:

David Christa, President and Treasurer, located at 5692 Pittsford-Palmyra Road, Pittsford, New York.

Kathleen Christa, Vice President, located at 29 Foxboro Lane, Perinton, New York.

Robert L. Teamerson, Secretary, located at 31 East Main Street, Rochester, New York.

David Christa is a principal of the Sponsor.

Kathleen Christa is the wife of David Christa, a principal of Sponsor, and will not be actively involved in the day to day functioning of the Association.

Robert L. Teamerson is a member of the law firm of Sutton, DeLeeuw, Clark & Darcy, which firm represents the Sponsor.

Assessments

The Association's costs and expenses for maintenance and operation, including a reserve for capital improvements, and for working capital, if any, shall be allocated among lot owners and assessed by the Board of Directors. Assessments shall commence on the day in which the first lot is transferred from the "Sponsor" to an owner or on such other date as may be determined by the "Sponsor". The first assessment shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors and thereafter assessment shall be fixed on a full year basis. The Board of Directors shall fix the amount of the assessment against each lot at least thirty (30) days in advance of the annual assessment period. The assessment shall be due and payable on a monthly basis unless the Board of Directors establishes other periods for payment. Any owner of a lot shall by taking title to said lot, covenant and agree to pay the annual maintenance assessments payable monthly and any special assessments payable when due to carry out Association functions. The Sponsor will be obligated for the difference between actual Association expenses including reserves applicable to completed improvements as provided for in the Association's budget, and the Association charges levied on owners who have closed title to their townhouses or lots as projected in Schedule A of the Offering Plan. All maintenance and special assessments become a lien and charge against the lot and also become a personal obligation of the lot

owner who owns the lot at the time the assessment becomes due. If any assessments, special assessments, or installment thereof 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 property and a personal obligation of the owner. Any owner having delinquent assessments may be prohibited from the use or enjoyment of the Association property, however, this prohibition shall not exempt the lot owner from his obligation to pay the assessment nor shall it suspend the owners voting rights. The Homeowners Association may levy fines or other penalties from time to time for violation of their rules and regulations.

Working Capital Fund

The Sponsor shall advance to the Association TWO HUNDRED AND FIFTY DOLLARS (\$250.00) per lot for each lot in a given phase prior to conveyance of the first lot in such phase. The purchase agreement set forth as Exhibit B-12 requires the initial purchaser of each lot to reimburse the sponsor for the TWO HUNDRED AND FIFTY DOLLARS (\$250.00) per lot for purposes of working capital of the Association.

Reimbursement shall be made at the time of closing title to the lot. The advance shall be used for such purposes as the Board of Directors, in its sole discretion, may determine including unforeseen expenditures or to acquire additional equipment or services. The Working Capital Fund shall be replenished from funds collected in the assessments from lot owners. While the Sponsor is in control of the Board of Directors, the Working Capital Fund may be used to reduce projected Association charges. The amount allocated to the working capital and/or reserve fund together with the continued collection of reserve funds in future years in accordance with the estimate of such funds as projected in the initial budget for the Association is sufficient to cover foreseeable capital expenditures. Neither the Department of Law nor any other Governmental agency has passed upon the adequacy of the working capital fund established by the Sponsor.

Water Meters

The Sponsor shall install a water meter for each individual townhouse in Thomas Creek Townhouses. The cost of installation for the water meter will be paid to Sponsor by the townhouse purchaser at closing.

Enforcement, Amendment and Duration of This Declaration

The Association or any owner 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 hereinafter imposed by the provisions of this

Declaration. Each person or entity acquiring an interest in a lot or other portion of the property at Thomas Creek Townhouses whether by deed, lease or other instrument, covenants and agrees for himself, his heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration including personal responsibility for the payment of all charges which may become liens against his property and which become due while he is the owner thereof. Unless otherwise provided, the Declaration may be amended or rescinded upon the consent, in writing, of not less than two-thirds (2/3) of the votes of all lot owners subject to the Declaration except that until five (5) years from the date of the first townhouse conveyance or within 120 days after the Sponsor has sold seventy-five percent (75%) or more of the lots subject to the Declaration whichever shall first occur, the written consent of Sponsor will be required for any amendment which adversely affects the interest of Sponsor. Provisions of the Declaration shall, unless amended or rescinded, continue with full force and effect against both property and owners for a period of not less than twenty (20) years from the date the Declaration is recorded and shall be automatically and without further notice extended for successive periods of ten (10) years.

ARTICLE SEVEN

LOCAL GOVERNMENT APPROVAL - SURROUNDING AREAS & FACILITIES

Planning Board Approval

Thomas Creek Townhouse project was approved by the Town of Perinton Planning Board on September 4, 1985.

Municipal Services

This site is protected by the Monroe County Sheriff's Department and the Fairport Volunteer Fire Department. All lots will be serviced by the Monroe County Water Authority and Perinton Sewer District.

Public Transportation

Thomas Creek Townhouses are located near public park and ride bus service at Perinton Plaza, providing public transportation.

Shopping Centers

Thomas Creek Townhouses are located near Eastview Mall in the Town of Victor and near Perinton Plaza, Perinton Square and Perinton Hills Mall in the Town of Perinton.

Health Facilities

Strong Memorial, Highland and Genesee Hospitals are located in the City of Rochester. There are also a number of private medical and dental offices in the vicinity of the site.

Educational and Religious Facilities

Thomas Creek Townhouses are located in the Fairport School District. There are also a number of houses of religious worship of all major religious denominations located within the vicinity of Thomas Creek Townhouses.

ARTICLE EIGHT
OBLIGATIONS OF THE SPONSOR

The following are the obligations of the Sponsor with respect to this Offering Plan and with respect to the Homeowners Association:

Completion of Construction

The Sponsor shall be responsible for completing construction of the common areas and facilities of Thomas Creek Phase I as set forth in this offering plan and any amendments hereto.

Sponsor anticipates construction of townhouses and Association property as follows:

	<u>Begin Construction of Townhouses</u>	<u>Completion of Townhouses</u>	<u>Completion of Construction of Association Property</u>
Phase I	December, 1986	December, 1988	December, 1988
Phase II	December, 1988	December, 1990	December, 1990

Construction of Association Property

Financing for construction of Homeowners Association property has been firmly committed by Marine Midland Bank, N.A. The Sponsor shall construct the Association property and complete the Association property in accordance with the building plans and specifications identified in the plan, however the Sponsor shall have an absolute right to substitute equipment or materials and make modifications of design provided that the Sponsor may not substitute equipment or materials of lesser

quality or design. The Sponsor agrees to pay for the authorized and proper work involved in the construction, establishment and sale of all the Association property that the Sponsor is obligated to complete under the plan. The Sponsor agrees to cause all mechanics liens with respect to construction to be promptly discharged or bonded. The Sponsor shall file the Declaration and convey the Association property to the Association prior to closing title to the first townhouse or lot in Phase I.

The Sponsor shall complete construction of all private roads serving a townhouse or building in which the townhouse is located, except for the finished topping coat, and any other facilities vital to the health and safety of the owners prior to closing title to the first townhouse. If the municipality permits occupancy and the Sponsor escrows funds for completion, closing may occur if the facilities are not vital to the health and safety of the owners. The Sponsor shall deliver a set of "as built" plans of common property improvements to the Board of Directors of the Association including specifications of roads, sewers and/or water lines and a representation that the plans or specifications are in substantial compliance with the terms of the offering plan. If the plans or specifications as built, are not in substantial compliance with the terms of the offering plan, then the plan must be amended and rescission must be offered to all purchasers and members. The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions and shall indemnify the Board of Directors involving

any such actions.

Dissolution of Sponsor

Sponsor may dissolve or liquidate after the completion of Phase I and such dissolution or liquidation shall in no way effect Sponsor's obligations under the plan.

Sponsor's Right to Access For Construction Purposes

Sponsor has the right of ingress and egress over the common areas for purposes of completing construction of the Association property or townhouses to be built in conjunction with the Association. In any event the Sponsor causes damage to any owners property or to the Association property during the period of construction, the Sponsor shall be obligated to repair any damages in a good and workman-like manner and the Sponsor may not substitute equipment or materials of a lesser quality or design for such repair.

Title Insurance

Title to Association property for Phase I shall be insured at closing by a Title Company authorized to do business in New York State. The amount of coverage for the Association property in Phase I shall be Five Hundred Eighty Dollars (\$580.00). If the Sponsor elects to construct Phase II of Thomas Creek Townhouses, the Sponsor shall increase the title insurance to fully cover the total value of the improved common property.

Subordination

Any mortgages or liens remaining on the property after closing on the first townhouse or lot shall be subordinate to the Declaration.

Sponsor Obligation for Association Charges

Sponsor will be obligated for the difference between actual Association expenses including reserves applicable to completed improvements as provided for in the Association's budget, and the Association charges levied on owners who have closed title to their townhouses or lots as projected in Schedule A of the Offering Plan.

Private Roads

In the event that private roads and/or sewers and/or water lines have not been completed prior to conveyance to the Association the Sponsor shall post a bond or escrow funds or provide other adequate security in amounts 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.

ARTICLE NINE

TRUST FUNDS

Deposits taken pursuant to a purchase agreement between Sponsor and purchasers for townhouses or lots within the Thomas Creek Townhouses shall be placed promptly in a segregated special escrow account. These deposits may be released by signature of Robert L. Teamerson or any other designated attorney in the law firm of Sutton, DeLeeuw, Clark & Darcy, 31 East Main Street, Rochester, New York 14614, at closing or prior to closing if the purchaser rescinds or defaults. The Sponsor is responsible for complying with the escrow and trust fund provisions of GBL Section 352-e(2)(b) and Section 352-h.

Sponsor must amend the plan before posting a bond on terms acceptable to the Department of Law in order to comply with the escrow and trust fund provisions of the GBL.

Deposits will be held at Columbia Banking Federal Savings and Loan Association, 31 East Main Street, Rochester, New York in the Thomas Creek Townhouse escrow account. The deposits will not receive interest.

ARTICLE TEN
MANAGEMENT AGREEMENT

Rockhurst Management Corporation shall be the managing agent of the property with its office at 500 Helendale Road, Rochester, New York. The management agreement provides that the Agent shall have the responsibility of managing the townhouse development in accordance with sound commercial practices and in conformity with the Association's By-laws and Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens.

The Agent shall be responsible for the following matters: (1) collecting Association fees and proceeding with legal actions for the collection of said fees; (2) repair or alteration of the premises in accordance with the direction of the Board of Directors; (3) contracting for necessary services as the Board of Directors shall deem advisable; (4) employing, directing, controlling, and discharging all persons performing services on the premises; (5) taking care of the accounting and payment of expenses for proper management of the property.

In return for performing these duties, the Agent shall receive compensation of \$10.25 per month per townhouse for which a closing has occurred at a minimum of \$200.00 per month. The Association shall reimburse the agent for the amount of any charges paid by Agent and required for preparation of the

townhouse development if necessary funds are not available to the Agent from revenues received from Association fees. The management agreement shall commence on the date of the transfer of title to the first townhouse lot and continue for a term of three (3) years. An earlier termination may be effected by either party on sixty (60) days' notice provided that such notice is given within thirty (30) days following transition of control of the Board of Directors from Sponsor to the lot owners.

No Contracts Binding Association

Except for the provisions of the Management Agreement referred to above, the Sponsor has entered into no contract which will be binding upon the Association. The Sponsor, however, reserves the right to enter into contract substantially in accordance with the description of services and charges set forth in the Estimate of Operating Expenses and Reserves at pages 12 and 14 of this Offering Plan.

ARTICLE ELEVEN
IDENTITY OF PARTIES

Colonial Heights Development, Inc., a corporation organized under the laws of the State of New York, was formed on April 4, 1985, and is located at 5692 Pittsford-Palmyra Road, Pittsford, New York. The controlling principals of Colonial Heights Development, Inc. are:

President, Vice President, Secretary and Treasurer

David Christa - with offices at 5692 Pittsford-Palmyra Road, Pittsford, New York 14534. The Sponsor and David Christa as a principal thereof have offered planned unit development townhouses in the Colonial Heights Townhouse Subdivision, Colonial Drive, Perinton, New York, within the past five years. David Christa has been involved in the planning stages of the project and in obtaining financing for the project. David Christa will be involved in the construction and physical development of the project.

Consultants

In an effort to develop and sell lots at Thomas Creek Townhouse Subdivision, the Sponsor has retained a number of professional consultants to assist it. These include:

Budget Review

Rockhurst Corporation
500 Helendale Road
Rochester, NY 14609

Survey and Engineering

Herman J. Klingenberger
1350 Buffalo Road
Rochester, NY 14624

Copies of Mr. Klingenberger's resume containing a listing of prior developments are available for the examination of prospective purchasers upon request to the Sponsor.

Legal Counsel - Sutton, DeLeeuw, Clark & Darcy, 31 East Main Street, Rochester, New York, who prepared the Offering Plan and who shall represent the Sponsor in townhouse or lot closings, along with all other legal matters.

Architect

Anthony V. Cardulla
1 Railroad Avenue
Victor, New York

Copies of Mr. Cardulla's resume containing a listing of prior developments are available for the examination of prospective purchasers upon request to Sponsor.

Managing Agent

Rockhurst Management Corporation, 500 Helendale Road, Rochester, New York 14609, shall perform these duties.

Five of Rockhurst's current community association clients are Churchville Greene Homeowners Association, Inc., Churchville, New York; Linden East Condominium Regime, East Rochester, New York; Nottingham Vilage Homeowners Association, Inc., Orchard Park, New York; Kimberly Condominium Estates, Chili, New York; and Barker Estates Howeowners Association, Inc., Pittsford, New York.

Rockhurst Management Corporation is not owned or controlled by Sponsor.

Landscape Architect

Anthony V. Cardulla
1 Railroad Avenue
Victor, New York

Selling Agent

Sandra Thomas Properties is the listing broker for Colonial Heights Development, Inc. Thomas Creek Townhouses will be offered through Sandra Thomas Properties by Sandra Thomas. Ms. Thomas is a licensed real estate broker.

ARTICLE TWELVE
REPORT TO MEMBERS

It is the obligation of the Association to give all members annually a certified financial statement prepared by a Certified Public Accountant and prior notice of the annual members meeting.

ARTICLE THIRTEEN
DOCUMENTS ON FILE

The Sponsor shall keep copies of the plan, Parts A, B, and C of the Exhibits and documents referred to in the plan on file and available for inspection and copying at 5692 Pittsford-Palmyra Road, Pittsford, New York for a period of six (6) years from the date of the first closing.

ARTICLE FOURTEEN

GENERAL

Pending Litigation

Neither the Sponsor nor its principals are involved in any legal proceedings the outcome of which may materially affect the offering, the property or the Sponsor's capacity to perform all of his obligations under the plan or the operation of the Association.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that the Sponsor and the Association will not discriminate against any person because of race, creed, color, sex, national origin or ancestry in the sale of lots or in the offering of memberships in the Association.

No Offering to Minors

This plan is not offered to persons less than eighteen (18) years of age.

No Prior Offering

As of the date of the first presentation of this Offering Plan, neither the Sponsor nor any representative or agent of the Sponsor, has raised funds or made any preliminary offering or entered into any agreement, binding or non-binding, to or with prospective lot purchasers.

Offering Plan is Fair Summary

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

COLONIAL HEIGHTS DEVELOPMENT, INC.

By 
David Christa, President

PART TWO

