

January 21, 1987

New York State Department of Law
Two World Trade Center
New York, New York 10047

Attn: Real Estate Financing Bureau

RE: Drumlins Homeowners Association

Gentlemen:

The sponsor of the homeowners association offering plan for the captioned property retained our firm to review Schedule A containing projections of income and expenses for the first year of homeowner association operation. Our experience in this field includes 16 years in the management of over 2,000 condominiums and 5,000 rental apartments in the Western New York area.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 22 insofar as it is applicable to Schedule A.

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

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 first year of operation as a homeowners association.

I certify that the Schedule does:

(1) set forth in detail the terms of the transaction as it relates to the Schedule and is 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 or suppression;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (7) 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 statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. I understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

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.

Very truly yours,

L. R. Brattain

Lawrence R. Brattain
Vice President

LRB/ah

Sworn to before me this
21 day of January 1987

Dawn R. Leenhouts

Notary Public

DAWN R. LEENHOUTS
Notary Public in the State of New York
Monroe County
Commission Expires March 30, 1987

EXHIBIT K

PROPOSED LETTER TO BE ON
BANK STATIONERY

State of New York
Department of Law
Two World Trade Center
New York, New York 10001

Attention: Securities and Public
Financing Bureau

RE: The Drumlins Homeowners' Association, Inc.
Ontario Heights Development, Inc.
File #

Gentlemen:

We hereby agree to accept and pay drafts drawn on us in favor of the New York State Department of Law for the account of (Purchaser) on the following terms and conditions:

1. Total Amount of Credit: The credit shall be for an amount up to \$ _____ available by drafts payable at sight and drawn on us and shall be for the benefit of the Purchaser named in paragraph No. 2 hereof;

2. Beneficiary: _____ (Purchaser) of Unit No. _____, The Drumlins Subdivision;

3. Term: This letter of credit is irrevocable but shall expire upon the delivery by Ontario Heights Development, Inc. of the completed unit referred to in paragraph No. 2 above and delivery of a deed thereto to purchaser or return of purchaser's deposit, whichever occurs first.

4. Condition of Payment: We covenant and agree that such drafts shall receive due honor and that we shall remit in reimbursement as you direct upon your certification to us that Ontario Heights Development, Inc. has been unable to deliver the subject unit and/or deed thereto in accordance with the terms of the Purchase offer between Ontario Heights Development, Inc. and

the Purchaser named in Paragraph No. 2 above, or in the alternative, upon demand of the Attorney General of the State of New York.

Very truly yours,

(NAME OF BANK)

By: _____

DRUMLINS HOMEOWNERS ASSOCIATION

c/o Crofton Associates, Inc.

111 Marsh Road

Pittsford, NY 14534

July 29, 1996

Dear Drumlins Neighbors:

In February, 1995 the Board mailed to all owners a copy and a summary of the Rules and Regulations. At that time no enforcement procedures had been adopted as a part of this.

The Board believes good relations in our community will be better served and maintained through understanding and use of peer cooperation than by using penalties, fines and legal recourse. However, when residents and their properties are adversely affected by actions of others, it is unfair to allow such offenses to persist. The Board must act in a timely manner using fines, legal actions, etc. as required.

At the Board meeting on Monday, July 15, 1996 the Board adopted the following procedures particularly for Rules #2, 3, 8, 9, 12, 13, 16, 17 and 20 as shown in the Association By-laws and also enclosed with this letter.

- 1) Notify the owner of the violation. Inform the owner of the need to submit a variance request or correct the violation.
- 2) A Board Member and the Property Manager will visit the owner to explain the concerns, resolve the problem or make the owner aware of the fining procedure.
- 3) Request the owner to seek a Board hearing before a fine is levied.
- 4) Impose a fine of \$100 per month until the violation is corrected.

The By-Laws were ammended as shown. **Please add Page C-19 to your Offering Plan.**

Hopefully, it will not be necessary to use these measures. Thank you for your cooperation.

Very truly yours,

Drumlins Homeowners Association,
Board of Directors

BY-LAW AMENDMENT

Page C-19

7/15/96

Any variance to existing rules must have written Board approval. Rules #2, 3, 8, 9, 12, 13, 16, 17 and 20 are subject to a \$100/month fine if still violated after the following Board procedures:

- Notify the owner of the violation. Inform of the need to submit a variance request or to correct the violation.
- Visit the owner (Board member and Property Manager) to explain concerns & consequences, or resolve.
- Inform the owner to seek a Board hearing before a fine is levied.
- Impose monthly fine until violation is corrected. Unpaid fine is subject to interest and lien.

Please add this page to your Offering Plan.

RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, the following rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the board of Directors, shall govern the use of the Units and conduct of all residents thereof.

1. The sidewalks, entrances, and driveways must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.
2. No sign, advertisement, notice, or other lettering including political endorsements or signs shall be exhibited, inscribed, painted, or affixed by any Owner on any part of the outside or windows of the unit or buildings without prior written consent of the Board of Directors.
3. No awnings or other projections shall be attached to the outside walls of the buildings without prior written consent of the Board of Directors.
4. No baby carriages, velocipedes, or bicycles shall be allowed to stand on the sidewalks, entrances, driveways, or other Common Areas or on parts of the Lots outside the buildings and patio areas. no automobiles or trucks shall be parked on the driveways except in marked parking spaces or temporarily when making deliveries to Units immediately adjacent thereto.
5. No owner shall allow anything whatever to fall from the windows or doors of the premises, nor sweep or throw from the premises any dirt or other substances into any of the Common Areas or upon the grounds.
6. No garbage cans, equipment or supplies or any kind including firewood, milk bottles, or other articles shall be placed on the Common Areas or on parts of the Lots outside the buildings and patio areas, nor shall anything be hung or placed in such manner that it is visible. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any windows or doors.
7. No Owner shall make or permit any disturbing noises in the Unit by himself, his family, employees, agents, visitors and licensees, not do or permit anything to be done by such persons that will interfere with the rights, comforts, or conveniences of other Owners. No Owner shall play upon, or permit to be played upon, any musical instrument or operate or permit to be operated a tape recorder, phonograph, hi-fi set, stereo, FM set, radio, or other type of equipment for producing sound in the Unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the buildings. No Owner shall conduct or permit to be conducted, vocal or instrumental practice, nor give nor permit to be given vocal or instrumental practice, nor give nor permit to be given vocal or instrumental instruction at any time if the same shall disturb or annoy other occupants of the buildings. No garage sales may be held. Owners shall not use or permit the use of the premises in any manner which would be disturbing or a nuisance to other Owners, or in such a way as to be injurious to the reputation of the Association.

8. No installation of a radio or television antenna or other antenna shall be made without the written consent of the Board of Directors. Any antenna erected on the roof or exterior walls of the building without consent of the board of Directors, in writing, is liable to removal without notice.
9. No Owner shall keep or maintain any animals or birds except a single animal or bird commonly known as a household pet, unless prior written consent is obtained from the Board of Directors.
10. No Owner shall allow any pet to run free on the Common Areas or outside of that Owner's Lot. Pets shall be on leash and accompanied by an adult. Owners shall be responsible for picking up after pets.
11. No garbage, trash, or cuttings shall be placed, stored or collected in any area other than that designated for such purpose and no such materials shall be allowed to accumulate.
12. No change of exterior line, color or grade without written permission of the Board of Directors is permitted.
13. No boats, trailers, housecars, motorcycles, bicycles, or motor vehicles of any kind shall be parked on the premises except in the Unit garages, except that automobiles of visitors may be parked in the areas so designated.
14. All Units shall be used for single family residence purposes only.
15. Garage doors shall be kept closed unless entry or exit is being made from the garage.
16. No change in landscaping is permitted without the written permission of the Board of Directors.
17. No change in the style, size, color, lettering, or location of any mailbox or mail receptacle is permitted without the written permission of the Board of Directors.
18. All clotheslines, clothes poles and/or drying yards shall be located so as to not be visible from the street serving the Unit. The exact location of any such clotheslines, clothes poles, and/or drying yards shall be determined by the Board of Directors.
19. Except in the individual patio areas, if any, adjacent to a Unit, no permanent planting or gardening shall be done, and such planting as is done within the said restricted Common Area shall be kept trimmed so as not to encroach on neighboring property.
20. No pens, fences, chains, hedges or walls shall be erected or maintained upon the Properties except those erected at the time of the original construction of the buildings located thereon.