HOA
Copy

the Preserve

PURCHASER INFORMATION

3RD Edition
12/01/97

1. Enclosed with this booklet is a copy of the most recent Purchaser Information.

2. The purchase of a residential unit on one of the homesites in the Preserve Development includes the cost of your membership in the Preserve Homeowners' Association (HOA). See the **Declaration of Covenants, Conditions and Restrictions for The Preserve** that was filed in the Onondaga County Courthouse on March 22, 1994.

3. The annual assessment (dues) for the year of 98 is estimated to be $ 100. Attached is a copy of the current budget and/or proposed budget for the following year.

4. Attached is a copy of the most recent financial statements for the operations of the HOA.

5. Attached is a MEMORANDUM dated November 21, 1997 that summarizes the important operational aspects of the Homeowners' Association.

6. Also included is a copy of the by-laws of the Homeowners' Association that were adopted on October 21, 1993 by the then current Board of Directors of the HOA.

act:hoalet/c:drive

Preserve Properties LLC

107 Twin Oaks Drive
Syracuse, New York 13206

(315) 437-0301
fax (315) 463-5028

Date:_____________________________

To:_______________________________

Lot Number:______________________

Book #:___________________________

Subject: Information re the Preserve and the Homeowner's Association

Welcome!
to
The Preserve Development in the Town of Pompey.
It is an exciting and unique development.
Your purchase of a home in
The Preserve Development
automatically provides you with a
Membership
in The Preserve Homeowners' Association
which owns
55+ Acres of property bordering
beautiful Limestone Creek

As a prospective buyer of a home and/or homesite in **The Preserve** development, we, the developer of **The Preserve** are required to provide you with the following information in accordance with the *Declaration of Covenants, Conditions and Restrictions for the Preserve* and the most recently filed *Offeror's Affidavit Under 13 NYCRR Section 22.8 (b)(2)(i) For the Preserve Homeowners' Association, Inc.* per paragraph # 6 of the Affidavit.

- MEMORANDUM -

Date: Tuesday, November 25, 1997

To: Members of the Homeowner's Association (The Preserve)

From: Theodore H. Northrup, Willard and Barbara Lipe (Preserve LLC - Developer)

Subject: Summary of Affidavit and Declaration of Covenants re the HOA at the Preserve. See By-laws also.

The purpose of this summary memo is to detail the pertinent aspects of the various documents that are provided to homeowners when they elect to purchase a home in The Preserve Development. This document is intended to simplify and clarify some of the language as presented in the documents.

Members of HOA -
All owners of a Resident (house) - one vote each
The Developer (Preserve LLC) - one vote
Owners of a Lot - one vote
Note: A builder gets one vote if he owns a house (spec. or contract) that is "substantially complete"
Reference: Article III of Declaration of Covenants

Election of Board -
By vote at Annual Meeting of HOA
Each member is entitled to 1 vote for Members of the Board
Size of Board- three elected by Homeowners
one nominated by the Sponsor "Developer"
See by-laws
Officers:
President
Vice President
Treasurer/Secretary

Annual Meeting Date - suggest Fall of each year to elect officers and discuss next year's budget.

Fiscal Year - suggest calendar year

Duties of Board (various)-
a. establish rules for Common Areas (2.07)
b. maintain liability insurance for the Common Property (5.01)

c. enforce the Covenants
d. manage the duties of the HOA
e. pay Common Area taxes
f. establish annual budget for the HOA
g. Architectural Standards-modifications only (Article X)
h. implement budget of the HOA
See Article III, Section 5 of By-laws

Assessments (Dues) - Paid quarterly (suggest due dates of 1/1, 4/1, 7/1, 10/1)
Annual dues based on Annual Budget divided by # of Residents (homeowners) (9.02 and 9.03)
If new owner, the dues are prorated to date at which ownership occurred and due beginning of following quarter. (9.02)
Unpaid dues can result in a lien on the house (9.05 and 9.07)
Budget effective unless disapproved by majority of owners (9.03)
See Article VI By-laws also

Assessments of Developer - Developer pays annual difference between annual budget and actual expenses (9.08a)

Developer Options - Developer can contribute dues in form of services (9.08b)
Developer can arbitrarily maintain Common Areas to enhance development and sale of lots (11.04)

Other: The "Declaration of Covenants..." and the "By-laws of the HOA" are predominantly the same. Either document can be referenced. This summary will hopefully assist in your efforts to digest the details of either document.

BYLAWS
of
THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I. APPLICABILITY

Section 1. Bylaws Applicability. The provisions of these Bylaws are applicable to the operation and conduct of business of The Preserve Homeowners' Association, Inc., a New York Not-for-Profit corporation, hereinafter "HOA".

Section 2. Personal Application. All present or future Home Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the HOA in any manner are subject to these Bylaws, the Declaration and any Rules and Regulations established by the Board of Directors. The mere acquisition or rental of any of the Homes or the mere act of occupancy of any of said Homes will signify that these Bylaws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II. MEMBERSHIP AND VOTING

Section 1. Membership. The HOA shall be limited to Home Owners. "Home Owner" as referred to herein shall mean all of the owners of each Home in The Preserve ("the Community"), and the Sponsor so long as it shall hold title to one or more Homes or Lots in the Community.

Section 2. Voting. Each Home Owner shall be entitled on all issues to one (1) vote and there shall be only one (1) vote per Home or Lot. When more than one person or entity holds an interest in a Home or Lot, the vote for such Home or Lot shall be exercised as those persons or entities themselves determine and advise the Secretary of the HOA prior to any meeting. In the absence of such advice, the vote for such Home or Lot shall be suspended in the event more than one person or entity seeks to exercise it. Any Owner of a Home which is leased may, in the lease or other written instrument, assign the voting right appurtenant to that Home to the lessee, provided that a copy of such instrument is furnished to the Secretary of the HOA prior to any meeting. No Home Owner shall have more than one (1) membership in the HOA no matter how many Lots or Homes such Home Owner may own. In any case in which a Home Owner is entitled to vote, he shall have no more than, nor less than, one vote.

Section 3. Quorum. So many Home Owners as shall represent at least 51% of the total authorized votes of all Home Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Home Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these

Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Home Owners, the Home Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Home Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Home Owners, unless the question is one upon which, by express provisions of the Declaration,Statute, or of these Bylaws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Home Owners, every Home Owner having the right to vote, as provided in Section 2 above, shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Home Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these Bylaws to be taken in connection with any action of the HOA, the meeting and vote of Home Owners may be dispensed with if all Home Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Home Owners as may be designated by the Board of Directors.

Section 9. Annual Meetings - Control of Board of Directors by Sponsor. Within one year after the transfer of title to the first Home, the Sponsor shall call the first annual Home Owners meeting. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Home Owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Home Owners may also transact such other business of the HOA as may properly come before them. The Sponsor will have voting control of the Board of Directors until the second anniversary of the recording of the Declaration or until 51% of the Homes in the Community are sold, whichever occurs first. At no time, however, may the Sponsor exercise any veto power which it may have, or use its control of the Board to reduce the level of services described in the Offering Plan, or prevent capital repairs or expenditures required to comply with applicable laws or regulations. At the second annual meeting, and at all successive meetings, Sponsor may not cast its vote to elect a majority of the Board of Directors but may cast its vote to elect no more than one (1) member of the Board of Directors. So long as the Sponsor owns one or more Homes or Lots, the Sponsor will be entitled to elect at least one member to the Board of Directors.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Home Owners as directed by the Board of Directors or upon a petition signed by a majority of the Home Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Home Owner of record, at least five but not more than ten days prior to such meeting. The mailing of a notice in the manner provided in these Bylaws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of directors (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and Term. The affairs of the HOA shall be governed by a Board of Directors. The first Board of Directors shall consist of three Directors designated by the Sponsor who shall hold office and exercise all powers of the Board of Directors until the first annual meeting of the Home Owners. Within 60 days of the closing of title to the first Home, a meeting of the Home Owners shall be held at which a Home Owner who is independent of the Sponsor shall be elected to the first Board of Directors by majority vote of the Home Owners other than the Sponsor, to serve until the first annual meeting of the Home Owners. In the event the Home Owners are unable to have a meeting to elect a Home Owner or they do not elect a member within sixty (60) days, the

Sponsor shall have the right to appoint a Home Owner to the Board of Directors. Until succeeded by the Directors elected at the first annual meeting of Home Owners, Directors need not be Home Owners; thereafter, all Directors other than designees or nominees of the Sponsor shall be Home Owners. The Directors shall be elected at the annual meeting of the Home Owners. Three (3) Directors shall be elected by the Home Owners. The term of office of one (1) of the Directors shall be fixed for three (3) years, the term of office of one (1) of the Directors shall be fixed at two (2) years, and the term of office of one (1) of the Directors shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Home Owner shall be entitled to cast one vote on each ballot. The one (1) nominee on each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Directors. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting, but in any event, at least one-third of the terms of the members of the Board of Directors shall expire annually. Notwithstanding the foregoing, to assure the Sponsor minimum representation on the Board of Directors after it turns over control of the Board to Home Owners independent of the Sponsor, the Sponsor shall have the right to designate at least one (1) member of the Board so long as the Sponsor continues to own one or more Homes or Lots.

Section 2. Vacancy and Replacement. If the office of any Director or Directors becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the First Board of Directors (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Director's successor to fill the unexpired portion of his term.

Section 3. Removal. Directors may be removed for cause by an affirmative vote of a majority of the Home Owners. No Director other than a member of the First Board of Directors shall continue to serve on the Board if, during his term of office, he shall cease to be a Home Owner.

Section 4. First Board of Directors. The first Board of Directors shall consist of Frank J. Pizzica, Jr., who shall serve a three (3)-year term, S. Richard Simiele, who shall serve a two (2)-year term and Ronald F. Dew, who shall hold office and exercise all powers of the Board of Directors until a Home Owner is elected as hereinafter provided. A Home Owner, who is independent of the Sponsor, shall be elected by a majority of the Home Owners other than Sponsor to replace Ronald F. Dew, at a meeting held within 60 days of the closing of title to the first Home. If no such election has been made, then

Sponsor may designate such member. Any or all of said Directors shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

(a) The property and business of the HOA shall be managed by its Board of Directors, which may exercise all such powers of the HOA and do all such lawful acts and things as are not by Statute or by the Declaration or by these Bylaws, directed or required to be exercised or done by the Home Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy assessments ("common charges") to cover the cost of common expenses, payable in advance. The Board of Directors may increase the assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses;

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the common areas;

3. To open bank accounts on behalf of the HOA and to designate the signatories to such bank accounts;

4. To insure and keep insured the common areas of the HOA in accordance with Article VII of these Bylaws;

5. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Home Owners of the property for violations of the house rules or rules and regulations herein referred to;

6. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Home Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Home Owner.

7. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth.

8. To bring and defend actions by or against more than one Home Owner and pertinent to the operation of the HOA and to levy special assessments to pay for the cost of such litigation.

9. To hire a Management Agent to perform the duties of the Board of Directors provided that if such a contract is entered into with the Sponsor or an affiliate, the contract may not be for a period in excess of three years and must contain a provision for termination by either party upon 90 days' written notice after the second anniversary of the contract.

10. To make additions, alterations, or improvements to the common areas owned by the HOA, the cost of which addition, alteration or improvement does not exceed $5,000. The Board of Directors may make additions, alterations or improvements to the common areas costing in excess of $5,000 only with the approval of a majority of the Home Owners. While the Sponsor is in control of the Board of Directors, the Board may not make additions, alterations or improvements to the common elements costing in excess of $2,500 or enter into service or maintenance contracts the duration of which will extend more than two years after the Sponsor loses control of the Board of Directors, except with the approval of a majority of the Home Owners, excluding the Sponsor, voting at a duly held meeting of the Home Owners.

11. To borrow money on behalf of the HOA when required in connection with the operation, care, upkeep and maintenance of the common areas, provided, however, that (i) the consent of at least 66-2/3% in number of all Home Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of $5,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Home without the written consent of the Owner of said Home.

(b) The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) directors or Home Owners one of whom shall be a director, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the HOA and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these Bylaws, so long as the Sponsor or its designee shall continue to own a Home, but in no event later than three years from the date of the recording of the Declaration, the Board of Directors may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the common areas costing cumulatively more than $5,000, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, or (iii) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective or (iv) borrow money on behalf of the HOA. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacements to the HOA property shall be a common expense. All interior and exterior maintenance (including electrical and plumbing repairs in the Homes and painting and decorating of the interior of the Homes), all window and glass breakage, and any and all other repairs within the Home shall be made by the respective Home Owners at their own expense. The Home Owners shall also be responsible for the maintenance of their lawns, shrubbery and driveways at their own cost and expense. All replacements, repairs, painting or maintenance made by the Home Owner to the exterior surface of the Homes, including roofs, or to any generally visible portion of the common areas shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor.

Section 7. Compensation. Directors and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board newly elected by the Home Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the Home Owners meetings, and immediately after the adjournment of same, the newly elected Board shall meet to determine the dates, places and times of regularly scheduled meetings of the Board.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Director either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) directors.

(d) At all meetings of the Board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Declaration or by these Bylaws. If a quorum shall not be present at any meetings of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statements. The Board of Directors shall furnish to all Home Owners and shall present annually (at the annual meeting, but in no event later than four months after the close of the fiscal year) and when called for by a vote of the Home Owners at any special meeting of the Home Owners, a full and clear statement of the business conditions and affairs of the HOA, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Home Owner and a notice of the holding of the annual Home Owners meeting.

Section 10. Management Agent. The Board of Directors may employ for the HOA a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article. While Sponsor is in control of the Board of Directors, it will not enter into contracts which bind the HOA for a period of more than two years (except (a) Cable Television agreement and (b) initial management agreement) after the recording of the Declaration unless the contract provides that it may be canceled by the HOA upon 90 days notice.

Section 11. Liability of the Board of Directors, Officers and Home Owners. Any contract, agreement or commitment made by the Board of Directors shall state that it is made by the Board of Directors, as agent for the Home Owners as a group only and that no member of the Board of Directors, Officer of the HOA nor individual Home Owners shall be liable for such contract, agreement or commitment. The Board of Directors and Officers of the HOA shall have no liability to the Home Owners in the management of the HOA except for wilful misconduct or bad faith.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the HOA shall be chosen by the Board of Directors and shall be a president, a vice president and a secretary/treasurer. The

Board of Directors may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Home Owners or members of the First Board of Directors. Two or more offices may not be held by the same person other than Secretary/Treasurer.

Section 2. Election. The Board of Directors at its first meeting after each annual Home Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointed Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the chief executive officer of the HOA; he shall preside at all meetings of the Home Owners and Directors, he shall be an ex-officio member of all standing committees, shall have general and active management of the business of the HOA, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Home Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Home Owners meetings and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or by the President, under whose supervision he shall be.

Section 8. The Treasurer. In the absence of a management agent for the HOA, the Treasurer shall have the custody of the HOA funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the HOA including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the HOA in such depositories as may be designated by the Board of Directors.

He shall disburse the funds of the HOA as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the HOA.

He shall keep detailed financial records and books of account of the HOA, including a separate account for each Home which, among other things, shall contain the amount of each assessment of common charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

The Board may delegate the function of a Treasurer to a management agent, who shall then be charged with the aforesaid duties as part of the management contract. If a management agent is appointed, then the Board shall determine whether the position of Treasurer is necessary or desirable.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Directors.

ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these Bylaws, notice is required to be given to the Board of Directors, any director or Home Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office letter box in a postpaid sealed wrapper, addressed to the Board of Directors, such director or Home Owner at such address as appears on the books of the HOA.

Section 2. Services of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the HOA shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 2. Assessments. The Board of Directors shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the HOA and shall send a copy of the budget and any supplement to the budget to every Home Owner. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common areas and other operating expenses as well as charges to cover any deficits from prior years, and shall also determine the assessment for each Home Owner, which assessments shall be in an identical amount for each Home Owner. Said assessments shall be payable quarter annually in advance as ordered by the Board of Directors. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Home Owner agrees to pay promptly when due the quarter annual and all special assessments assessed against his own Home. In the event of a default in payment of quarter-annual assessments by any Home Owner, the Board, at its sole option and in addition to the remedies provided in Article IX of these Bylaws, may declare the common charge assessment on said Home Owner's Home for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board shall send notice to the delinquent Home Owner giving the Home Owner a five day grace period in which to make his payment. The Board may charge the delinquent Home Owner a fee in an amount of $20.00 to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may also be collected by the Board on the common charge assessment from its due date to the date payment is actually received from the Home Owner. The Board may take such action as it deems necessary to collect any common charges due from any Home Owner. In no event, however, shall the voting rights of a delinquent Home Owner be suspended or denied for non-payment of any assessment.

No Home Owner shall be liable for any assessments which accrue against his Home subsequent to a sale, transfer or other conveyance by him of his Home in accordance with these Bylaws and the Declaration. A purchaser of a Home (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all common charges assessed against the Home and unpaid at the time of the purchase.

Section 3. Statement of Common Charges. Upon the written request of any Home Owner or his mortgagee, the Board shall promptly furnish such Home Owner or his mortgagee with a written statement of the unpaid common charges due from such Home Owner.

Section 4. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all quarter-annual and special assessments as fixed and determined for all Homes. Disbursements from said account shall be for the general need of the operation including, but not limited to, repairs, betterments, maintenance and other operating expenses of the common areas, and for the other expenses of the HOA.

Section 5. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

ARTICLE VII. INSURANCE

Section 1. Insurance to be Carried by the Board. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, insurance for all insurable elements of the common areas, and public liability policy covering the common areas, the HOA, and the Home Owners, for all damage or injury caused by the negligence of the HOA, or any of its members or agents. Until the first meeting of the Board of Directors following the first annual Home Owners meeting, such public liability insurance shall be in a single limit of $1,000,000.00 covering all claims for bodily injury and property damage arising out of one occurrence. Thereafter, such insurance shall be in such limits as the Board may, from time to time, determine.

All policies of physical damage insurance shall contain waivers of subrogation and or any reduction of pro rata liability of the insurer as a result of any insurance carried by Home Owners or of the invalidity arising from any acts of the insureds or any Home Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured.

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

ARTICLE VIII. HOUSE RULES

Section 1. In addition to the other provisions of these Bylaws, the following house 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 Homes and the conduct of all residents thereof.

Section 2. All Homes shall be used for residential purposes only.

Section 3. Owners of a Home, members of their families, their employees and guests shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the HOA.

Section 4. The common areas shall not be obstructed, littered, defaced or misused in any manner.

Section 5. Every Home Owner shall be liable for any and all damage to the common areas and the property of the HOA which shall be caused by said Home Owner or such other person for whose conduct he is legally responsible.

Section 6.

(a) Every Home Owner must perform promptly all maintenance and repair work to his own Home which, if omitted, would affect the Community in its entirety, or the building of which his Home forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs to internal installations of the Home located in and servicing only that Home, such as telephones and sanitary installations shall be at the Home Owner's expense.

Section 7. A Home Owner may not make any alterations to the exterior of the Home without the prior approvals and consent as provided for in the Declaration.

Section 8. Every Home Owner shall comply, in all respects, with the provisions of the Declaration which are hereby incorporated by reference and made a part of the House Rules.

ARTICLE IX. DEFAULT

In the event a Home Owner does not pay any sums, charges or assessments required to be paid within ten (10) days of the due date, the Board of Directors, acting in behalf of the Board, shall notify the Home Owner and the mortgagee, if any, of such Home. If such sum, charge or assessment shall remain unpaid for thirty (30) days after the due date, a lien shall attach. In the event that the charge or assessment remains unpaid after sixty (60) days following the due date, the Board may commence such action, as it deems necessary, to collect such assessment. In the event the owner of a Home does not pay the assessment required to be paid by him within thirty (30) days of its due date, said sum shall bear interest at the maximum amount permitted by the State of New York from its due date and said Home Owner shall be liable for the HOA's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection of such assessment.

ARTICLE X. AMENDMENTS

These Bylaws may be altered, amended or added to at any duly called Home Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by 66 2/3% of the Home Owners in number and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Home Owners' interest and the interests of holders of a mortgage encumbering a Home or Homes.

ARTICLE XI. SELLING AND LEASING HOMES

Section 1. Selling and Leasing Homes. Any Home may be conveyed or leased by its Home Owner free of any restrictions except that no Home Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Home unless and until all unpaid common charges assessed against his Home shall have been paid to the Board of Directors. However, such unpaid common charges can be paid out of the proceeds from the sale of a Home, or by the Grantee. Upon the sale of a Home, the new owner automatically becomes a member of the HOA. Upon a lease of a Home, the owner may, in the lease or other written instrument, assign his voting right in the HOA to the lessee.

The provisions of this section shall not apply to the acquisition or sale of a Home by a mortgagee who shall acquire title to such Home by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Home" is referred to in this section, it shall include the Home and the Home Owners' interest in the HOA.

ARTICLE XII. CONDEMNATION

In the event all or part of the common area is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Board of Directors.

ARTICLE XIII. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Home Owner permit or suffer anything to be done or left in his Home which will increase the insurance rates on his Home or any other Home or on the common areas.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these Bylaws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice of Unpaid Assessments. The Board of Directors shall at the request of a mortgagee of a Home, report any unpaid assessments due from the Home Owners of such Home.

Section 4. Examination of Books and Records. Every Home Owner or his representative shall be entitled to examine the books and records of the HOA on reasonable notice to the Board but not more often than once a month.

Section 5. Construction. Whenever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 6. Compliance with Article 6. These Bylaws are set forth to comply with the requirements of Article 6 of the Not-for-Profit Corporation Law of the State of New York. In case any of these Bylaws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

Dated: October 21, 1993.

AMENDMENT TO PURCHASER INFORMATION

THE PRESERVE

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SLB/59720_1

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

DENNIS C. VACCO
Attorney General

PAMELA JONES HARBOUR
Deputy Attorney General

(212) 416-8162

July 11, 1997

Sarah Lewis Belcher, Esq.
Green & Seifter, P.C.
One Lincoln Center
Syracuse, New York 13202

Re: The Preserve HOA, Inc.
File No.: NA 93-0150

Dear Ms. Belcher :

The Department of Law has received and reviewed your application dated June 4, 1997 to amend the "no-action letter" granted December 29, 1993 for the above premises.

On the basis of the facts and circumstances stated in your letter and supporting documentation, the Department has determined that the amendment shall be incorporated into and made part of the original filing. The substance of the amendment is to disclose a new sponsor, Preserve Properties, L.L.C.

This position is based solely upon the limited information supplied and representations made in your letter and supporting documentation. Any different set of facts or circumstances might result in the Department taking a different position. In addition, this letter only expresses the Department's position on enforcement action which could arise from the transaction occurring without filing or registration, and does not purport to expresses any legal conclusion on this or any subsequent transaction or offering.

The issuance of this letter shall not be construed to be a waiver of or limitation on the Attorney General's authority to take enforcement action for violations of Article 23-A of the General Business Law and other applicable provisions of law.

Very truly yours,

Marissa Piesman /BLL
Marissa Piesman
Assistant Attorney General

Division of Public Advocacy • Real Estate Financing Bureau
120 Broadway, New York, N.Y. 10271-0332 • Phone (212) 416-8100 • Fax (212) 416-8179 * Not For Service Of Papers

OFFEROR'S AFFIDAVIT UNDER
13 NYCRR Section 22.8(b)(2)(i)
FOR THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.

STATE OF NEW YORK)
COUNTY OF ONONDAGA)ss.:

THEODORE H. NORTHRUP, being duly sworn, deposes and says:

1. I am the President of Cambridge Capital Corporation, managing member of Preserve Properties, LLC (hereafter "LLC").

2. The name, residence and business address and legal status of each offeror and its members, and the relationship of the offeror to the property which is the subject of the offering is as follows:

(a) The offeror is Preserve Properties, LLC, a New York limited liability company, having its principal office and place of business at 107 Twin Oaks Drive, Syracuse, New York 13206.

(b) The managing member of the LLC is Cambridge Capital Corporation, with its principal office and place of business at 107 Twin Oaks Drive, Syracuse, New York 13206. The non-managing members of the LLC are Willard C. Lipe and Barbara C. Lipe, who both reside at 4204 Pompey Center Road, Manlius, New York 13104.

(c) The LLC is the owner of the real property which is the subject of the offering.

3. The property which is owned and maintained by The Preserve Homeowners' Association, Inc. (the "HOA") consists of five (5) parcels of vacant land in the Town of Pompey, Onondaga County, New York totaling approximately 55 acres, which will be held as a natural environmental area for the use and benefit of the homeowners in The Preserve development. The property is located on the east side of Pompey Center Road, in the Town of Pompey, Onondaga County, New York. It is presently intended that the property will remain as "open land" and as a natural environmental area. The legal description of the property to be conveyed to the HOA is attached to this affidavit.

4. The Preserve Homeowners' Association, Inc. is a New York Not-for-Profit Corporation incorporated on October 5, 1993. The HOA was organized for the purpose of owning and maintaining the undeveloped real estate described herein. Membership interests are being issued in conjunction with the construction of one hundred twenty-seven (127) homes in "The Preserve" development. A membership interest in the HOA is mandatory with the purchase of a home in the development. The price for the home will include the cost of membership in the HOA. The purchaser of a home will own his home in fee simple absolute and will be entitled to exclusive possession of his home. There are one hundred twenty-seven (127) individual lots shown on the map of the development. One (1) single family residence will be constructed on each of the Lots. Construction on ten (10) lots are in various stages of construction.

As part of its development of The Preserve subdivision, the previous Sponsor, CNY Land Development Preserve Associates ("CNY"), constructed certain public roads known as "Preserve Parkway," "Winding Creek Road" and "Meadowview Court" and conveyed said roads to the Town of Pompey, New York. The Town maintains, repairs and snowplows the roads, and the HOA shall have no obligation or liability for maintenance, repair or snowplowing of said roads.

There are no restrictions on who may purchase a home and become a member of the HOA, except that this offer is made only to persons over eighteen (18) years of age. Occupancy of a home may only be for residential purposes. Each home will be taxed separately for real estate tax purposes, and, therefore, no homeowner will be liable for the payment of real estate taxes on any other home. However, the property owned by the HOA will be separately taxed to the HOA. The assessment to be paid by members of the HOA will include an amount sufficient to pay such real estate taxes.

Liability insurance covering the property owned by the HOA is to be included as part of the common charges, but fire and liability insurance for the purchaser's home and personal effects is to be carried by the individual purchaser.

Common charges will be assessed based upon annual budgets to be adopted and will be levied in equal amounts for each home and will be payable annually. The LLC shall be obligated for the difference between the actual HOA expenses and the assessments levied on owners who have closed title to their homes, as those assessments may be adjusted on an annual basis due to changes in the HOA budget. The LLC's obligation for any difference shall continue only so long as the LLC is the owner of any home or lot within The Preserve development.

Primary responsibility for operating the HOA rests with the Board of directors who are elected by the home owners. Each home owner, upon obtaining title, will automatically have one vote at all meetings of home owners. The LLC will have voting control of the Board of Directors until 51% of the homes are sold.

5. The LLC will comply with the escrow and trust fund provisions of General Business Law Section 352-e(2)(b) and Section 352-h and the Regulations adopted by the Attorney General pursuant thereto, and will hold downpayments for the purchase of any home in trust for the benefit of the purchasers. Such funds will not be commingled with the moneys of the LLC until actually employed in connection with the consummation of the purchase and sale of a home.

6. The LLC will provide to each offeree the following information:

(a) a statement that the purchase price of the home includes the cost of membership in the HOA;

(b) the estimated annual assessment and the current or proposed budget;

(c) a copy of the most recent financial statement of income and expenses for the operation of the property, if applicable;

(d) information known to the LLC which may result in extraordinary expenses for members or for the HOA including, but not limited to, assessments, liabilities, dangerous or hazardous conditions, pending litigation and administrative proceedings;

(e) evidence of compliance with local zoning laws and regulations, e.g. construction permits, zoning resolutions and use permits;

(f) disclosure of escrow account as required by Section 22.3(k)(2) including the form for dispute resolution by the Attorney General; and

(g) such other information as the Department of Law may require to be presented to each offeree.

7. The LLC shall furnish a complete copy of the application for a no-action letter, submittal reporting a change in the Sponsor, and a copy of the no-action letter to each offeree prior to accepting any downpayment.

8. The LLC shall furnish, within five (5) days after a request by the Department of Law, copies of executed offeree affidavits required pursuant to 13 NYCRR Section 22.8(b)(2)(i)(j).

9. The use for which the homes and property are being offered will comply with the applicable municipal certificate of occupancy, zoning, building and housing laws, rules and regulations.

10. Neither the LLC nor its members have, within the preceding five years, participated in any other applications for a no-action letter or made any other

offerings which were not pursuant to an offering plan filed with the Department of Law.

11. An affidavit will be obtained from each proposed offeree prior to the closing on a home that is subject to this application which will contain the following representations:

(a) The offeree's name, residence, business address and legal status.

(b) That the offeree has read the affidavit of the LLC submitted as part of the application for a no-action letter;

(c) That the offeree understands that no offering literature other than as required by the no-action letter will be provided; and

(d) That the offeree has inspected the subject property.

Theodore H. Northrup

Sworn to before me this
30th day of June, 1997

Notary Public

SLB/57244_1

DAVID A. YAFFEE, Notary Public in the State of New York, Onondaga County No. 34-8781606, My Commission Exp. 2/28/99

N.Y. Form M-10
(Rev. 10/93)

STATE OF NEW YORK DEPARTMENT OF LAW
BUREAU OF REAL ESTATE FINANCING
SPONSORS AND SELLING AGENTS BROKER DEALER STATEMENT

Check or money order for filing fee, payable to New York State Department of Law, must be attached. Filing fee, which is good for four years, is $200 plus $10 for each partner, proprietor, principal, officer or director.

Out-of-state or foreign firms must attach a certified copy of a designation for the service of process from the Secretary of State.

Attach additional sheets if space provided is inadequate. For assistance in completing form, call Real Estate Financing Bureau: (212) 416-8106.

Remit to: Real Estate Financing Bureau, N.Y.S. Department of Law, 120 Broadway, New York, N.Y. 10271.

Name of Registrant Preserve Properties, L.L.C.

Address c/o Cambridge Capital Corp., 107 Twin Oaks Dr., Syracuse, NY 13206

Other offices, if any ______________________

1. Registrant is a [ ] corporation
   [ ] general partnership
   [ ] limited partnership
   [X] other: specify limited liability company.

   Organized under the laws of New York.

2. Registrant is a [X] sponsor.
   [ ] selling agent. If a licensed real estate broker, give state license number and expiration date ______________.
   [ ] holder of unsold shares of a cooperative corporation.
   [ ] purchaser for investment or resale of unsold shares of a cooperative corporation.
   [ ] seller of interests in a homeowners association.
   [ ] other: specify ______________.

3. If registrant is a new or substitute sponsor of a cooperative, condominium or homeowners association or a holder of unsold shares of a cooperative corporation, has this been disclosed in an offering plan or amendment? Yes [ ] No [X]

4. Address, and name, if any, of cooperative, condominium or homeowners association which gave rise to this filing.
   The Preserve Homeowners' Association, Inc., 107 Twin Oaks Drive
   Syracuse, New York 13206

5. Registrant intends to offer

   [ ] stock of cooperative housing corporation
   [ ] condominium units (including stock of or membership in condominium associations or corporations)
   [X] homeowners association interests in real estate.

6. The offering will be made in

   [X] New York State only
   [ ] New York and other states: specify ______________.

7. The offering will be made by

[X] officers, directors and employees of registrant
[ ] selling agent. If so, give name(s) and address(es): ______________________

8. Has issuer, any officer, director, principal or partner ever

A. been suspended or expelled from membership in any securities exchange, association of securities dealers or investment advisors or counsel? .... Yes [ ] No [X]

B. had a license or registration as a dealer, broker, investment advisor or salesperson denied, suspended or revoked? .... Yes [ ] No [X]

C. been enjoined or restrained by any court or agency from:

1. the issuance, sale or offer for sale of securities? .... Yes [ ] No [X]
2. rendering securities advice or counsel? .... Yes [ ] No [X]
3. handling or managing trading accounts? .... Yes [ ] No [X]
4. continuing any practices in connection with securities? .... Yes [ ] No [X]

D. been convicted of any crime? .... Yes [ ] No [X]

E. used or been known by any other name? If "yes", give other name(s).............. Yes [ ] No [X]

____

F. been the subject of any professional disciplinary proceeding? .... Yes [ ] No [X]

G. been adjudged a bankrupt or made a general assignment for benefit of creditors or been an officer, director or principal or any entity which was reorganized in bankruptcy, adjudged a bankrupt or made a general assignment for benefit of creditors? .... Yes [ ] No [X

H. had an offering of securities within the last three years or been an officer, director, principal or partner of any entity which had an offering of securities within the last years .... Yes [ ] No [X]

If any answer to "A", "B", "C", "D", "E", "F", "G", "H", is "Yes", attach statement of full particulars, giving date nature of offense, title and location of agency or court involved, circumstances and final disposition.

9. List names and residence addresses of all securities salespersons (if none, so indicate).

None

10. Provide the following information for each proprietor, officer, director, principal or partner.

A. Name: Theodore H. Northrup, as President of Cambridge Capital Corporation Title: Cambridge Capital Corporation=

Home Address: 7109 Thorntree Hill Dr., Fayetteville, NY 13066 Phone: 315/637-6361

Place of Birth: Syracuse, New York Date of Birth: 10/22/53

Federal ID No.: 132-38-5226 Other home addresses for past ten years: N/A

<u>Complete</u> employment <u>and</u> business affiliation record of Mr. Northrup for the past five years: include periods of self employment and unemployment. Include all corporations or other entities where person holds or held a substantial equity or controlling interest.

FROM Mo. Yr.	TO Mo. Yr.	EMPLOYER OR BUSINESS AFFILIATION Name / Address	POSITION HELD
4 94	Current	CNY Univisions, Inc., 107 Twin Oaks Dr., Syracuse, NY 13206	employee
4 91	Current	Cambridge Capital Corproation, 107 Twin Oaks Dr., Syracuse, NY 13206	officer
10 75	3 91	Cambridge Filter Corporation, 107 Twin Oaks Dr., Syracuse, NY 13206	

B. Name: Willard C. Lipe Title: Non-Managing Member

Home Address: 4204 Pompey Ctr Rd., Manlius, NY 13104 Phone: (315) 682-6171

Place of Birth: Syracuse, New York Date of Birth: February 25, 1927

Social Security No.: 052-20-2462 Other home addresses for past ten years: N/A

<u>Complete</u> employment <u>and</u> business affiliation record for the past five years: include periods of self-employment and unemployment. Include all corporations or other entities where person holds or held a substantial equity or controlling interest.

FROM Mo. Yr.	TO Mo. Yr.	EMPLOYER OR BUSINESS AFFILIATION Name / Address	POSITION HELD
1994	Current	Retired	
6 77	1 94	Onondaga County Legislature	Legislator
		Onondaga County Courthouse	

Syracuse, New York 13202

C. Name: Barbara C. Lipe Title: Non-Managing Member

Home Address: 4204 Pompey Ctr. Rd., Manlius, NY 13104 Phone: (315) 682-6171

Place of Birth: Syracuse, New York Date of Birth: November 13, 1926

Social Security No.: 054-22-2473 Other home addresses for past ten years: N/A

Complete employment and business affiliation record for the past five years: include periods of self-employment and unemployment. Include all corporations or other entities where person holds or held a substantial equity or controlling interest.

FROM Mo. Yr.	TO Mo. Yr.	EMPLOYER OR BUSINESS AFFILIATION Name Address	POSITION HELD
1 92	Current	Regional Learning Service, 3049 East Genesee Street, Syracuse, NY	Counseler

D. Name: ______ Title: ______

Home Address: ______ Phone: ______

Place of Birth: ______ Date of Birth: ______

Social Security No.: ______ Other home addresses for past ten years: ______

Complete employment and business affiliation record for the past five years: include periods of self-employment and unemployment. Include all corporations or other entities where person holds or held a substantial equity or controlling interest.

FROM Mo. Yr.	TO Mo. Yr.	EMPLOYER OR BUSINESS AFFILIATION Name Address	POSITION HELD

E. Name: ______ Title: ______

Home Address: ______ Phone: ______

Place of Birth: ______ Date of Birth: ______

Social Security No.: ______ Other home addresses for past ten years: ______

Complete employment and business affiliation record for the past five years: include periods of self-employment and unemployment. Include all corporations or other entities where person holds or held a substantial equity or controlling interest.

FROM Mo. Yr.	TO Mo. Yr.	EMPLOYER OR BUSINESS AFFILIATION Name Address	POSITION HELD

11. The undersigned constitute all proprietors, officers, directors, principals or partners of the registrant. Each hereby states and represents that all statements contained herein are true and correct and understands that any false statement shall constitute a violation of Article 23-A of the General Business Law.

SIGNATURE	NAME AND TITLE (PLEASE TYPE OR PRINT)	DATE
[signature] Managing Member	Cambridge Capital Corporation, Managing Member	5/20/9[illegible]
	(By: Theodore H Northrup)	
Willard C. Lipe (non managing member)	Willard C. Lipe, Non-Managing Member	
	Barbara C. Lipe, Non-Managing Member	5/30/97
Barbara C. Lipe Non Managing Member		
		5/30/97

G R E E N & S E I F T E R

ATTORNEYS, P.C.

LEE ALCOTT
LAURENCE G. BOUSQUET
PHILIP S. BOUSQUET
RICHARD J. BRICKWEDDE**
EDWARD S. GREEN†
DAVID A. HOLSTEIN***
VIRGINIA A. HOVEMAN*
KEVIN R. MCAULIFFE
SHARON A. MCAULIFFE
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LOWELL A. SEIFTER†
JOHN L. VALENTINO
ROBERT K. WEILER
DAVID A. YAFFEE

OF COUNSEL:
SIDNEY L. MANES

ROBERT D. MCAULIFFE
1993-1995

SARAH LEWIS BELCHER
IKE O. ECHERUO
TIMOTHY M. LYNN
BARRY M. SCHREIBMAN

* ALSO ADMITTED TO FL BAR
** ALSO ADMITTED TO D.C. BAR
*** ALSO ADMITTED TO FL & PA BAR
† ALSO CERTIFIED PUBLIC ACCOUNTANT
†† NOT FOR SERVICE OF PROCESS

June 4, 1997

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

Re: The Preserve Homeowners Association, Inc.
Town of Pompey, County of Onondaga, State of New York
File No. NA93-0150

Dear Sir or Madam:

I am writing to notify you that the offeror with regard to the above-captioned project has changed and I am enclosing two new original Form M-10s providing you with information on the new offeror.

Enclosed please also find a Deed from the prior offeror, CNY Land Development Preserve Associates to the new offeror, Preserve Properties, LLC.

This matter was previously issued a no-action letter on December 29, 1993, a copy of which is enclosed. In my opinion, the transaction as described in the application for the no-action letter continues to meet the standards set forth in 13 NYCRR Section 22.8(a) because the transaction does not require the filing of an offering plan in compliance with Section 352-e of the General Business Law in order to effectuate the purposes of General Business Law Article 23-A or to protect the public interests.

The documentation the offeror will provide to prospective purchasers will include, among other things, an estimated annual assessment and a copy of the current or proposed budget, a copy of the most recent financial statement of income and expenses for the operation of the property, and any information known to the offeror which may result in extraordinary expenses for members of the HOA. In my opinion, these documents will provide proper financial disclosure to prospective purchasers and will fulfill the purpose and intent of the applicable provisions of the General Business Law.

In addition, the total annual charge assessed for membership continues to be less than $100. Furthermore, the HOA property does not include any roads, so that the required qualifications as provide in 13 NYCRR Section 22.8(c)(2) are met.

I have prepared this letter based on information from the offeror. I have read all the material and documentation provided by the offeror in connection with this application, but expressly disclaim any responsibility to have made an independent inspection of the property or investigation of the information furnished to me by the offeror. 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. I have no actual knowledge of any omission of or untrue statements regarding material fact included herewith.

Please advise whether you will issue a new no-action letter or whether the December 29, 1993 no-action letter remains in effect.

Do not hesitate to call if you have any questions or require additional information.

Very truly yours,

GREEN & SEIFTER, ATTORNEYS, P.C.

David A. Yaffee

DAY/lp
Enclosures
SLB/53290_1

FIRST AMENDMENT TO MANAGEMENT AGREEMENT

THIS FIRST AMENDMENT TO MANAGEMENT AGREEMENT ("First Amendment") is made this 16th day of July, 1997, by and between **THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.**, a New York Not-for-Profit Corporation, having its principal office at 107 Twin Oaks Drive, Syracuse, New York ("HOA"), and **PRESERVE PROPERTIES, L.L.C.**, a New York Limited Liability Company, having its office at 107 Twin Oaks Drive, Syracuse, New York 13206 ("LLC").

RECITALS:

A. On or about October 21, 1993, the HOA and CNY Land Development Preserve Associates ("CNY") executed a Management Agreement ("Management Agreement") in which CNY was appointed managing agent of certain real property owned by the HOA and located in "The Preserve" in the Town of Pompey, New York. At that time, CNY was the owner and offeror of residential lots in The Preserve.

B. CNY has conveyed and transferred to the LLC the residential lots and the parties hereto desire to substitute the LLC for CNY as managing agent pursuant to the Management Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties hereby agree that the Management Agreement be amended as follows:

1. <u>Substitution of Party</u>.

The LLC is hereby substituted for CNY as a party to the Management Agreement.

2. <u>Ratification</u>.

The Management Agreement, as amended by this First Amendment, is in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date set forth above.

THE PRESERVE HOMEOWNERS'
ASSOCIATION, INC.

By: ______________________

PRESERVE PROPERTIES, LLC

By: CAMBRIDGE CAPITAL
CORPORATION, its Managing Member

By: ______________________
Theodore H. Northrup, President

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

On the 4 day of ~~July~~ August, 1997, before me personally came WILLARD C. LIPE, to me known, who, being by me duly sworn, did depose and say that he is the PRESIDENT of THE PRESERVE HOMEOWNERS' ASSOCIATION, INC., a New York Not-for-Profit Corporation described in and which executed the above instrument, and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public

NANCY H. NOONAN
Notary Public in the State of New York
Appointed in Onondaga Co. # 4887287
My Commission Expires May 18, 1999

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

On the 25th day of July, 1997, before me personally came Theodore H. Northrup, to me known, who, being by me duly sworn, did depose and say that he is the President of CAMBRIDGE CAPITAL CORPORATION, managing member of PRESERVE PROPERTIES, LLC, a New York limited liability company described in and which executed the above instrument, and that he signed his name thereto by order of the Board of Directors of said corporation as the act and deed of said Limited Liability Company.

Nancy A. Nye
Notary Public

NANCY A. NYE
Notary Public, State of New York
Qualified in Onon. Co. No. 4943830
Commission Expires Nov. 7, 1998

SLB/59836_1

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STATE OF NEW YORK
DEPARTMENT OF LAW
120 BROADWAY
NEW YORK, NY 10271
(212) 416-8148

ROBERT ABRAMS
Attorney General

GARY R. CONNOR
Assistant Attorney General in Charge
Real Estate Financing Bureau

December 29, 1993

Michael J. Kawa, Esq.
00 Crown Building
.04 South Franklin Street
Syracuse, N.Y. 13202

Re: The Preserve HOA, Inc.
55 Acre Common Area
127 Lots
Roads to be Dedicated
P/O Lot 10
Pompey (Onondaga) New York
File No.: NA93-0150

Dear Mr. Kawa:

The Department of Law has received and reviewed your application for a "no-action letter" concerning a transaction involving the above premises.

On the basis of the facts and circumstances stated in your letter and supporting documentation, the Department has determined that it will not take any enforcement action because the described transaction occurs without filing or registration pursuant to Section 352-e and Section 359-e of the General Business Law. We understand that it is your opinion as counsel that the transaction is not subject to those registration and filing requirements. A copy of the application and supporting documentation and this letter shall be provided the purchaser at least three days prior to entering into purchase agreement. All advertising shall comply with Section 22.6 of Part 22.

This position is based solely upon the limited information supplied and representations made in your letter and supporting documentation. Any different set of facts or circumstances might result in the Department's taking a different position. In addition, this letter only expresses the Department's position on enforcement action which could arise from the transaction's occurring without filing or registration and does not purport to express any legal conclusion on this or any subsequent transaction or offering.

The issuance of this letter shall not be construed to be a waiver of or limitation on the Attorney General's authority to take enforcement action for violations of Article 23-A of the General Business Law and other applicable provisions of law.

Very truly yours,

Jacqueline Orrantia

JACQUELINE ORRANTIA
Assistant Attorney General

JO:sg

OFFEROR'S AFFIDAVIT UNDER
13 NYCRR Section 22.8(b)(2)(i)
FOR THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.

STATE OF NEW YORK)
COUNTY OF ONONDAGA)ss.:

Frank J. Pizzica, Jr., Ronald F. Dew and S. Richard Simiele, being duly sworn, depose and say:

1. The name, residence and business address and legal status of each offeror and its principals, and the relationship of the offeror to the property which is the subject of the offering is as follows:

(a) The offeror is CNY Land Development Preserve Associates, a New York general partnership, having its principal office and place of business at 131 West Seneca Street, Suite B225, Manlius, New York 13104 (hereafter "CNY").

(b) The principals of CNY are Frank J. Pizzica, Jr., who resides at 7 East Shore Path, Cazenovia, New York 13035; Ronald F. Dew, who resides at 200 Beach Road, Tequesta, Florida 33469; and S. Richard Simiele, who resides at 771 Fay Road, Syracuse, New York 13219. The business address of the principals is 131 West Seneca Street, Suite B225, Manlius, New York 13104.

(c) CNY is the owner of the real property which is the subject of the offering.

2. The property which is to be owned and maintained by The Preserve Homeowners' Association, Inc. ("the HOA") consists of five (5) parcels of vacant land in the Town of Pompey, Onondaga County, New York totaling approximately 55 acres,

which will be held as a natural environmental area for the use and benefit of the homeowners in The Preserve development. The property is located on the east side of Pompey Center Road, in the Town of Pompey, Onondaga County, New York. It is presently intended that the property will remain as "open land" and as a natural environmental area. The legal description of the property to be conveyed to the HOA is attached to this affidavit.

3. The Preserve Homeowners' Association, Inc. is a New York Not-for-Profit Corporation incorporated on October 5, 1993. The HOA has been organized for the purpose of owning and maintaining the undeveloped real estate described herein. Membership interests are being issued in conjunction with the construction of one hundred-twenty seven (127) homes in "The Preserve" development. A membership interest in the HOA is mandatory with the purchase of a home in the development. The price for the home will include the cost of membership in the HOA. The purchaser of a home will own his home in fee simple absolute and will be entitled to exclusive possession of his home. There are one hundred twenty-seven (127) individual lots shown on the map of the development. One (1) single family residence will be constructed on each of the Lots. Construction of any home has not yet begun.

As part of its development of The Preserve subdivision, the Sponsor has constructed certain public roads known as "Preserve Parkway", "Winding Creek Road" and "Meadowview Court" and will convey said roads to the Town of Pompey, New York. The Town will maintain, repair and snowplow the roads, and the HOA shall have no obligation or liability for maintenance, repair or snowplowing of said roads.

There are no restrictions on who may purchase a home and become a member of the HOA, except that this offer is made only to persons over eighteen (18) years of age. Occupancy of a home may only be for residential purposes. Each home will be taxed separately for real estate tax purposes, and, therefore, no homeowner will be liable for the payment of real estate taxes on any other home. However, the property owned by the HOA will be separately taxed to the HOA. The assessment to be paid by members of the HOA will include an amount sufficient to pay such real estate taxes.

Liability insurance covering the property owned by the HOA is to be included as part of the common charges, but fire and liability insurance for the purchaser's home and personal effects is to be carried by the individual purchaser.

Common charges will be assessed based upon annual budgets to be adopted and will be levied in equal amounts for each home and will be payable annually. CNY shall be obligated for the difference between the actual HOA expenses and the assessments levied on owners who have closed title to their homes, as those assessments may be adjusted on an annual basis due to changes in the HOA budget. CNY's obligation for any difference shall continue only so long as CNY is the owner of any home or lot within The Preserve development.

Primary responsibility for operating the HOA rests with the Board of directors who are elected by the home owners. Each home owner, upon obtaining title, will automatically have one vote at all meetings of home owners. CNY will have voting control of the Board of Directors until the second anniversary date of the recording of the Declaration of Covenants, Conditions and Restrictions by CNY or until 51% of the homes are sold, whichever occurs first. The Declaration will be recorded by CNY prior to the closing on the sale of the first home.

4. CNY will comply with the escrow and trust fund provisions of General Business Law Section 352-e(2)(b) and Section 352-h and the Regulations adopted by the Attorney General pursuant thereto, and will hold downpayments for the purchase of any home in trust for the benefit of the purchasers. Such funds will not be commingled with the moneys of CNY until actually employed in connection with the consummation of the purchase and sale of a home.

5. CNY will provide to each offeree the following information:

(a) a statement that the purchase price of the home includes the cost of membership in the HOA;

(b) the estimated annual assessment and the current or proposed budget;

(c) a certification by an expert as to the adequacy of projected income and expenses for the first year operation;

(d) a copy of any mortgage or ground lease that will remain on the HOA property after transfer to the HOA;

(e) a copy of any contract between CNY and the HOA;

(f) a copy of the proposed deed of the HOA property from CNY to the HOA;

(g) a copy of the recorded deed to the HOA property by which CNY derived title;

(h) a copy of the most recent financial statement of income and expenses for the operation of the property, if applicable;

(i) information known to CNY which may result in extraordinary expenses for members or for the HOA including, but not limited to, assessments, liabilities, dangerous or hazardous conditions, pending litigation and administrative proceedings;

(j) evidence of compliance with local zoning laws and regulations, e.g. construction permits, zoning resolutions and use permits;

(k) disclosure of escrow account as required by Section 22.3(k)(2) including the form for dispute resolution by the Attorney General; and

(l) such other information as the Department of Law may require to be presented to each offeree.

6. CNY shall furnish a complete copy of the application for a no-action letter and a copy of the no-action letter to each offeree prior to accepting any downpayment.

7. CNY shall furnish, within five (5) days after a request by the Department of Law, copies of executed offeree affidavits required pursuant to 13 NYCRR Section 22.8(b)(2)(i)(j).

8. The use for which the homes and property are being offered will comply with the applicable municipal certificate of occupancy, zoning, building and housing laws, rules and regulations.

9. Neither CNY nor its principals, except for Frank J. Pizzica, Jr., have, within the preceding five years, participated in any other applications for a no-action letter or made any other offerings which were not pursuant to an offering plan filed with the

Department of Law. Frank J. Pizzica, Jr. is an officer and principal shareholder of Linbrook Homes, Inc. Linbrook Homes, Inc. made an application for, and received a no-action letter for property located in the Town of Clay, Onondaga County, New York, known as "Boatwatch". The no-action letter was issued under File No. NA 91.0057 by the Department of Law on April 18, 1991.

10. An affidavit will be obtained from each proposed offeree prior to the closing on a home that is subject to this application which will contain the following representations:

(a) The offeree's name, residence, business address and legal status.

(b) That the offeree has read the affidavit of CNY submitted as part of the application for a no-action letter;

(c) That the offeree understands that no offering literature other than as required by the no-action letter will be provided; and

(d) That the offeree has inspected the subject property.

Frank J. Pizzica, Jr.

Ronald F. Dew

Richard Simiele

Sworn to before me this
21st day of October, 1993

Michael J Kawa
Notary Public

MICHAEL J. KAWA
NOTARY PUBLIC, State of New York
Qualified in Onondaga County, #4500632
Commission Expires August 31, 1995

FORM M-10 (REAL ESTATE)

STATE OF NEW YORK
DEPARTMENT OF LAW
COOPERATIVE AND CONDOMINIUM
SPONSORS AND SELLING AGENTS BROKER DEALER STATEMENT
(Section 359-e Gen. Bus. Law)

Name of Registrant CNY Land Development Preserve Associates
Address 131 West Seneca Street, Suite B-225, Manlius, NY 13104 Tel. No. (315)637-4328

1. Registrant is ☐ corporation ☒ general partnership ☐ limited partnership ☐ other (specify) ______
Organized under the laws of New York on August 10, 1993

2. Registrant is ☒ sponsor ☐ selling agent (if a licensed real estate broker give State License # ______ Expiration Date ______) ☐ Promoter of "unsold stock" of a cooperative corporation ☐ Promoter of "unsold" condominium units ☐ Seller of interests in a Homeowners Association ☐ other (specify) ______

3. The Registrant maintains the following offices: 131 W. Seneca Street, Suite B-225, Manlius, New York 13104

4. Registrant proposes to offer the following:
☐ stock of cooperative housing corporation ☐ condominium units (including stock of or membership in condominium associations or corporations, if any.) ☒ Homeowners Association Interests in Real Estate

5. The offering will be made ☒ New York only ☐ in New York and other states: ______

6. The offering will be made ☒ by the officers, directors and employees of the Registrant
☐ by selling agent. If by a selling agent, indicate names and addresses of selling agent,

7. Name and address of cooperative housing corporation, Homeowners Association or condominium which gave rise to this filing The Preserve Homeowners' Association, Inc., 131 West Seneca Street, Suite B-225, Manlius, NY 13104

8. If Registrant is the promoter of "unsold stock" of an apartment corporation, "unsold condominium units", or other "unsold" interests, has same been disclosed in an offering plan or an amended offering plan: ☐ Yes ☐ No

Not Applicable

Out of State of foreign firms are required to attach a certified copy of a designation for the service of process on the Secretary of State. Attach additional sheets where space provided is adequate. For assistance in completing form please call the Real Estate Financing Bureau.

(212) 341-2121

Filing Fees Enclosed as follows:

Broker-Dealer Statement-Four Years	$200.00
3 (NUMBER) Partners, Proprietors, Officers, directors or principals at $10 each	30.00
Please enclose check or money order: (payable to Dept. of Law) 120 Broadway New York, N.Y. 10271	$ 230.00 TOTAL

9. Has issuer, any officer, director, principal or partner ever

A. been suspended or expelled from membership in any securities exchange, association of securities dealers or investment advisors or counsel? .... Yes ☐ No ☒

B. had a license or registration as a dealer, broker, investment advisor or salesman denied, suspended or revoked? .... Yes ☐ No ☒

C. been enjoined or restrained by any court or agency from:
   1. the issuance, sale or offer for sale of securities? .... Yes ☐ No ☒
   2. rendering securities advice or counsel? .... Yes ☐ No ☒
   3. handling or managing trading accounts? .... Yes ☐ No ☒
   4. continuing any practices in connection with securities? .... Yes ☐ No ☒

D. been convicted of any crime? .... Yes ☐ No ☒

E. used or been known by any other name? .... Yes ☐ No ☒

F. been the subject of any professional disciplinary proceeding? Yes ☐ No ☒

G. been adjudged a bankrupt or made a general assignment for benefit of creditors or been an officer, director or principal of any entity which was reorganized in bankruptcy, adjudged a bankrupt or made a general assignment for benefit of creditors? .... Yes ☐ No ☒

H. had an offering of securities within the last three years or been an officer, director, principal or partner of any entity which had an offering of securities within the last three years .... Yes ☒ No ☐

I. if any answer to "A", "B", "C", "D", "E", "F", "G", or "H" is "YES", attach statement of full particulars ....

10. List names and residence addresses of all securities salesmen: (if none, so indicate) None

11. Are there any outstanding judgments against the issuer or any officer, director, principal or partner thereof? If yes, attach statement of full particulars. Yes ☐ No ☒

12. The information set forth below should be provided for each officer, director, principal or partner. If not enough space is provided use continuation sheets.

a. Name: Frank J. Pizzica, Jr. Title: Partner

Home Address: 7 East Shore Path, Cazenovia, NY 13035 Phone: (315) 655-9713

Place of Birth: Nyack, New York Date of Birth: 12/17/45

Social Security #: 094-36-5759 Prior home addresses for past ten years:

7 East Shore Path, Cazenovia, New York 13035 - 6/84 to Present

Temperance Hill Road, Cazenovia, New York 13035 - 4/77 to 6/84

Following is my complete employment and business affiliation record for the past five years: (indicate periods of self-employment and unemployment. Include all corporations or other entities where you hold or held a substantial equity or controlling interest.)

FROM MO. YR.	TO MO. YR.	EMPLOYER OR BUSINESS AFFILIATION NAME ADDRESS	POSITION HELD
11/77	Date	Linbrook Homes, Inc.	President/Treasurer
		208 Fayette Street, Manlius, NY 13104	
		(Also - see attached)	

b. Name: Ronald F. Dew Title: Partner

Home Address: 200 Beach Rd., Tequesta, FL 33469. Phone: (407) 775-4850

Place of Birth: Oneida, New York Date of Birth: 2/5/42

Social Security #: 051-34-6104 Prior home addresses for past ten years:

200 Beach Road, Tequesta, Florida - 9/93 to present

5224 Cazenovia Terrace, Cazenovia, New York - 1983 to 9/93

Following is my complete employment and business affiliation record for the past five years: (Indicate periods of self-employment and unemployment. Include all corporations or other entities where you hold or held a substantial equity or controlling interest.)

FROM MO. YR.	TO MO. YR.	EMPLOYER OR BUSINESS AFFILIATION NAME ADDRESS	POSITION HELD
1974	Date	Structural Associates	Vice President
		Fisher Road, East Syracuse, NY 13057	
		(Also - see attached)	

c. Name: S. Richard Simiele Title: Partner

Home Address 771 Fay Road, Syracuse, NY 13219 Phone: (315) 488-6995

Place of Birth: Syracuse, New York Date of Birth: 5/5/35

Social Security #: 118-26-4097 Prior home addresses for past ten years:

771 Fay Road, Syracuse, New York - 1963 to present

Following is my complete employment and business affiliation record for the past five years: (Indicate periods of self-employment and unemployment. Include all corporations or other entities where you hold or held a substantial equity or controlling interest.)

FROM MO. YR	TO MO. YR.	EMPLOYER OR BUSINESS AFFILIATION NAME ADDRESS	POSITION HELD
1985	Date	Simiele Homes, Inc.	President
		627 West Genesee Street	
		Syracuse, New York 13204	
		(Also - see attached)	

d. Name: Title:

Home Address: Phone:

Place of Birth: Date of Birth:

Social Security #: Prior home addresses for past ten years:

Following is my complete employment and business affiliation record for the past five years: (Indicate periods of self-employment and unemployment. Include all corporations or other entities where you hold or held a substantial equity or controlling interest.)

FROM MO. YR.	TO MO. YR.	EMPLOYER OR BUSINESS AFFILIATION NAME	ADDRESS	POSITION HELD

e. Name: ______ Title: ______

Home Address: ______ Phone: ______

Place of Birth: ______ Date of Birth: ______

Social Security #: ______ Prior home addresses for past ten years:

Following is my complete employment and business affiliation record for the past five years: (indicate periods of self-employment and unemployment. Include all corporations or other entities where you hold or held a substantial equity or controlling interest.)

FROM MO. YR.	TO MO. YR.	EMPLOYER OR BUSINESS AFFILIATION NAME	ADDRESS	POSITION HELD

Each of the undersigned, constituting all officers, directors, partners, or controlling principals of the registrant do hereby state and represent that all statements contained herein are true and correct and understands that any false statement shall constitute a violation of Art. 23-A of the General Business Law.

SIGNATURE	NAME AND TITLE (PLEASE TYPE OR PRINT)	DATE
[signature]	Frank J. Pizzica, Jr., Partner	10/21/93
[signature]	Ronald F. Dew, Partner	10/21/93
[signature]	S. Richard Simiele, Partner	10/21/93

FORM M-10

Section 9(H)

Frank J. Pizzica, Jr., as a principal of Linbrook Homes, Inc. has had the following offering of securities within the last three years:

1. Boatwatch Homeowners' Association, Inc. for which a "no action" letter was issued by the Department of Law on April 18, 1991 under File No. NA91.0057.

Section 12(a)

Frank J. Pizzica, Jr.

Additional business affiliations for past five years:

1. 33 1/3% partnership interest in Central New York Land Development Preserve Associates, a New York general partnership.

2. 33 1/3% partnership interest in Central New York Land Development Associates, a New York general partnership.

3. Majority shareholder and officer of Linbrook Homes, Inc.

4. Sole shareholder and President of Linbrook Development Corporation, a New York corporation.

4. General Partner in Tri-County Apartment Development Associates, a new York limited partnership.

Ronald F. Dew

Additional business affiliations for past five years:

1. 33 1/3% partnership interest in Central New York Land Development Preserve Associates, a New York general partnership.

2. 33 1/3% partnership interest in Central New York Land Development Associates, a New York general partnership.

3. General partner in Willowcreek Associates, a New York limited partnership.

4. 51% shareholder and officer of Baron Homes, Inc., a New York corporation.

FORM M-10

Section 12(a)

S. Richard Simiele

Additional business affiliations for past five years:

1. 33 1/3% partnership interest in Central New York Land Development Preserve Associates, a New York general partnership.

2. 33 1/3% partnership interest in Central New York Land Development Associates, a New York general partnership.

EDWARD A. O'HARA III
ATTORNEY AND COUNSELOR AT LAW
300 CROWN BUILDING
304 SOUTH FRANKLIN STREET
SYRACUSE, NEW YORK 13202
(315) 422-4742
FAX (315) 478-6503

MICHAEL J. KAWA
GEORGE F. HILDEBRANDT
OF COUNSEL

October 21, 1993

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

Re: The Preserve Homeowners' Association, Inc.

Dear Sir or Madam:

I am the attorney who prepared the application for a "no-action letter" pursuant to the provisions of 13 NYCRR Section 22.8 for The Preserve Homeowners' Association, Inc ("the HOA") on behalf of CNY Land Development Preserve Associates ("the Offeror"). I affirm as follows:

Enclosed for filing pursuant to Section 22.8 of 13 NYCRR Part 22 is an application for a no-action letter for the captioned property.

I am fully familiar with the provisions of Article 23-A of the General Business Law, the Regulations promulgated by the Attorney General of the State of New York in Part 22, and such other laws and regulations as may be applicable.

I prepared and reviewed all legal documents necessary to form the HOA, and, in my opinion, the HOA is duly organized, validly existing and in good standing. Its Certificate of Incorporation was duly filed with the Department of State on October 5, 1993.

In my opinion, the transaction described in the application meets the standards set forth in 13 NYCRR Section 22.8(a) because this transaction does not require the filing of an offering plan in compliance with Section 352-e of the General Business Law in order to effectuate the purposes of General Business Law Article 23-A or to protect the public interest.

The purpose of Article 23-A generally, and Section 352-e particularly, is to provide prospective investors or purchasers with sufficient factual information for them to make an intelligent decision about purchasing an interest in the HOA as part of their purchase of a home, thus assuming the benefits and burdens of such ownership interest in the HOA, including the payment of common charges and assessments.

The documentation which will be provided by the Offeror to prospective purchasers will include, among other things, an estimated annual assessment and a copy of the current or proposed budget, a certification by an expert as to the adequacy of projected income and expenses for the first year of operation, a copy of the most recent financial statement of income and expenses for the operation of the property, and any information known to the Offeror which may result in extraordinary expenses for members of the HOA. In my opinion, these documents will provide proper financial disclosure to prospective purchasers and will fulfill the purpose and intent of the applicable provisions of the General Business Law.

In addition, the total annual charge assessed for membership which can be demonstrated by documentation provided by the Offeror, and included herein, is less than $100.00. Furthermore, the HOA property does not include any roads, so that the particular required qualifications as provided in 13 NYCRR Section 22.8(c)(2) have apparently been met.

I have prepared the application based on information from the Offeror. I have read all the material and documentation provided by the Offeror in connection with this application, but expressly disclaim any responsibility to have made an independent inspection of the property or investigation of the information furnished to me by the Offeror. 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. I have no actual knowledge of any omission of or untrue statements regarding a material fact included in this application.

Very truly yours,

Michael J. Kawa

Michael J. Kawa

MJK/cfp

CERTIFICATION OF ADEQUACY OF PROJECTED
INCOME AND EXPENSES FOR
THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.

October 13, 1993

TO: NEW YORK STATE DEPARTMENT OF LAW, and
ALL OTHERS TO WHOM IT MAY CONCERN:

The Sponsor of The Preserve Homeowners' Association has retained the undersigned to review the projections of income and expenses for the first year of operation of the Homeowners' Association.

I have been licensed in the State of New York for 23 years. My license number is 007858 and my registration number is 35PE0028848.

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 they are applicable to the aforesaid projections.

I reviewed the aforesaid projections and investigated the facts set forth in the projections 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 the real estate field.

I certify that the aforesaid projections 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 projections:

(a) set forth in detail the terms of the transaction as it relates to the projections and is complete, current and accurate.

(b) 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;

(c) does not omit any material fact;

(d) does not contain any untrue statement of a material fact;

(e) does not contain any fraud, deception, concealment or suppression;

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

(g) does not contain any representation or statement which is false, where I (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth; or (iv) did not have knowledge concerning the representation or statement made.

I further certify that my business is not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the documents furnished to prospective purchasers as part of the "no action" letter issued by the Department of Law with respect to "The Preserve" subdivision. 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.

Nicholas V. Petragnani

Nicholas V. Petragnani

Sworn to before me this
21st day of October, 1993

Michael J. Kawa

Notary Public

MICHAEL J. KAWA
NOTARY PUBLIC, State of New York
Qualified in Onondaga County, #4500632
Commission Expires August 31, 1995

THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.
PROJECTED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST YEAR OF OPERATION

<u>Projected Income</u>

Estimated receipts from Common Charges - 127 Homes at $82.50 per year (1)		$10,477.50
	Total Income	$10,477.50

<u>Projected Expenses</u>

Landscape Maintenance (2)		$7,000.00
Real Estate Taxes (3)		1,500.00
Liability Insurance (4)		500.00
Management Fees (5)		1,000.00
Franchise Taxes (6)		325.00
Petty Cash (7)		150.00
	Total Expenses	$10,475.00

We hereby certify that the projections made herein are 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. This certification is made under penalty of perjury. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated: October _____, 1993.

CNY LAND DEVELOPMENT PRESERVE ASSOCIATES

By:_______________________________
Frank J. Pizzica, Jr., Partner

By:_______________________________
Ronald F. Dew, Partner

By:_______________________________
S. Richard Simiele, Partner

FOOTNOTES TO BUDGET

(1) The estimated annual assessment for each homeowner for the first year of operation is $82.50. The Project will include 127 homes when completed. The current annual assessment has been calculated on the basis of all 127 homes being sold as of the end of the first year. In the event that all homes have not been sold within the first year, the Sponsor will absorb the excess expense, and will be obligated for the difference between the actual HOA expenses, including reserves, if any, and the charges levied on owners who have closed title to their homes. Therefore, there will be no change in the projected annual assessment to the individual Homeowners as the size of the membership in the HOA increases. Charges will not vary between Homes.

(2) Landscape maintenance is based on an estimate from Pro Scapes, Inc., Jamesville, New York.

(3) Real estate taxes are based on an assessment made by Lawrence E. Fitts, Sole Assessor of the Town of Pompey, New York.

(4) Liability insurance is based on an estimate from Brooks Associates, Johnson City, New York.

(5) Management fees are based on a contract between CNY Land Development Preserve Associates and The Preserve Homeowners' Association, Inc.

(6) Franchise taxes are calculated on the basis of the minimum franchise taxes being due by the HOA.

(7) Petty cash has been budgeted to handle bank service charges and other administrative office related expenses.

MANAGEMENT AGREEMENT

Agreement made this 21st day of October, 1993 by and between The Preserve Homeowners' Association, Inc., a New York Not-for-Profit Corporation, having its principal office at 131 West Seneca Street, Suite B225, Manlius, New York, hereinafter "HOA", and CNY Land Development Preserve Associates, a New York general partnership, having its principal office at 131 West Seneca Street, Manlius, New York, New York, hereinafter "CNY".

WHEREAS, HOA is the owner of certain unimproved real property located in the Town of Pompey, Onondaga County, New York and contained within a Community known as "The Preserve", and

WHEREAS, said property consists of unimproved real property which is hereafter referred to as "managed property", and

WHEREAS, HOA is obligated for the maintenance of the managed property pursuant to the Declaration of Covenants, Conditions and Restrictions of The Preserve, and

WHEREAS, HOA desires to retain the services of CNY to perform certain services on behalf of HOA with respect to the managed property,

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. HOA hereby appoints CNY and CNY hereby accepts appointment, on the terms and conditions hereinafter provided, as managing agent of the HOA property located in "The Preserve" in the Town of Pompey, New York ("the managed property").

2. CNY shall perform the following services with due diligence and care:

(a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the managed property, and cause to be discharged all persons unnecessary or undesirable.

(b) Through the persons hired pursuant to subparagraph (a) of this paragraph, cause the managed property to be maintained in such condition as may be deemed advisable by the HOA, and cause all required repairs and alterations of the managed property to be made, subject only to the limitations contained in this Agreement or in the Declaration and Bylaws of the HOA. Repairs or alterations involving an expenditure in excess of $500.00 for any one item shall be made only with the prior approval of the HOA. Emergency repairs, i.e. those immediately necessary for the preservation or safety of the managed property or for the safety of the residential unit owners or other persons may be made by CNY irrespective of the cost thereof, without the prior approval of the HOA, after consultation with and approval of the president, vice-president or treasurer of the HOA (in the order given).

(c) Recommend, and with the approval of the HOA cause, all such acts and things to be done in or about the managed property as shall be necessary or desirable to comply with any and all orders or violations affecting the managed property, placed thereon by any federal, state or municipal authority having jurisdiction thereover. CNY shall notify the HOA's attorneys promptly after receipt of any order or violation, as aforesaid.

(d) Advise the HOA with respect to proper insurance coverage of the managed property and, if requested by the HOA, cause to be effected and/or maintained (if obtainable), in such amounts and through such carriers as the HOA shall designate or approve, liability and any other insurance the HOA may elect to carry.

(e) Check all bills received for services, work, and supplies ordered in connection with maintaining and operating the managed property; pay or cause to be paid all such bills assessed against the HOA or the managed property, real estate taxes and other taxes assessed against the HOA as and when the same shall become due and payable.

(f) Bill or cause to be billed, residential unit owners for assessments and other charges due from residential unit owners and use its best efforts to collect such assessments and other charges. Also when directed by the HOA to take such action in the name of the HOA by way of legal process, using counsel acceptable to the HOA, or otherwise as may be required for the collection of delinquent monthly assessments. As a standard practice, CNY shall furnish the HOA with an itemized list of all delinquent unit owners immediately following the tenth day of each month.

(g) Consider and, when reasonable, attend to complaints of the residential unit owners. If CNY shall deem any such complaint unreasonable, it shall advise the HOA of the complaint and the reason for its opinion that the complaint is unreasonable.

(h) If requested by the HOA, not later than the twentieth day of each month, render or cause to be rendered regular monthly statements, supported by disbursement vouchers, to the Board of Directors, with remittance of amounts collected during the previous month less disbursements made on behalf of and for the account of the HOA and less, also, all such amounts as in the judgment of the HOA's accountants it may be necessary or advisable.

(i) Keep in good order the books and records of the HOA and maintain orderly files containing records of common charges, assessments, insurance policies, correspondence, receipted bills and vouchers, and all other documents and papers pertaining to the managed property or the operation thereof, and the same shall be and shall at all times remain the property of the HOA, and CNY shall upon request of the HOA make same available to the HOA, the HOA's officers, accountants, attorneys or other representatives and shall deliver up same to the HOA or its aforesaid agents on demand from the HOA. It is understood by the parties to this Agreement that the HOA's accountant will set up and maintain the financial books and records of the HOA.

(j) Cooperate with the HOA's accountants and auditors in regard to the annual audit of the books of account of the HOA, including the annual report of the operations of the HOA for the year then ended.

(k) Cooperate with the HOA's accountants in regard to the preparation and filing on behalf of the HOA of federal, state, and any other income and other tax returns required by any governmental authority.

(l) Send to all members in the HOA each year copies of a statement furnished by the HOA's accountant which sets forth the deductions available to members for income tax purposes by reason of their paying assessments or other charges, and other relevant tax data with respect thereto provided by the HOA's accountants.

(m) Prepare with the assistance of the HOA's accountant an operating budget, together with a required explanation with respect thereto, setting forth an itemized statement of the anticipated receipts and disbursements for the new year based upon the then current schedule of common charges receivable by the HOA and taking into account the general condition of the HOA, which budget shall comply with the requirements of the Bylaws of the HOA, and shall be submitted to the Board of Directors of the HOA at least forty-five (45) days prior to the commencement of the new year for which it has been made. The budget shall serve as a supporting document for the schedule of monthly assessments proposed for the new year.

(n) Prepare and send out all letters and reports as the Board of Directors may reasonably request.

(o) Generally, do all things reasonably deemed necessary and desirable by the Board of Directors of the HOA for the proper management of the managed property.

3. The HOA authorizes CNY, for the HOA's account and on its behalf, to perform any act or do anything necessary or desirable in order to carry out CNY's agreements contained in paragraph 2 thereof. It is expressly understood and agreed that everything done by CNY in the performance of its obligations under paragraph 2 (for which CNY is not compensated as provided in paragraph 6 hereof) shall be borne by the HOA and not by CNY.

Any payments made by CNY hereunder shall be made out of such funds as CNY may from time to time hold for the account of the HOA or as may be provided by the HOA. CNY shall not be obliged to make any advance to or for the account of the HOA or to pay any amount except out of funds held or provided as aforesaid, nor shall CNY be obliged to incur any extraordinary liability or obligation unless the HOA shall furnish CNY with the necessary funds for the discharge thereof. If CNY shall voluntarily advance for the HOA account any amount for the payment of any obligation or necessary expense connected with the maintenance or operation of the managed property or otherwise, the HOA shall reimburse CNY therefor on demand.

4. All funds collected by CNY for the account of the HOA will be deposited in a bank in the City of Syracuse designated by the HOA and held in trust in a special account, to be entitled "The Preserve Homeowners' Association Account" or similar designation, and will not be commingled with other funds collected by CNY, as agent for others.

5. (a) The HOA agrees to (i) hold and save CNY free and harmless from damages or injuries to person or property by reason of any cause whatsoever either in or about the managed property or elsewhere when CNY is carrying out the provisions of this Agreement or acting under the express or implied directions of the HOA and (ii) reimburse CNY upon demand for any monies which the latter is required to pay out for any reason whatsoever, either in connection with, or as an expense in defense of any claim, civil or criminal action, proceeding charge or prosecution made, instituted or maintained against CNY or the HOA and CNY jointly or severally affecting or due to the condition or use of the managed property, or acts or omissions of CNY or arising out of or based upon any law, regulation, requirement, contract or award relating to the hours of employment, working conditions, wages and/or compensation of employees or former employees of the HOA, or otherwise; provided, in each of the foregoing instances, that CNY promptly advised the HOA of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expenses.

(b) The HOA will carry liability insurance (with limits acceptable to CNY in its reasonable judgment), which will include CNY as a party insured under the liability policy and will deliver a copy of such liability policy to CNY or a certificate evidencing the same.

(c) Anything hereinbefore set forth to the contrary notwithstanding, the HOA shall defend promptly and diligently, at its sole cost and expense, any claim, action or proceeding brought against CNY, or CNY and the HOA jointly or severally arising out of or connected with any of the foregoing, and to hold harmless and fully indemnify CNY from any judgment, loss or settlement on account thereof.

(d) CNY shall cooperate fully with the HOA and its attorneys at all stages of such claims, actions or proceedings. CNY shall promptly furnish to the HOA and its attorneys all papers, documents and other evidence which, in the opinion of the HOA, or its attorneys, are pertinent to said claims or the defense of such actions or proceedings. CNY agrees to produce, at the appropriate place or places, at reasonable times, such witnesses under its control as shall be requested by the HOA or its attorney.

(e) It is expressly understood and agreed that the foregoing provisions of this paragraph shall survive the termination of this Agreement. Nothing contained in this paragraph shall relieve CNY from responsibility to the HOA for gross negligence.

6. Each year during the term of this Agreement the HOA shall pay CNY, as full compensation for its services hereunder, a management fee of $1,000.00 which shall be payable annually.

7. This Agreement shall take effect on the closing of title to the first home in The Preserve Community and shall continue in full force and effect for a period of three (3) years thereafter,except that after the second anniversary of this Agreement, either party hereto may serve written notice of cancellation personally or by registered mail sent to the other party at the address first hereinabove set forth, in which event this Agreement shall terminate 90 days after the service of such notice. Upon termination, the parties shall account to each other with respect to all uncompleted business, and CNY shall deliver to the HOA all corporate files, books and records and other instruments relating to the managed property and the HOA that may be in the possession of CNY. The HOA shall furnish CNY with reasonable security against any outstanding obligations or liabilities which CNY may have incurred hereunder.

8. The HOA shall notify CNY of the name, address and telephone number of the HOA's attorney and shall promptly notify CNY of any change with respect thereto.

9. It is understood and agreed to by the parties to this Agreement that the initial Board of Directors of the HOA has authorized this Agreement on behalf of the prospective unit owners in The Preserve Community, and that the members of the Board of Directors have no personal liability hereunder.

10. This Agreement may not be changed orally, shall bind and apply to any successor of either party hereto, and may not be assigned by either party hereto.

The parties hereto have executed this Agreement the day and year first above written.

THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.

By: ______________________

FRANK J. PIZZICA, JR., President

CNY LAND DEVELOPMENT PRESERVE ASSOCIATES

By: ______________________

S. RICHARD SIMIELE, General Partner

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

On this 21st day of October, 1993, before me came Frank J. Pizzica, Jr., to me known who, being by me duly sworn, did depose and say that he resides in Cazenovia, New York; that he is the President of The Preserve Homeowners' Association, Inc., the corporation described in, and which executed the foregoing instrument; and he acknowledged to me that he signed his name thereto by order of the board of directors of said corporation.

MICHAEL J. KAWA
NOTARY PUBLIC, State of New York
Qualified in Onondaga County, #4500632
Commission Expires August 31, 1995

Michael J Kawa
Notary Public

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

On, this 21st day of October, 1993, before me came S. Richard Simicle, to me known who, being by me duly sworn, did depose and say that he resides in Syracuse, New York; that he is a partner of CNY Land Development Preserve Associates, a partnership described in and which executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf of and in the name of such Partnership.

Michael J Kawa
Notary Public

MICHAEL J. KAWA
NOTARY PUBLIC, State of New York
Qualified in Onondaga County, #4500632
Commission Expires August 31, 1995

Scott F. Chatfield
Attorney at Law

One Slayton Square • P.O. Box 614 • Tully, New York 13159
Telephone (315) 696-8951
Sheldon W. Damsky
Of Counsel

July 26, 1993

Ron Dew
C.N.Y. Land Development Associates
131 West Seneca Street
Suite B, 225
Manlius, N.Y. 13104

Re: The Preserve - Town of Pompey

Dear Ron:

The purpose of this letter is to confirm the substance of our telephone conversation 7/26/93 wherein I indicated that the Town of Pompey Planning Board has granted preliminary plat approval for the above captioned subdivision. The grant of preliminary plat approval authorizes you to proceed with the construction of streets, infrastructure and the rest of the site development without further approval from the Board. At the time that the streets and infrastructure are constructed, final plat approval is a pro forma of process which simply certifies that you have constructed the roads and the infrastructure in accordance with the Town Engineering plans. Upon acceptance of the utilities and completion of the roads, the Town will authorize the signing of the plat map and the filing of the same in the County Clerk's office.

If you require any further information or if I can be of any further assistance please don't hesitate to contact me. With kindest personal regards, I remain,

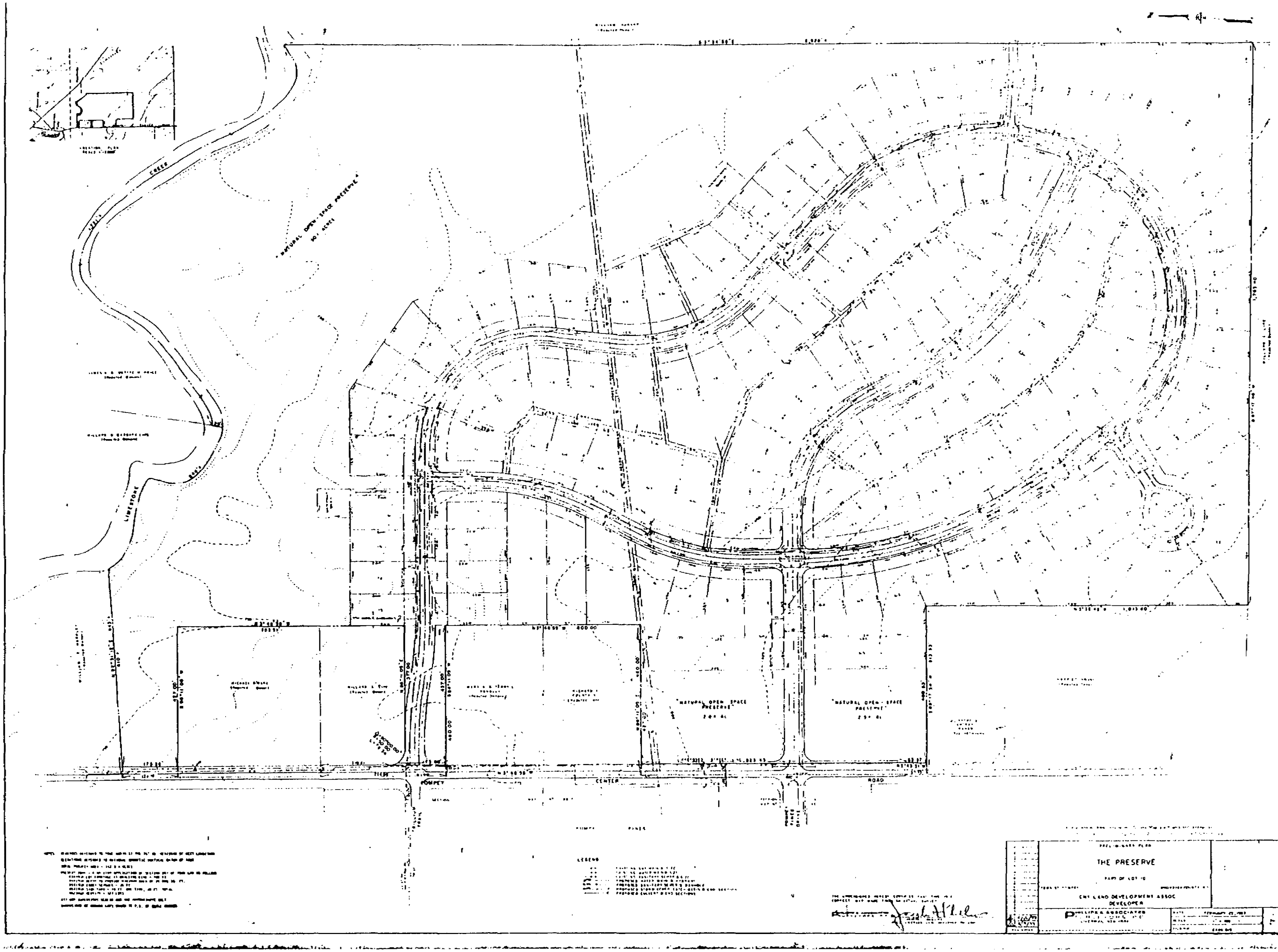
Very truly yours,

Scott F. Chatfield

Scott F. Chatfield
Town Attorney, Town of Pompey

SFC/kmc
cc: Doug Miller, Chairman Planning Board

Fax # (315) 696-8953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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE PRESERVE

Record + Return To, C. Daniel Shulman Esq. 250 South Clinton Street - Suite 502 Syracuse, NY 13202-1262

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This Declaration of Covenants, Conditions and Restrictions is made this 21st day of October, 1993 by CNY Land Development Preserve Associates, a New York general partnership having its office and principal place of business at 131 West Seneca Street, Suite B225, Manlius, New York 13104 (hereinafter referred to as Declarant);

WHEREAS, Declarant is the legal owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends this Declaration to impose upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within The Preserve, made subject to this Declaration and amendments thereto by the recording of this Declaration. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or may hereafter be subjected to this Declaration;

NOW, THEREFORE, Declarant hereby declares that all the Properties described in Exhibit "A" and any additional property as may by subsequent amendment be added to and subjected to this Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1.01. "<u>Area of Common Responsibility</u>" shall mean and refer to the Common Area, together with those areas, if any, within or upon a Block or Lot, the maintenance, repair or replacement of which is the responsibility of the Association.

1.02. "<u>Association</u>" shall mean and refer to The Preserve Homeowners' Association, Inc., a New York not-for-profit corporation, its successors and assigns.

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1.03. "<u>Board of Directors</u>" or "<u>Board</u>" shall be the elected body of the Association having its normal meaning under New York Not-For-Profit Corporation Law.

1.04. "<u>Bylaws</u>" shall refer to the Bylaws of The Preserve Homeowners' Association, Inc.

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1.05. "Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners. The initial Common Area to be owned by the Association shall be conveyed to the Association prior to the conveyance of a fee simple ownership interest to any Residential Unit Lot purchaser.

1.06. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association.

1.07. "Community" shall mean and refer to that certain real property and interest therein known as "The Preserve" located in the Town of Pompey, Onondaga County, New York and (a) such additions thereto as may be made by Declarant (or its Mortgagee or transferee, as provided in the Declaration) by amendment or supplementary declaration of all or any portion of the real property aforesaid; and (b) such additions thereto as may be made by the Association by amendment or supplementary declaration of other real property.

1.08. "Eligible Mortgage Holder" shall mean a holder, insurer or guarantor of a first mortgage on a Residential Unit who has requested notice of certain matters from the Association as hereinafter and in the Association's Bylaws provided.

1.09. "Eligible Votes" shall mean those votes available to be cast on the issue at hand.

1.10. "Lot" shall mean that portion of the Property, (as that term is defined in 1.17), intended for any type of independent ownership and use as may be set up in this Declaration. A fee simple interest in each Lot shall be conveyed to the Home Owner by a metes and bounds description or by a reference to the Lot as shown on the filed subdivision map of The Preserve. Where the context indicates or requires, the term "Lot" includes any structure on the Lot.

1.11. "Majority" means those eligible votes, Owners, or other groups as the context may indicate totaling more than fifty per cent (50%) of the total eligible number.

1.12. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

1.13. "Mortgage" means any mortgage and any and all other similar instruments used for the purpose of encumbering real property as security for the payment or satisfaction of an obligation.

1.14. "No Action Letter" means those documents and exhibits filed with the New York Department of Law, pursuant to the General Business Law, and the Regulations of the Attorney General, for offerings of membership in a homeowners' association.

1.15. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Properties, but excluding any party holding the fee simple title merely as security for the performance of an obligation. Owner shall include the Declarant.

1.16. "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

1.17. "Property" or "Properties" shall mean and refer to the real property described on page one of this Declaration.

1.18. "Residential Unit" shall mean a structure situated upon a portion of the Properties intended for any type of independent ownership for use and occupancy as a residence by a single family; provided, the term shall include all portions of the Lot owned as a part of any structure thereon. For the purposes of this Declaration, a Residential Unit shall come into existence when substantially complete or upon the issuance of a certificate of occupancy by the appropriate agency of the Town of Pompey or other local governmental entity.

1.19. "Subsequent Amendment" shall mean an amendment to this Declaration which adds additional property to that covered by this Declaration. Such Subsequent Amendment may, but is not required to impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Amendment to the provisions of this Declaration.

ARTICLE II

PROPERTY RIGHTS

2.01. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Declarant, with regard to the Properties which may be owned for the purpose of development, to grant easements in and to the Common Area contained within the respective Properties to any public agency, authority, or utility for such purposes as benefits only the Properties or portions thereof and Owners or Lots contained therein;

(b) the right of the Association to borrow money for the purpose of improving the Common Area, or any portion thereof or for acquiring additional Common Area, and to give as security for the payment of any such loan a mortgage conveying all or any portion of the Common Area, provided two-thirds (2/3) of members present at a meeting called for such purpose and eligible to vote, shall approve; provided, however, the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any and all rights, interest, options, easements and privileges reserved or established in this Declaration for the benefit of Declarant or any Owner, or the holder of any mortgage, irrespective of when executed, given by Declarant or any Owner encumbering any Lot or other property located within The Preserve Tract, and

(c) the right of the Association to dedicate or transfer all or any portion of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least two-thirds (2/3) of the eligible votes of the Association present or represented by proxy at a meeting duly called for such purpose.

Any Owner may delegate his or her right to enjoyment to the members of his or her family, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

2.02. Aerials and Antennas. No exterior television or radio aerial, antenna, dish, tower or other transmitting or receiving structure, or support thereof, shall be erected, installed, placed, allowed or maintained, upon any portion of the Community, without the prior written approval as hereinafter provided, or unless so erected, installed, placed or maintained entirely within the enclosed portion of the individual Residential Unit.

2.03. Exterior Lighting. No exterior lighting fixture (other than standard fixtures approved as hereinafter provided or installed by Declarant) shall be installed within or upon any Residential Unit or Lot without adequate and proper shielding of the fixture. No lighting fixture shall be installed that may become an annoyance or a nuisance to owners or occupants of adjacent properties. The use of high intensity light sources shall be controlled so that neighboring properties, and the vision of the drivers of moving vehicles shall not be adversely affected by glare or excessive light spillage. All modifications of exterior lighting must be approved in writing, in advance, as hereinafter provided.

2.04. Use and Maintenance of Lots and Residential Units. Except as may be otherwise expressly provided in this Declaration, each Residential Unit and Lot shall be used for residential purposes only as a residence for a single family. No trade or business of any kind may be conducted thereon. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used, at any time, as a residence either temporarily or permanently. Lease or rental of a Lot or any building thereon for residential purposes shall not be considered to be a violation of this covenant, so long as the lease is in compliance with reasonable rules and regulations as the Board of Directors may promulgate. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration, the Bylaws, and the rules and regulations adopted hereunder.

No Residential Unit, additional building, fence, wall or other structure on any Lot may be altered or added to in any way which materially affects the exterior appearance thereof unless and until plans and specifications showing the nature, kind, shape, height, materials, colors, and locations of the same have been approved as hereinafter provided. Approval shall be granted if the proposed work will benefit and enhance the Community in a manner generally consistent with the Community's plan of development.

Each Owner shall keep and maintain his Lot and Residential Unit in good condition and repair as further provided in Section 4.02 of this Declaration.

Nothing shall be done or kept on the Common Area or any part thereof to increase the rate of insurance on the Properties or any part thereof over what the Association, but for such activity, would pay. No snowmobile or similar recreational vehicles shall be operated on the Common Areas. No driveway shall be extended or expanded on any Lot without prior approval as hereinafter provided.

Except during the construction of an improvement on the Lot or within the Residential Unit, (a) no machinery shall be placed or operated other than machinery that is normally and customarily used in the maintenance of a private residence or as may be located indoors and used in the pursuit of any home hobby, and (b) the sound level measured at the edge of a Residential Unit, produced by a mechanical, electrical or vehicular operation on the Residential Unit Lot or Common Area, shall not exceed the average intensity of the street traffic noise in that area.

No rubbish, trash, garbage or other waste material shall be kept or permitted on any Lot, Residential Unit or Common Area, except in sanitary containers located in appropriate areas and concealed from public view. No garments, rugs, or other articles of personal property shall be hung from the windows of any Residential Unit, and no clothes line shall be strung on or over any Residential Unit, Lot or Common Area.

Activity which is considered noxious, destructive or offensive by reason of odor, sound, appearance or sight or any activity constituting an unreasonable source of annoyance, shall not be conducted in a Residential Unit or on any Lot or on the Common Area or any part thereof, and the Association shall have standing to initiate legal proceedings to abate such activity. Each Owner shall refrain from any act or use of his or her Residential Unit or Lot which could reasonably cause embarrassment, discomfort, or annoyance to other Owners, and the Board of Directors shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision.

2.05. Use of Common Areas. No planting or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon the Common Area except for the initial improvements located thereon or as approved by the Association's Board of Directors or their designated representatives. Except for the right of ingress and egress, the Owners of Lots may use the Common Areas only in accordance with reasonable regulations as may be adopted by the Association's Board of Directors or as is expressly provided herein. It is expressly acknowledged and agreed by all parties concerned that this Section is for the mutual benefit of all Owners and is necessary for the protection of all Owners.

2.06. Signs. No signs, lawn ornaments or posters of any kind shall be displayed to the public view on any Residential Unit, Lot or the Common Area except (a) customary name and address signs, (b) one sign, not more than five square feet, advertising the property for sale or rent; (c) signs used by the Declarant to advertise the property during the construction and sales period; or (d) a Community identification sign. The Board, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on the Common Areas.

2.07. Rules and Regulations. The Board of Directors may establish reasonable rules and regulations concerning the use of the Common Area and individual Lots. Copies of such regulations and amendments thereto shall be furnished by the Association to all Owners prior to the rule's effective date. Such regulations shall be binding upon the Owners, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, canceled, or modified by the Board or the Association in a regular or special meeting by the vote of the members holding a majority of the total votes in the Association. The Board shall have the authority to impose reasonable monetary fines and other sanctions, and monetary fines maybe collected by lien and foreclosure, as provided in Article IX.

2.08. Declarant's Reserved Easement. Notwithstanding any provisions contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege and easement with respect to the Community for the benefit of Declarant, its successors, and assigns over, under, in, and/or on the Community, excluding therefrom the individual Lots, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use, and enjoyment, and/or otherwise dealing with the Community and any other property now owned or which may in the future be owned by Declarant (such other property is hereinafter referred to as "Additional Property"). The reserved easement specifically includes, but is not limited to:

(a) the right of access for pedestrian traffic over, under, on or in the Community, excluding therefrom the individual Lots; and the right to tie into any portion of the Community excluding therefrom the individual Lots, with driveways, parking areas, and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed on or installed in, on, under, and/or over the Community; and

(b) the right to construct, install, replace, relocate, maintain, repair, use and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of Declarant, may be required, convenient, or incidental to the construction and sale of residences in the Community.

(c) No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quitclaim deed from Declarant releasing such right, privilege or easement by express reference thereto;

2.09. Storage and Parking of Vehicles. There shall be no outside storage or parking upon any Lot or the Common Area of any automobile, commercial vehicle, truck, tractor, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, snowmobile, non-operable or non-registered motor vehicle, or any other transportation device of any kind, except for Owners within the parking spaces in the Owner's garage and for visitors temporarily parking in spaces and in accordance with rules and regulations designated and promulgated by the Board. No owners or tenants shall repair or restore any motor vehicle, boat or machine of any kind upon any Lot or Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

2.10. Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the Properties, except that no more than a total of two (2) dogs, cats, or other normal household pets may be kept in residences subject to rules and regulations adopted by the Association through its Board of Directors, provided that such pets are not kept, bred, or maintained for any commercial purpose and provided that pet waste shall be removed from any Lot and/or the Common Area by the owner of such pet. The Board shall have the absolute power to prohibit a pet from being kept on the Properties, including inside residences constructed thereon.

2.11. Fences. Any fence or wall may only be erected or placed on the rear lot line of any Lot, shall be limited to five (5) feet in height and its material, style, color and location must first be approved as hereinafter provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.01. Membership. Every person or entity who is the record owner of a fee or undivided fee interest in any Residential Unit or Lot that is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more persons, shall have more than one (1) membership in the Homeowners' Association no matter how many Lots or Residential Units such Owner may own. In the event the Owner of a Lot or Residential Unit is more than one person or entity, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's spouse, but in no event shall more than one (1) vote be cast for each Lot or Residential Unit. In any case in which a Home Owner is entitled to vote, he shall have no more than, nor less than, one vote.

3.02. Voting. Members shall be entitled on all issues to one (1) vote and there shall be only one (1) vote per Lot or Residential Unit. When more than one person or entity holds such interest in any Lot or Residential Unit, the vote for such Lot or Residential Unit shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote for such Lot or Residential Unit shall be suspended in the event more than one person or entity seeks to exercise it. In no event shall voting rights be suspended for non-payment of common charges or assessments.

Any Owner of Residential Units which are leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

ARTICLE IV

MAINTENANCE

4.01. Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Area of Common Responsibility, which responsibility shall be deemed to include the Common Area which is subject to assessment hereunder. The maintenance of the Common Area shall include, but not be limited to, maintenance, repair and replacement, subject to the insurance provisions contained herein, at the Association's sole cost and expense, of all trees, shrubs and grass of the Common Area and other improvements situated or subsequently constructed upon the Common Area. In order to effectuate this responsibility, the Association, its agents, servants and employees shall have a right and easement of ingress and egress over the Common area.

4.02. Owner's Responsibility. All maintenance of the Lot and all parts of the exterior and interior of the Residential Unit thereon, including but not limited to plumbing and electrical repairs, painting and decorating of the interior of the Residential Unit, and window and glass breakage and any and all other repairs within the Residential Unit shall be the responsibility of the Owner, and each Owner shall maintain and keep in good repair such property and improvements.

ARTICLE V

INSURANCE

5.01. Insurance.

(a) The Association's Board of Directors shall obtain a public liability policy covering the Common Area, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. Premiums for all insurance on the Common Area shall be common expenses of the Association. Cost of insurance coverage obtained by the Association for the Common Area shall be included in the General Assessment, as provided in Article IX.

(b) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) that no policy may be canceled, invalidated or suspended on account of any one or more individual Owners;

(iii) that no policy may be canceled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or mortgagee;

(iv) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(v) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

(c) Each Owner may obtain additional insurance at his or her own expense; provided, however, that no Owner shall be entitled to exercise his or her right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all the Owners and their mortgagees, may realize under any insurance policy which the Association's Board of Directors may have in force on the property at any particular time.

(d) It shall be the individual responsibility of each Owner, at his or her own expense, to provide, as he or she sees fit, title insurance on his or her individual Lot, insurance on improvements or betterments, and such other insurance as is not provided by the Association pursuant to the provisions of this Article.

5.02. Individual Insurance. By virtue of taking title to a Residential Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that he or she shall carry appropriate all risk casualty insurance on his or her Residential Unit in an amount at least equal to the replacement value of his or her Residential Unit at all times.

5.03 Damage or Destruction - Individual Unit. All Residential Unit Owners together with their respective mortgagees mutually covenant and agree to rebuild and repair any Residential Unit owned by them which is damaged or destroyed, and such rebuilding or repair shall be made in conformity with the architecture and design of the original Residential Unit. The stain or paint shall be the same, in all respects, as is practicable, to the stain or paint originally applied at the time of the Residential Unit's construction. Any deviation from the original stain or paint (which includes different brands as well as different colors) must be first approved as hereinafter provided. Any and all replacement materials, including doors, windows, siding, trim, roofing, facia, soffits and corner boards shall be the same type and color as originally installed at the time of construction of the Residential Unit. In the event that replacement to a damaged Residential Unit by identical materials is not possible, then comparable materials, compatible to adjoining Residential Units may be used, with the prior approval as hereinafter provided. All Residential Unit Owners together with their respective mortgagees, covenant and agree to use any and all insurance proceeds to repair and replace any damaged elements of the Residential Unit affected. If the damaged or destroyed Residential Unit is not restored or replaced within six months, or if any Residential Unit Owner fails to maintain fire and casualty insurance in an adequate amount to cover full replacement, or if the proceeds are not so allocated by the Residential Unit Owner, or any mortgagee of such damaged or destroyed Residential Unit, the Board of Directors, any other Residential Unit Owner, or any Mortgagee of any other Residential Unit may enforce this covenant and shall additionally have the right to sue for and obtain an injunction to enforce the repair or replacement of such damaged Residential Unit.

ARTICLE VI

NO PARTITION

6.01. No Partition. Except as permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Common Area by reason of membership in the Association seek any such judicial partition. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VII

CONDEMNATION

7.01. Condemnation. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

(a) If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five percent (75%) of the Members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

8.01. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto, if any), and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions of this Declaration and the Bylaws.

8.02. Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Common Area, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Common Area or the enforcement of this Declaration. The Association may, but shall not be required to, arrange as an Association expense with third parties to furnish water, trash collection, sewer service, and other common services to each Lot.

8.03. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests located within the properties conveyed to it by the Declarant.

8.04. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

8.05. Self-Help. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Residential Unit or Lot, or any portion of the Common Property to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Residential Unit Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred shall be assessed against the violating Residential Unit Owner and shall be collected as provided for herein for the collection of assessments.

8.06. Right of Entry. The Association shall have the right, in addition to and not in limitation of all the rights it may have, to enter into Residential Units for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the owner or occupant of the Residential Unit.

ARTICLE IX

ASSESSMENTS

9.01. Purpose of Assessment. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Residential Units, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

9.02. Creation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. General Assessments shall be allocated equally among all Residential Units within the Association and shall be for expenses determined by the Board to be for the benefit of the Association as a whole. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay these assessments. All such assessments, together with interest at the maximum rate then authorized by New York law, late charges, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Residential Unit Lot against which each assessment is made. The assessments on all Residential Units shall be due on the first day of the quarter following closing on the sale of the first Residential Unit, and a pro-rata assessment for the quarter during which the closing occurs shall be due and payable at the closing.

9.03. Computation of Assessment. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include a capital contribution or reserve. The Board shall cause the budget and the assessments to be levied against each Residential Unit for the following year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a Majority of the Owners. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

9.04. Special Assessments. In addition to the other assessments authorized herein, the Association may levy special assessments in any year. So long as the total amount of special assessments allocable to each Residential Unit does not exceed Two Hundred Dollars ($200) in any one fiscal year, the Board may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Residential Unit to exceed this limitation shall be effective only if approved by a Majority of the members. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

9.05. Lien for Assessments. All sums assessed against any Residential Unit pursuant to this Declaration, together with late charges, interest, costs and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on such Residential Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Residential Unit Lot, except for (a) liens of ad valorem taxes; or (b) liens for all sums unpaid on a first Mortgage duly recorded in the land records of Onondaga County, New York, and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All other persons acquiring liens or encumbrances on any Residential Unit after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

9.06. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days following the due date, a lien, as herein provided, shall attach and, in addition, the lien shall include interest, not to exceed the maximum legal rate, on the principal amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days following the due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. In no event, however, may voting rights be suspended for non-payment of assessments. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Residential Unit at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Residential Unit. No Owner may waive or otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Residential Unit.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent assessments, then to any unpaid installments of the annual assessment or special assessments which are not the subject matter of suit in the order of their coming due.

9.07. Subordination of the Lien to First Mortgages. The lien of the assessments, including interest and late charges, costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due.

9.08. Assessments to be Paid by Declarant.

(a) After the commencement of assessment payments as to any Residential Unit, Declarant will be obligated for the difference between (a) the actual HOA expenses, including reserves applicable to completed improvements as provided for in the HOA budget, and (b) the HOA charges levied on Owners who have closed title to their Residential Units.

(b) Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called in-kind contribution). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

ARTICLE X

ARCHITECTURAL STANDARDS

10.01. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdictions its decisions under this Article. This Article may not be amended without the Declarant's written consent, so long as the Declarant owns any land subject to this Declaration.

10.02. Modifications. The Board shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Residential Units; provided, however, the Board may delegate this authority to an appropriate committee subsequently created or subsequently subjected to this Declaration so long as the Board has determined that such committee has in force review and enforcement practices, procedures and appropriate standards at least equal to those of the Board. Such delegation may be revoked and jurisdiction reassumed at any time by written notice.

The Board shall promulgate detailed Standards and Procedures governing its area of responsibility and practice. In addition thereto, the following shall apply: (1) Plans and specifications showing the nature, kind, shape, color, size, materials and location of such modifications, additions, or alterations, shall be submitted to the Board for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation; (2) No Residential Unit may be altered in any way which affects the exterior appearance of the Residential Unit, without prior approval of the plans and specifications showing the nature, kind, shape, height, materials, colors and location of such alteration; (3) No addition to any Residential Unit shall be erected or placed without prior approval of the location and plans and specifications showing the nature, kind, shape, height, materials and color of such addition; (4) No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications subject, however, to the provisions of Sections 4.02 and 5.03 of this Declaration. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Residential Unit or to paint the interior of his or her Residential Unit any color desired. In the event the Board fails to approve or to disapprove such plans or to request additional information reasonably required within sixty (60) days after submission, the plans shall be deemed approved.

ARTICLE XI

GENERAL PROVISIONS

11.01. Approvals. Whenever an approval is required under the provisions of this Declaration, the following procedures for application of such approval shall be followed:

(a) the Owner seeking such approval must transmit a request for approval in writing to the applicable party or parties ("the Approving Party") as herein provided, specifying in detail the particulars for which such approval is sought, and the provisions of this Declaration which require such approval;

(b) while the Declarant retains any legal or equitable interest in or to any Lot, the Declarant shall be the Approving Party;

(c) when the Declarant ceases to have any legal or equitable interest in or to any Lot, the Approving Party shall be the Board of Directors;

(d) the Approving Party's approval must be in writing and signed by the Approving Party;

(e) in the event that the Approving Party fails to approve or disapprove a written request within sixty (60) days after its actual receipt of the request, approval of the request will be deemed to have been given and compliance with this provision of the Declaration shall be conclusively presumed.

11.02. Duration. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

11.03. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant while Declarant continues to maintain a legal or equitable interest in the properties, (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Residential Units subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Residential Units subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Residential Units subject to this Declaration; provided, however any such amendment shall not adversely affect the title to any Owner's Residential Unit unless any such Residential Unit Owner shall consent thereto in writing.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the members. Amendments to this Declaration shall become effective upon recordation in the Office of the Onondaga County Clerk, unless a later effective date is specified therein. No amendments may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

11.04. Construction and Sale. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Residential Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the construction or sale of such residences. The right to maintain and carry on such facilities and activities shall specifically include the right to use Residential Units owned by the Declarant as models and sales offices. During said period, the Declarant shall pay for all work involved in the construction, establishment and sale of all of the Association's property that the Declarant is obligated to complete under the Offering Plan, and Declarant agrees to cause all mechanic's liens with respect to such construction to be promptly discharged or bonded. This Section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in the Section shall terminate upon the earlier of (a) ten (10) years from the date this Declaration is recorded or (b) upon the Declarant's recording a written statement that all sales activity has ceased.

11.05. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

11.06. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

11.07. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 21st day of October, 1993.

CNY LAND DEVELOPMENT PRESERVE ASSOCIATES

By: ______________________
Frank J. Pizzica, Jr., Partner

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

On this 21st day of October, 1993, before me came Frank J. Pizzica, Jr., to me personally known who, being by me duly sworn, did depose and say that he resides in Cazenovia, New York; that he is a Partner of CNY Land Development Preserve Associates and he is known to me to be one of the partners of the Partnership that executed the within instrument; and he acknowledged to me that he executed the same on behalf of and in the name of such Partnership.

Michael J. Kawa
Notary Public

MICHAEL J. KAWA
NOTARY PUBLIC, State of New York
Qualified in Onondaga County, #4500632
Commission Expires August 31, 1995

SCHEDULE A

All that tract or parcel of land situate in the Town of Pompey, County of Onondaga and State of New York, being part of Military Lot No. 10 in said Town, being part of lands conveyed to Willard C. Lipe by the following 2 deeds:

1) from Glenora Elizabeth Turk dated June 28, 1948 and recorded in Onondaga County Clerk's Office June 30, 1948 in Book 1338 of Deeds at Page 227;

2) from William J. Wall and Anna Wall dated July 27, 1950 and recorded in Onondaga County Clerk's Office July 29, 1950 in Book 1458 of Deeds at Page 212

and being more particularly described as follows:

Beginning at a point in the centerline of Pompey Center Road (County Road No. 10) at its intersection with the division line between lands conveyed to William E. Markley and Virginia L. Markley by deeds recorded in Onondaga County Clerk's Office in Book 1959 of Deeds at Page 81 and in Book 2255 of Deeds at Page 517 on the north and said lands conveyed to Willard C. Lipe by the first above mentioned deed on the south; running thence S 3° 48' 55" E along the centerline of Pompey Center Road, a distance of 171.15 feet to its intersection with the division line between said lands of Lipe on the north and lands conveyed to Michael O'Mara by deed recorded in Onondaga County Clerk's Office in Book 3490 of Deeds at Page 198 on the south; thence N 86° 11' 05" E along the last mentioned division line, a distance of 460.00 feet to the northeasterly corner of said lands of O'Mara; thence S 3° 48' 55" E along the division line between said lands of Lipe on the east and said lands of O'Mara and lands conveyed to Charles D. Fountain and Rebecca L. Fountain by deed recorded in Onondaga County Clerk's Office in Book 3632 of Deeds at Page 208 on the west, a distance of 702.51 feet to the southeasterly corner of said lands of Fountain; thence S 86° 11' 05" W along the division line between said lands of Fountain on the north and lands of Willard C. Lipe on the south, a distance of 377.00 feet to a point of curvature; thence northwesterly continuing along said division line, following a curve to the right having a radius of 50.00 feet, an arc distance of 78.54 feet to a point of tangency on the easterly boundary of Pompey Center Road; thence S 86° 11' 05" W, a distance of 33.00 feet to the centerline of Pompey Center Road; thence S 3° 48' 55" E along said centerline, a distance of 173.88 feet to its intersection with the division line between lands of Willard C. Lipe on the North and lands conveyed to Mark A. Ranalli and Terry L. Ranalli by deed recorded in Onondaga County Clerk's Office in Book 3758 of Deeds at Page 61; thence N 86° 11' 05" E along the last mentioned division line, a distance of 460.00 feet to the northeasterly corner of said lands of Ranalli; thence S 3° 48' 55" E along the division line of lands of Willard C. Lipe on the east and said lands of Ranalli and lands conveyed to Richard K. Fountain by deed recorded in Onondaga County Clerk's Office in Book 2985 of Deeds at Page 263 on the west, a distance of 600.00 feet to the southeasterly corner of said lands of Fountain; thence S 86° 11' 05" W along the division line between lands of Willard C. Lipe on the south and said lands of Fountain on the north, a distance of 460.00 feet to its intersection with the centerline of Pompey Center Road; thence S 3° 48' 55" E along said centerline, a distance of 825.41 feet to an angle point therein; thence S 3° 43' 51" E, continuing along said centerline, a distance of 63.33 feet to its intersection with the division line between lands of Willard C. Lipe on the north and lands conveyed to Clifford Graham and Deborah Graham by deed recorded in Onondaga County Clerk's Office in Book 2623 of Deeds at Page 837 on the south; thence N 86° 17' 34" E along said last mentioned division line and along the division line between lands of Willard C. Lipe on the north and lands conveyed to Harriet Young by deed recorded in Onondaga County Clerk's Office in Book 1218 of Deeds at Page 305 on the south, a distance of 513.53 feet to the northeasterly corner of said lands of Young; thence S 3° 38' 46" E along the division line between lands of Willard C. Lipe on the east and said lands of Young on the west, a distance of 1013.80 feet to a point; thence N 87° 17' 46" E through lands of Willard C. Lipe, a distance of 1763.40 feet to a point on the division line between lands of Willard C. Lipe on the west and lands conveyed to William Durand by deed recorded in Onondaga County Clerk's Office in Book 1204 of Deeds at Page 460 on the east; thence N 3° 34' 56" W along the last mentioned division line, a distance of about 2925 feet to its intersection with the centerline of Limestone Creek; thence westerly, northwesterly and southwesterly along said centerline as it winds and turns, a distance of about 1721 feet to its intersection with the division line between lands conveyed to James A. Price and Bettye M. Price by deed recorded in Onondaga County Clerk's Office in Book 3221 of Deeds at Page 121 on the east and lands conveyed to Willard Lipe and Barbara Lipe by deed recorded in Onondaga County Clerk's Office in Book 2405 of Deeds at Page 161 on the west; thence southerly along the southerly prolongation of the last mentioned division line, a distance of about 25 feet to the southerly bank of Limestone Creek; thence northwesterly and westerly along said creek bank, as it winds and turns, a distance of about 644 feet to its intersection with the aforementioned division line between lands of Willard C. Lipe on the south and lands of William E. Markley on the north; thence S 32° 31' 12" W along said division line, a distance of about 643 feet to the point of beginning, containing 152 acres, more or less.

Subject to easements and restrictions of record.

DEED

THIS INDENTURE made this 16th day of March, 1994 between

CNY LAND DEVELOPMENT PRESERVE ASSOCIATES, a New York general partnership, having its office at 131 West Seneca Street, Manlius, New York, grantor, and

THE PRESERVE HOMEOWNERS' ASSOCIATION, INC., a New York Not-for-Profit Corporation, having its principal office at 131 West Seneca Street, Manlius, New York, grantee

WITNESSETH, that the grantor, in consideration of One and 00/100 Dollars ($1.00), paid by grantee, hereby grants and releases unto the grantee, the heirs or successors and assigns of the grantee forever,

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Pompey, County of Onondaga and State of New York, and being more particularly described on Schedule "A" attached hereto.

Together with and subject to easements, covenants and restrictions of record, if any, affecting said premises.

Being a part of the premises conveyed to the grantor herein by CNY Land Development Associates by deed dated August 12, 1993 and recorded in the Onondaga County Clerk's Office on August 12, 1993 in Book 3864 of Deeds at page 223.

RESERVING, however, unto the grantor herein, its agents, servants, employees, successors and/or assigns, the right to cross onto and over the hereinbefore described property and to load and unload, move, remove, fill and re-fill topsoil and dirt from the property, for so long as the construction of new homes shall occur with The Preserve subdivision. These rights reserved herein shall continue so long as the grantor herein remains the owner of any lot in The Preserve subdivision.

The lands herein conveyed shall remain irrevocably dedicated to the use contemplated by the Declaration of Covenants, Conditions and Restrictions for The Preserve, dated October 21, 1993 and recorded in the Onondaga County Clerk's Office for so long as a mortgage dated May 26, 1993 in the amount of $795,000.00 made by CNY Land Development Associates to Willard C. Lipe and Barbara C. Lipe and recorded in the Onondaga County Clerk's Office on May 27, 1993 in Book 6946 of Mortgages at page 144 & c., shall remain outstanding. So long as the aforementioned mortgage shall remain unsatisfied, the lands herein conveyed shall not be reconveyed or mortgaged without the express written consent of Willard C. Lipe and Barbara C. Lipe, which consent shall not be unreasonably withheld or delayed. In the event that the lands herein conveyed shall be reconveyed or mortgaged without such written consent, then title thereto shall automatically revert to said mortgagees, provided, however, that such lands shall remain subject to the provisions set forth in the aforementioned Declaration of Covenants, Conditions and Restrictions for The Preserve.

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 grantee shall quietly enjoy the said premises;

SECOND, the grantor will forever warrant the title to said premises;

This deed is subject to the trust provisions of Section 13 of the Lien Law. The words "grantor" and "grantee" shall be construed to read in the plural whenever the sense of this deed so requires.

This transaction does not constitute a sale of all or substantially all of the assets of this corporation.

IN WITNESS WHEREOF, the grantor has executed this deed the day and year first above written.

CNY LAND DEVELOPMENT PRESERVE ASSOCIATES

By: ______________________

Frank J. Pizzica, Jr., General Partner

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

On this 16th day of March, 1994, before me came Frank J. Pizzica, Jr., to me known who, being by me duly sworn, did depose and say that he resides in Cazenovia, New York; that he is a partner of CNY Land Development Preserve Associates, a partnership described in and which executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf of and in the name of such Partnership.

Michael J. Kawa

Notary Public

MICHAEL J. KAWA
NOTARY PUBLIC, State of New York
Qualified in Onondaga County, #4500632
Commission Expires August 31, 1995

BOUNDARY DESCRIPTION

HOME OWNERS ASSOCIATION

PART OF

THE PRESERVE

All those tracts or parcels of land situate in the Town of Pompey, County of Onondaga and State of New York, being part of Military Lot No. 10 in said Town, being part of lands conveyed by Willard C. Lipe and Barbara C. Lipe to CNY Land Development Associates by deed dated May 26, 1993 and recorded in Onondaga County Clerk's Office May 27, 1993 in Book 3847 of Deeds at Page 219, and being more particularly described as follows:

PARCEL NO. 1

Beginning at a point on the easterly boundary of Pompey Center Road (C.R. No. 10), at its intersection with the division line between land conveyed to William E. Markley and Virginia L. Markley by deeds recorded in Onondaga County Clerk's Office in Book 1959 of Deeds at Page 81 and in Book 2255 of Deeds at Page 517 on the north and said lands of CNY Land Development Associates on the south, said point being 33 feet distant easterly, measured at right angles from the centerline of said Pompey Center Road; running thence N 82° 31' 12" E along said division line, a distance of about 610 feet to its intersection with the southwesterly bank of Limestone Creek; thence easterly and southeasterly along said creek bank, as it winds and turns, a distance of about 644 feet to its intersection with the southerly prolongation of the division line between lands conveyed to James A. Price and Bettye M. Price by deed recorded in Onondaga County Clerk's Office in Book 3221 of Deeds at Page 121 on the east and lands conveyed to Willard Lipe and Barbara Lipe by deed recorded in Onondaga County Clerk's Office in Book 2405 of Deeds at Page 161 on the west; thence northerly along said southerly prolongation of the last mentioned division line, a distance of about 25 feet to the centerline of Limestone Creek; thence northeasterly, southeasterly and easterly along said creek centerline as it winds and turns, a distance of about 1721 feet to its intersection with the division line between lands conveyed to William Durand by deed recorded in Onondaga County Clerk's Office in Book 1204 of Deeds at Page 460 on the east and said lands of CNY Land Development

Associates on the west; thence S 3° 34' 56" E along the last mentioned division line, a distance of about 2134 feet to a point; thence through said lands of CNY Land Development Associates, the following 16 courses and distances:

1) westerly, following a curve to the right having a radius of 2181.30 feet, an arc distance of 45.0 feet;
2) N 11° 25' 01" W, 424.74 feet;
3) N 41° 54' 05" W, 392.11 feet;
4) N 51° 40' 00" W, 300.00 feet;
5) N 28° 32' 45" W, 353.18 feet;
6) S 80° 11' 40" W, 200.00 feet;
7) N 2° 09' 00" E, 61.33 feet;
8) N 80° 11' 40" E, 205.00 feet;
9) N 1° 39' 33" E, 244.20 feet;
10) N 28° 19' 34" W, 312.16 feet;
11) N 58° 05' 39" W, 338.51 feet;
12) S 86° 11' 05" W, 263.21 feet;
13) S 3° 48' 55" E, 200.00 feet;
14) S 86° 11' 05" W, 60.00 feet;
15) N 3° 48' 55" W, 200.00 feet;
16) S 86° 11' 05" W, 410.00 feet

to a point on the division line between lands conveyed to Charles D. Fountain and Rebecca L. Fountain by deed recorded in Onondaga County Clerk's Office in Book 3692 of Deeds at Page 208 on the west and said lands of CNY Land Development Associates on the east; thence N 3° 48' 55" W along the last mentioned division line and along the division line between lands conveyed to Michael O'Mara by deed recorded in Onondaga County Clerk's Office in Book 3490 of Deeds at Page 198 on the west and said lands of CNY Land Development Associates on the east, a distance of 534.45 feet to the northeasterly corner of said lands of Michael O'Mara; thence S 86° 11' 05" W along the division line between said lands of Michael O'Mara on the south and said lands of CNY Land Development Associates on the north, a distance of 427.00 feet to its intersection with the easterly boundary of Pompey Center Road (C.R. No. 10); thence N 3° 48' 55" W along said easterly road boundary, a distance of 173.26 feet to the point of beginning, containing 50 acres, more or less.

PARCEL NO. 2

Beginning at a point in the easterly boundary of Pompey Center Road (C.R. No. 10), as widened, at its intersection with the division line between lands conveyed to Clifford Graham and Deborah Graham by deed recorded in Onondaga County Clerk's Office in Book 2623 of Deeds at Page 837 on the south and said lands conveyed to CNY Land Development Associates on the north, said point being N 86° 17' 34" E, a distance of 40.0 feet, measured along said division line, from the centerline of said Pompey Center Road; running thence N 3° 43' 51" W along said easterly road boundary, as widened, a distance of 63.38 feet to an angle point; thence N 3° 48' 55" W, continuing along said road boundary, a distance of 297.84 feet to a point of curvature; thence northerly and northeasterly, following a curve to the right having a radius of 30.00 feet, an arc distance of 47.12 feet to a point of tangency; thence N 86° 11' 05" E, a distance of 250.00 feet to a point; thence S 3° 48' 55" E, a distance of 391.74 feet to a point on the division line between lands conveyed to Harriet Young by deed recorded in Onondaga County Clerk's Office in Book 1218 of Deeds at Page 305 on the south and said lands of CNY Land Development Associates on the north; thence S 86° 17' 34" W along the last mentioned division line and along the aforementioned division line between lands of Clifford and Deborah Graham on the south and lands of CNY Land Development Associates on the north, a distance of 280.09 feet to the point of beginning, containing 2.512 acres, more or less.

PARCEL NO. 3

Beginning at a point on the easterly boundary of Pompey Center Road (C.R. No. 10), as widened, at its intersection with the division line between lands conveyed to Richard K. Fountain by deed recorded in Onondaga County Clerk's Office in Book 2985 of Deeds at Page 263 on the north and said lands of CNY Land Development Associates on the south, said point being N 86° 11' 05" E, a distance of 40.0 feet, measured along said division line, from the centerline of Pompey Center Road (C.R. No. 10); running thence N 86° 11' 05" E along said division line, a distance of 280.00 feet to a point; thence S 3° 48' 55" E, a distance of 437.60 feet to a point; thence S 86° 11' 05" W, a distance of 250.00 feet to a point of curvature; thence northwesterly and northerly, following a curve to the right having a radius of 30.00 feet, an arc distance of 47.12 feet to a point of tangency in the easterly boundary of Pompey Center Road, as widened; thence N 3° 48' 55" W along said easterly road boundary, a distance of 407.60

feet to the point of beginning, containing 2.808 acres, more or less.

PARCEL NO. 4

Beginning at the point on the easterly boundary of Pompey Center Road (C.R. No. 10), as widened, at its intersection with the division line between lands conveyed to Mark A. Ranalli and Terry L. Ranalli by deed recorded in Onondaga County Clerk's Office in Book 3758 of Deeds at Page 61 on the south and said lands of CNY Land Development Associates on the north, said point being N 86° 11' 05" E, a distance of 40.0 feet, measured along said division line, from the centerline of Pompey Center Road; running thence N 3° 48' 55" W along said easterly road boundary, a distance of 20.88 feet to a point of curvature; thence northerly and northeasterly, following a curve to the right having a radius of 43.00 feet, an arc distance of 67.54 feet to a point of compound curvature; thence easterly, following a curve to the right having a radius of 970.00 feet, an arc distance of 123.50 feet to a point of tangency; thence S 86° 31' 14" E, a distance of 124.06 feet to a point of curvature; thence easterly, following a curve to the left having a radius of 1030.00 feet, an arc distance of 131.14 feet to a point; thence S 3° 48' 55" E, a distance of 31.94 feet to a point, said point being the northeasterly corner of said lands conveyed to Mark A. Ranalli and Terry L. Ranalli; thence S 86° 11' 05" W along the aforementioned division line, a distance of 420.00 feet to the point of beginning, containing 0.467 acre, more or less.

PARCEL NO. 5

Beginning at the southeasterly corner of lands conveyed to Charles D. Fountain and Rebecca L. Fountain by deed recorded in Onondaga County Clerk's Office in Book 3692 of Deeds at Page 208; running thence S 86° 11' 05" W along the division line between said lands of Charles D. Fountain and Rebecca L. Fountain on the north and said lands of CNY Land Development Associates on the south, a distance of 377.00 feet to a point; thence easterly following a curve to the right having a radius of 1030.00 feet, an arc distance of 131.14 feet to a point of tangency; thence S 86° 31' 14" E, a distance of 124.06 feet to a point of curvature; thence easterly, following a curve to the left having a radius of 970.00 feet, an arc distance of 123.50 feet to a point; thence N 3° 48' 55" W, a distance of 31.94 feet to the point of beginning, containing 0.137 acre, more or less.