

MOHAWK TRAILS HOMEOWNERS' ASSOCIATION, INC.

Prepared By:
Louie Lecce, Esq.
Ianniello, Anderson, Reilly, Luhn,
Nichols & Lecce
805 Route 146
Northway Nine Plaza
Clifton Park, NY 12065

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OFFERING PLAN

| | |
|-------------|--------------------------|
| EXHIBIT "A" | Declarations and By-Laws |
| EXHIBIT "B" | Budget and Footnotes |
| EXHIBIT "C" | Accountants letter |
| EXHIBIT "D" | Development Site Plan |
| EXHIBIT "E" | Conceptual Map |
| EXHIBIT "F" | Affidavit |

AFFIDAVIT OF OFFEROR

STATE OF NEW YORK :
COUNTY OF SARATOGA : SS.:

JEFFORY J. MYERS, being duly sworn, deposes and says:

(A). The Mohawk Trails Subdivision consists of forty-six (46) residential single family lots and twenty-three (23) residential townhouse lots. The residential single family lots are not owned by Offeror. They are owned by Charlew Construction Company, Inc., and as a result they are not part of the Mohawk Trails Homeowners' Association, Inc. The Offeror currently owns the property subject to this Affidavit known as the townhouse portion of the Mohawk Trails Subdivision.

(B). There will be no property which is to be owned by the Mohawk Trails Homeowners' Association, Inc. (the "Association").

(C). The property which is to be maintained by the Mohawk Trails Homeowners' Association, Inc. will be the parking areas, driveways, which will permit access to and from the twenty-three (23) residential townhouse lots to the public roadway, lawns and sidewalks owned by each owner of a townhouse residential dwelling.

(D) The proposed transaction involves the establishment of the Association, the membership of which will consists of owners of the twenty-three (23) residential townhouse lots of the subdivision.

(E). The Offeror intends to construct twenty-three (23) townhouse dwellings. Said single family townhouse lots are to be offered for sale to the public, subject to the Declaration and By-Laws, a copy of which is attached hereto as Exhibit "A" and made a part hereof, the terms of this Affidavit and no-action letter issued in connection herewith. The lots will be sold in conjunction with membership in the Association, which membership shall be automatic.

Also attached to this affidavit as Exhibit "B" is the proposed budget for the first year of Association operation with supporting footnotes and supporting documentation, including:

(1) A letter from Crescent Associates, Ltd. quoting the fee for Directors & Officers Liability Insurance in the amount of \$1,000.00 for the first year of Association operation; and

(2) A letter from Louie Lecce, Esq., of Ianniello, Anderson, Reilly, Luhn, Nichols & Lecce, quoting a fee for legal services in the amount of \$500.00 for the first year of Association operation; and

(3) A letter from Gerald P. Dagostino, certified public accountant, quoting a fee

for accounting services in the amount of \$500.00 for the first year of Association operation; Also attached hereto as Exhibit "C" is a letter from Dagontino and Lazarow, certifying as to the adequacy of the budget.

(4) A letter from Dale's Yard and Home Care quoting a fee for lawn maintenance and snow removal for the lands owned by the lot owners for \$12,558.00 for the first year of Association operation.

(5) A letter from Preston Peacock quoting the fee for sealing and maintenance of the driveways and parking areas in the amount of \$4,275.00 for the first year of Association operation.

(F). The Offeror will comply with Sections 352-2(b) and 352-h of the General Business Law of New York State and hold all deposits for the purchase of lots in trust for the benefit of the purchasers thereof. Such funds will not be commingled with the moneys of the Offeror until actually employed in connection with the consummation of the transaction.

(G). Attached to this affidavit as Exhibit "D" is a copy of the Development Site Plan. Also attached to this affidavit as Exhibit "E" is a copy of the conceptual design of the development.

(H). The street known as Nott Street East, which the townhouse lots front upon is a dedicated Road, owned and maintained by the Town of Niskayuna, as well as the public water and sewer system that services the subdivision.

(I). The Offeror in his annual budget is not providing a reserve for the replacement cost to replace the driveways in the future. The anticipated life of the driveway is approximately seven (7) years with an approximate cost of \$17,000.00, as quoted in the attached letter from King Paving Corp.

(J). The Offeror will provide to any Offeree the following:

- (1) A statement that the purchase price of the lot includes the cost of membership in the Association;
- (2) The estimated monthly or annual assessment and the current or proposed budget;
- (3) Certification by an expert as to the adequacy of the projected income and expenses for the first year of operation;
- (4) A copy of the most recent financial statement of income and expenses for the operation of the property;
- (5) Information known to the Offeror which may result in extraordinary expenses for members or for the Association, including, but not limited to, assessments, liabilities, dangerous or hazardous conditions, pending litigation and administrative proceedings;
- (6) Evidence of compliance with local zoning laws and regulations; and
- (7) Such other information as the Department of Law may require. In addition, there will not be any contract between the Offeror and the Association.

(K) The Offeror will furnish a complete copy of the application for a no-action letter and a copy of the no-action letter when issued, to any Offeree prior to accepting any deposit.

(L) The Offeror will, within five days after a request by the Department of Law, furnish copies of executed Offeree affidavits required pursuant to subparagraph (j) of 13 NYCRR 22.8.

(M) The use for which the lots and property are being offered will comply with the property's certificate of occupancy and local zoning and building and housing laws, rules and regulations.

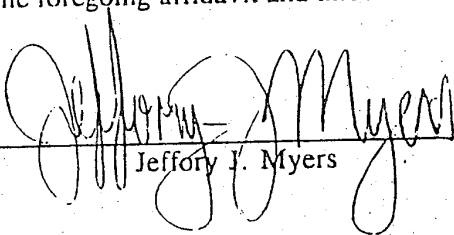
(N) The Offeror or its principal has not within the preceding five years, participated in any other application for a no-action letter or have made any other offerings which were not pursuant to an offering plan filed with the Department of Law.

(O) An affidavit, a copy of which is attached as Exhibit "F" will be obtained from each proposed Offeree prior to closing on a unit that is subject to this application which will contain the following representations:

- (1) The Offeree's name, residence and business address and legal status;
- (2) That the Offeree has read the affidavit of the Offeror submitted as part of the application for a no-action letter;
- (3) That the Offeree has inspected the subject property.

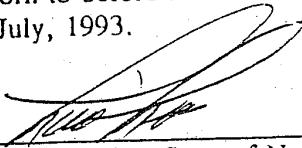
(P) This affidavit is made to induce Offerees to purchase lots in the subdivision in conjunction with membership interests in the Association and pay the consideration therefor, knowing that such Offerees rely upon the truth of the foregoing statements.

Deponent states that he has read the foregoing affidavit and knows of his own knowledge that the facts therein stated are true.



Jeffrey J. Myers

Sworn to before me this ²³ day
of July, 1993.



Notary Public - State of New York

LOUIE LECCE
NOTARY PUBLIC, State of New York
Qualified in Schenectady County
4779216
Commission Expires 10/31/94



P.O. BOX 12699
ALBANY, NEW YORK 12212-2699
(518) 382-5353 FAX (518) 382-5442

March 2, 1993

Jeff Meyers
Shelter Enterprises
P.O. Box 618
Cohoes, NY 12047

Dear Jeff:

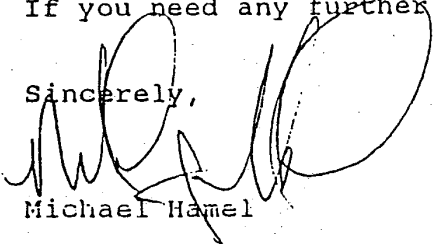
As per our meeting on February 26, 1993, I have worked up the following budget prices for paving approximately 28,592 square feet of driveways and/or parking lots at your Mohawk Trails Project.

Fine grade the subbase to within one-half inch of its proposed grade after it has been brought to within 1 inch of proposed grade by others; pave with a one and one-half inch course of type 3 dense binder and a one inch course of type 7 top, for the price of \$37,710.00.

On the average it can be expected that an overlay should be done every seven or eight years. At todays prices it would cost approximately \$17,000.00 to overlay this square footage with an average one and one-half inch course of type 7 top.

If you need any further information, please feel free to call.

Sincerely,



Michael Hamel

EXHIBIT "A"

DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS,
EASEMENTS, CONDITIONS, CHARGES AND LIENS

of

MOHAWK TRAILS HOMEOWNERS' ASSOCIATION, INC.

Prepared by:

Louie Lecce, Esq.
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Declaration of Protective Covenants,
Restrictions, Easements, Conditions, Charges and Liens

Declaration made as to this _____ day of _____, 1993, by JEFFORY J. MYERS, residing at Troy-Schenectady Road, Schenectady, NY, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this declaration and shown on the site plan attached hereto and marked "Site Plan" which Declarant desires to develop as a residential community of townhouse homes; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and to this end, desires to subject the real property described in Article II to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities in said community to create an agency to which should be delegated and assigned the powers of maintaining and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated Mohawk Trails Homeowners' Association, Inc. under the Not-For-Profit Corporation Laws of the State of New York for the purposes of exercising the above stated functions.

NOW, THEREFORE, the Developer, for itself, its successors and assigns, declare that the real property described in Article II is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I
DEFINITIONS

The following words, phrases or terms when used in this Declaration or any Supplemental Declaration unless otherwise defined therein, shall have the meanings set forth below:

(a) "Association" shall mean and refer to Mohawk Trails Homeowners Association, Inc., a New York Not-For-Profit Corporation, incorporated on the _____ day of _____, 1993.

(b) "Mohawk Trails" shall mean and refer to the townhouse portion of a planned

community being developed in the Town of Niskayuna, New York and which may or may not include lands other than the property.

(c) "Declaration" shall mean and refer to this document of Protective Covenants, Restrictions, Easements, Conditions, Charges and Liens as it may from time to time be supplemented, extended or amended.

(d) "Developer" shall mean and refer to Jeffory J. Myers, his successors, purchasers and assigns.

(e) "Home" shall mean and refer to all units of townhouse units situated upon The Properties, whether they are houses, apartments, or rental units.

(f) "Improvements" shall mean and refer to any thing or device (other than trees and shrubbery less than 2 feet high), the placement of which upon the Property may affect the appearance of the Property including, by way of illustration and not of limitation, any building, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, swimming pool, clothes lines, radio or television antenna, fence, curbing, paving, wall, trees and shrubbery more than two feet in height, signboard, or any temporary or permanent living quarters (including any mobile home) or any other temporary or permanent improvement to the Property. "Improvement" shall also mean (i) any excavation, fill, ditch, diversion, dam or other thing or device which affects or alters the flow of surface waters to, from, upon or across the Property or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel to, from, upon or across the Property and (ii) any change in the grade of any portion of the Property of more than six inches.

(g) "Member" shall mean and refer to each holder of a membership interest in the Association, as such interest is set forth in Article III.

(h) "Owner" shall mean and refer to the record owner of fee simple title to any Home, including the Developer with respect to an unsold Home. Every Homeowner shall be treated for all purposes as a single owner for each Home held, irrespective of whether such ownership is joint, in common, or tenancy by the entirety.

(i) "Property" shall mean and refer to all lands described in Schedule "A" attached to the Declaration and incorporated by reference, and the improvements thereon covered by this Declaration and such additions as may be made thereto from time to time.

(j) "Unit" shall mean and refer to a home or vacant unimproved lot situated upon the Property, but not upon the Common property.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1. Property Subject to Declaration. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration and is located in the Town of Niskayuna, County of Schenectady, State of New York, and is more particularly described in Schedule A attached hereto and made a part hereof.

Section 2.02. Additional Property. The Association by the affirmative vote of not less than eighty (80%) percent of the membership, excluding developer, shall have the right to bring additional Property within the scheme of this Declaration.

The additions shall be made by recording a supplemental declaration which shall extend the scheme of covenants, conditions and restrictions of this Declaration to such Additional Property and thereby subject such additional property to assessment for its fair share of the expenses of the Association. Said extending declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the Additional Property that is not inconsistent with the provisions of this Declaration.

Nothing contained in this Declaration, however, or in any recorded or unrecorded plot, map, picture, drawing, brochure or other representation of a scheme of development shall be construed as requiring the Association to subject hereafter owned by it regardless of whether or not such to the provisions of this Declaration any other land now or hereafter owned by it regardless of whether such other land is governed by agreement similar or identical to the provisions of this Declaration.

ARTICLE III
MOHAWK TRAILS HOMEOWNERS' ASSOCIATION, INC.-STRUCTURE
MEMBERSHIP VOTING RIGHTS AND DIRECTORS

Section 3.01. Formation of Mohawk Trails Homeowners' Association, Inc. Pursuant to the Not-For-Profit Corporation Law of New York, the Developer has formed the Mohawk Trails Homeowners Association, Inc. to own, operate and maintain the Association Facilities, to enforce the covenants, conditions, and restrictions set forth in the Declaration and to have such other specific rights, obligations, duties and functions as are set forth in the Declaration and in the Certificate of Incorporation and By-Laws of the Association, as the same may be amended from time to time. The provisions of the Certificate of Incorporation or By-Laws of the Association may not conflict or be inconsistent with the provisions of the Declaration, and may not be amended in any way which would so conflict without also amending the Declaration. Subject to the additional limitations provided in the Declaration and the Certificate of Incorporation, the Association shall have all the powers and be subject to the limitations of a Not-For-Profit corporation as contained in the New York State Not-For-Profit Corporation Law as the same may be amended from time to time.

Section 3.02. Membership. The Association shall have one class of members. Only home or lot owners shall be members. Each Home or lot owner upon the date that title to the home

or lot is transferred to said home or lot owner shall be deemed automatically to be a member and there shall be no other qualification for membership. Membership as a home or lot owner shall terminate when such owner transfers title to the home or lot.

Section 3.03. Voting Rights of Members. Each Member 18 years of age or older shall have one vote in the Association ("Members"). Directors shall be elected by a plurality of the votes cast at a meeting of members by the members entitled to vote in the election. In addition, whenever any corporate action, other than the election of directors, is to be taken under this declaration by vote of the members, it shall, except as otherwise required by the certificate of incorporation, this declaration or the by-laws, be authorized by a majority of the votes cast at a meeting of members by the members entitled to vote thereon. Except as provided in the preceding sentence, any reference to corporate action at a meeting of members by "majority vote" or "two-thirds vote" shall require the action to be taken by such proportion of the votes cast at such meeting, provided that the affirmative votes cast in favor of any such action shall be at least equal to the quorum. Blank votes or abstentions shall not be counted in the number of votes cast.

Section 3.04. Assigning Right To Vote. Any Member of the Association shall be entitled to assign his or her right to vote, by power of attorney, by proxy or otherwise, to any other Member, provided that such assignment is made pursuant to the By-Laws of the Association.

Section 3.05. Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation and By-Laws of the Association and applicable law, as it deems advisable, in regard to proof of age, proof of membership, evidence or right to vote, the appointment and duties of inspectors of votes, registration of Members for voting, voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.06. Directors: Selection and Term. The business and affairs of the Association shall be managed by a Board of Directors. There shall be no less than three nor more than nine directors. Directors shall be selected as follows:

(a) Developer hereby appoints Jeffery J. Myers, Bradley Myers and Louie Lecce, Esq., to the first Board of Directors of the Association. This first board shall hold office and exercise all powers of the Board of Directors until the sooner of: (1) the fifth annual meeting of the Association members, or (2) the annual meeting of the Association members immediately following the date of the closing and transfer of title to 60% of the homes or lots. The first meeting of the Board shall be held within six months of the first closing.

(b) Following the term of the first Board of Directors of the Association as provided in (a) above the appointed directors shall be replaced by directors elected in accordance with the procedures set forth in the By-Laws of the Association.

(c) Elected directors shall serve for two year terms and shall be voting members

of the Association.

Section 3.07. Vacancies. Any vacancy of an Appointed Director shall be filled by appointment by Developer. Any vacancy of an Elected Director shall be filled at the next meeting of the Board of Directors by the affirmative vote of a majority of the remaining Elected Directors or by a sole remaining Elected Director, or, if not previously so filled, shall be filled at the next succeeding annual meeting of the members. Any Director appointed or elected to fill a vacancy shall serve as such until the expiration of the term of the vacated position.

Section 3.08. Removal of Directors. Developer may at its discretion, remove any Appointed Director at any time and may appoint the successor to fill the unexpired term of the removed Director.

At any duly called meeting of Members, the Members may, by the affirmative vote of two-thirds of all Members, remove any Elected director (or Director appointed to fill the vacancy of an elected Director) from office. The Members may thereafter elect the successor to fill the unexpired term of the Elected Director so removed.

Section 3.09. Quorum. At all meetings of the Board of Directors, two-thirds of all Directors shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, the Declaration, the Certificate of Incorporation, or the By-Laws of the Association otherwise provided, a vote of majority of those in attendance at a duly constituted meeting shall be sufficient to elect and pass any measure.

Section 3.10. Directors: Powers and Duties. The Board of Directors may exercise all the powers of the Association, except such as are by statute, the Declaration, the Certificate of Incorporation or the By-Laws of the Association conferred upon or reserved to either Members or the Developer.

Among the duties of the Board of Directors shall be the following:

- A. To provide for the maintenance and operation of all Association Facilities and to adopt and publish rules and regulations governing their use.
- B. To levy, assess and collect the assessments provided for in the Declaration.
- C. To maintain the Association books and records in accordance with generally accepted accounting principles and procedures.
- D. To prepare the annual operating budget of the Association and to submit the same to the Members.
- E. To protect the rights of Members by enforcing the covenants, conditions and restrictions set forth in the Declaration.

F. To otherwise enforce and carry out the provisions of the Declaration.

Section 3.11. Annual Meetings. The first annual Association meeting of Members shall be held within 30 days after the first meeting of the Board of Directors of the Association. Thereafter, annual meetings shall be held on the anniversary date thereof in each succeeding year; except that if such date is a Saturday, Sunday or legal holiday, the annual meeting shall be held on the next succeeding business day.

Section 3.12. Additional Control by Developer. Notwithstanding anything to the contrary contained in this Declaration, so long as Developer shall continue to own 10 or more homes or lots, but in no event later than six years from the closing of title to the first home or lot, the Members and the Board of Directors of the Association shall not, without Developer's prior written consent:

(a) make any addition, alteration or improvements to the common properties (or to any home or lot), the foregoing not to include necessary and maintenance work;

(b) assess any charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund;

(c) hire any employee in addition to the employees referred to in the Offering Plan of the Association;

(d) 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

(e) borrow money on behalf of the Association; or

(f) levy a special assessment.

Irrespective of the number of homes or lots owned by Developer, the Members and Board of Directors of the Association shall not, without Developer's prior written consent, take any action which impairs Developer's sales program or continued use of the property subject to this Declaration in connection with such program. The provisions of this Section 3.12 shall not be amended without the written consent of Developer.

Section 3.13 Liability of the Board of Directors. The members of the Board of directors shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Directors against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of directors. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association within the scope of their authority. It is also intended that the liability of any unit owner arising out of any

contract made by the Board of Directors or out of the aforesaid indemnify in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all of the unit owners in the common elements. Every agreement made by the Board of Directors or by the managing agent on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that any liability of a unit owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all unit owners in the common elements.

ARTICLE IV ASSOCIATION PROPERTY RIGHTS AND POWERS

Section 4.01. Right to Contract. The Association may contract with any person, corporation, firm or other entity for the performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with Local Associations or Trusts, condominiums, cooperatives and other homeowners' or residents' associations, both within and without the Property.

Section 4.02. Hearing Procedure. Where the Board of Directors is required in accordance with the provisions of the Declaration to hold a public hearing prior to taking a certain action (hereinafter referred to as a "Hearing"), the procedures set forth in this Section 4.02 (the "Hearing Procedure") shall be followed. The Hearing on the proposed action (the "Proposal") shall be held not less than 30 nor more than 60 days after the Board of Directors has initiated the Proposal. Notices of the Hearing (the "Notice") shall be posted on the Property, one such Notice to be posted for each unit in a conspicuous public place convenient to such Unit for not less than 20 days prior to the date of the Hearing. The Notice shall also be published once in a newspaper of general circulation in Saratoga not less than 10 or more than 20 days prior to date of Hearing. The Notice shall describe in detail the Proposal, the Hearing Procedure set forth herein as well as any other procedures applicable thereto as the date, time and place of the Hearing. The Hearing will be held on the Property or in a place reasonably accessible to the Property. All Members and other interested persons shall be entitled, subject only to reasonable rules and regulations established by the Board of Directors for the conduct of such Hearing, to attend the Hearing, to express their views on the Proposal, to ask question, or to submit written comments with regard to the Proposal. If, in connection with a proposal, a Hearing is required pursuant to more than one section of the Declaration, the Board of Directors may elect to hold one combined Hearing on such proposal, provided that all restrictions, limitations or additional procedures, if any, imposed by each of the applicable Sections are followed.

Section 4.03. Acquisition Conveyance, Improvements and Changes in Use of Association Facilities. Subject to the limitations set forth in Subparagraphs A through C below, the Board of Directors of the Association, on such terms and conditions as it deems appropriate, may authorize:

1. the transfer, conveyance, donation, lease or other disposition of an Association Facility or portion thereof;

2. the construction of Improvements or the making of additions, modifications or alterations to, or the demolition of, an Association Facility.

3. the change in the use of any Association Facility.

A. Upon the affirmative vote of the Board of Directors proposing:

1. a transfer, conveyance, donation, lease or other disposition of an Association Facility (a "Transfer"); and/or

2. a change in use of an Association Facility (including, without limitation, construction of Improvements such as to convert passive recreational or open space to active recreational use), which change in use will be a material alteration or abridgment to the use of such Association Facility (hereinafter referred to as "Material Change in Use");

the Board of Directors shall hold a hearing on the Proposal in accordance with the Hearing Procedure set forth in Section 4.02 hereof. In addition to such Hearing Procedure, not less than 20 days prior to the date of the Hearing, the Board of Directors shall cause a copy of the Notice to be mailed or delivered to all owners.

Not less than 15 or more than 45 days after the Hearing the Board of Directors shall vote on the Proposal, with such modifications thereto as it deems appropriate after due consideration of the written and oral comments received at the Hearing. An affirmative vote of not less than three-fourths of the entire Board of Directors and not less than two-thirds of the owners (excluding the developer) shall be required for approval; provided, however, that any Material Change in Use shall be in accord with Section 9.09 of this Declaration.

B. If a proposed acquisition of land or Improvements or the construction of Improvements or the making of an addition, modification or alteration to, or the demolition of an Association Facility, will result in a change in the Maximum Rate of the Maintenance Assessment as provided in Section 5.06 hereof or the imposition of a Special Assessment as provided in Section 5.07, the Board of Directors shall hold a Hearing thereon in accordance with the Hearing Procedure set forth in Section 4.02, and the provisions of Section 5.06 or Section 5.07 as the case may be, prior to finally authorizing such action.

C. Prior to:

1. the making of an addition, modification or alteration to an Association Facility,

or

2. the demolition of an Association Facility, or

3. the authorizing of a Material Change in Use of an Association Facility, the Board of Directors shall obtain the approval of the Association.

Section 4.04. Use and Maintenance of Certain Association Facilities. Notwithstanding any of the provisions herein to the contrary, if Developer determines that any portion of the Property proposed to be conveyed to the Association will primarily benefit one or more Owner(s) because of proximity to and principal use of such portion of the Property, or if the Board of Directors of the Association so determines with respect to an existing or proposed Facility or Facilities, Developer or the Board of Directors after holding a Hearing thereon pursuant to Section 4.02 hereof, may either:

A. formally restrict or limit the use of such Facility(ies) to such Owner(s) and require that maintenance and operation of such Facility(ies) and the cost thereof be the direct responsibility of such Owner(s), provided, however, that no such determination with respect to any Facility(ies) shall be valid unless a similar determination is made with respect to all other Facility(ies) (present and future) which are of a similar nature or type and which primarily benefit one or more Owner(s) in a substantially similar manner; or

B. without formally restricting or limiting the use of such Facility(ies) to such Owner(s), provide that maintenance and operation of such Facility(ies) be the direct responsibility of such Owner(s), but only if each such owner consents in writing thereto.

Section 4.05. Rights to Borrow and Mortgage. Except as provided in Section 3.12, the Association may borrow funds and in conjunction therewith may mortgage its properties, provided, however, that the association properties cannot be mortgaged without the consent of two-thirds of the owners (excluding the developer). The amount, terms, rate or rates of all borrowing and the provisions of all agreements with lenders shall be determined by the Board of Directors acting in its absolute discretion, subject only to the ability of the Association to repay such borrowed funds from Assessments.

Section 4.06. Right of Association to Use Utility Lines. For the purpose of maintaining, improving or repairing Association Facilities, the Association may use water or electricity from outdoor taps or sockets located anywhere on the Property. Promptly after each such usage, the Association in writing, shall so notify the Owner or occupant of the Parcel upon which the tap or socket is located, setting forth the date of such usage, as well as any other pertinent information. The Association shall reimburse the Owner or occupant of the Parcel upon which such tap or socket is locate, for that portion of the Owner's or occupant's charges for water or electricity attributable to the use by the Association, such proportionate allocation to be as the Association reasonably determines.

Section 4.07. Environmental Consideration. In carrying out its responsibilities to enforce the provisions of the Declaration, and in particular the provisions of Section 7.10 herein, the Board of Directors of the Association (and the Architectural Committee as provided in Article VI hereof) shall consider the environmental impact of any existing or proposed activities on the

Property or any portion thereof and may in its discretion establish standards or guidelines aimed at reducing or eliminating any adverse environmental impact of its activities or take affirmative action to improve the quality of the environment.

Section 4.08. Non-Discrimination by Association. Neither the Association nor any officer, director, agent, committee, member, or committee member or employee thereof shall make unavailable or deny the occupancy or use of any Facility to any person or persons to take any other actions which discriminate on the basis of race, religion, color, sex, sexual orientation or national origin. This covenant shall run with the land and shall remain in effect without any limitation in time.

ARTICLE V ASSOCIATION-ASSESSMENTS

Section 5.01. Imposition, Personal, Obligation Lien. Each Owner of a Unit on becoming the Owner by the acceptance of a deed otherwise, whether or not the deed or any other instrument pursuant to which title is obtained so provides, shall be deemed to covenant and agree to pay to the Association:

- A. annual assessments or charges ("Maintenance Assessments"),
- B. special assessments for capital improvements ("Special Assessments"), and
- C. property tax assessments for all real property taxes on the Common Areas, if not included in the Maintenance Assessments, together hereinafter being referred to as "Assessments".

The Assessments shall be fixed, established and collected from their Due Date(s) as described in Section 5.04 below. Each Assessment (or installment payment thereof), together with such interest thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the Unit or underlying portion of the Property against which the Assessment is made and shall also be the personal obligation of the Owner of such Unit on such Due Date.

Section 5.02. Developer's Obligation For Association Assessments.

After Association charges have been levied on one or more owners who have closed title to their Homes or Lots, Developer's obligation for Association charges for unsold Homes or Lots shall be the lesser of the following:

- (a) The common charges levied on unsold units or Lots; or
- (b) The difference between actual Association expenses as provided for in Exhibit "B" of the Developer's Affidavit, and the Association charges levied on owners who have closed title to their Homes or Lots. For purposes of the preceding sentence, actual Association expenses

shall be computed by allocating the accrued expenditures incurred over the budget years to which such expenditures relate, and by further allocating the expenditures, as allocated to the budget year, over the twelve month budget period. For example, if an expenditure in the amount of \$1,440.00 is made to an independent contractor for services to be rendered during four months of the current budget year and two months during the next budget year, \$960.00 of such expenditure shall be allocated to the current budget year and the remaining \$480.00 shall be allocated to the next budget year. The \$960.00 expense allocated to the current budget year shall be further allocated over the 12 month period of the current budget year, such that the actual monthly Association expense shall be deemed to be \$80.00. Likewise, the \$480.00 expense allocated to the next budget year shall be further allocated over the 12 month period of the next budget year, such that the actual monthly Association expense shall be deemed to be \$40.00.

Section 5.03. Basis, Annual Rate and Maximum Rate of Maintenance Assessment. The annual maintenance Assessments for each Unit shall be the Annual Rate for the entire Association as fixed by the Board of Directors divided by the total number of members (23).

The annual Rate or Rates shall be determined each year by the Board of Directors, but shall not exceed in any fiscal year the Maximum Annual Rate ("Maximum Rate") permitted.

The initial Maximum Rate effective for the first fiscal year of the Association shall be \$500.00 per Unit, and shall be increased or decreased each year as determined by the Board of Directors. The Annual Rates and Maximum rates for each Assessment for each year shall be set forth in the Assessment Notice referred to in Section 5.04 below.

Section 5.04. Establishment of Maintenance Assessment; Assessment Notice. For each fiscal year, prior to commencement thereof, based on the Association's budget for such year and in accordance with Section 5.03 above, the Board of Directors of the Association shall (1) fix the Annual Rate or Rates for such fiscal year, (2) fix the Maintenance Assessment for each unit; (3) establish the due date or dates ("Due Dates") for payment of the Maintenance Assessment or installments thereof; and (4) so notify the Owner of each Unit in writing (the "Assessment Notice").

Section 5.05. Commencement of Obligation to Pay Assessments on Specific Unit. With respect to each Unit, the current Owner thereof shall become initially liable for the payment of Assessments commencing on the first day of the month following the earlier of (a) the date the unit is occupied, or (b) the date title to said Unit is initially transferred to the Owner.

If such obligation with respect to an Unit commences at a time other than the beginning of the Association's fiscal year, the annual Maintenance Assessment due for the balance of such fiscal year shall be pro-rated accordingly.

Section 5.06. Change in Maximum Rate of Maintenance Assessments. The Association may change the Maximum Rate of the Maintenance Assessment in the following manner:

Upon the affirmative vote of the Board of Directors proposing a change in the Maximum Rate, the Board of Directors shall hold a hearing on said Proposal in accordance with the Hearing Procedures set forth in Section 4.04 hereof. Not less than 10 nor more than 45 days after such Hearing the Board of Directors shall vote on the proposed increase or a lesser increase, and the affirmative vote of not less than two-thirds of the entire Board of Directors shall be required for approval.

Section 5.07. Special Assessments for Capital Improvements. In addition to the Maintenance Assessments, and in accordance with the provisions of this Section 5.07, the Board of Directors may levy in any fiscal year a Special Assessment, payable in that year or in the following year only, for the purpose of defraying, in whole or in part, the cost of any capital improvements, including, without limitation, the construction, reconstruction or replacement of, or repairs of a capital nature to, Facilities, including the necessary fixtures and personal property related thereto. Before levying such Special Assessment, the Board of Directors shall hold a Hearing on said proposed Special Assessment in accordance with the Hearing Procedures set forth in Section 4.04 of this Declaration. Not less than 10 nor more than 45 days after such Hearing, the Board of Directors shall vote on the proposed Special Assessment or a Special Assessment of a lesser amount, and the affirmative vote of not less than two-thirds of the entire Board of Directors shall be required for approval. Each Unit shall pay that portion of a Special Assessment which bears the same ratio to the total amount of the Special Assessment as the Unit's maintenance Assessment for such fiscal year bears to the total of the Maintenance Assessments levied by the Association for such fiscal year, such ratio to be determined for each Unit as of the date such Special Assessment is approved by the Board of Directors. The Board shall establish a due date or due dates ("Due Dates") for payment of each Special Assessment or installments thereof and shall notify each Owner thereof in writing at least 30 days prior to its Due Date or the first such Due Date if payable in installments. Each notice shall set forth the total amount of such Special Assessment, the amount to be paid by the Owner, and the manner in which said Owner's share was determined.

Section 5.08. Right to Lower Assessment for Certain Senior Citizens. Notwithstanding any other provision herein, the Board of Directors may, in a given year, with respect to the Maintenance Assessment, assess Units owned and occupied as residences by "Senior Citizens", or certain categories of "Senior Citizens" (as such term shall be from time to time defined and consistently applied by the Board of Directors) at a rate lower than the Annual Rate and/or may exempt such Units from paying Special Assessments or reduce the amounts of Special Assessments due from such Units. Such reduction in Assessments shall be subject to such qualifications and regulations which the Board of Directors may establish from time to time.

Section 5.09. Effect of Non-Payment of Assessment. If a maintenance of Special Assessment or installment payment thereof with respect to a Unit, is not paid by the Due Date established pursuant to Section 5.04 or Section 5.07 hereof for the payment of such Maintenance or Special Assessment, or installment payment, then such payment shall be deemed delinquent and shall (together with interest, at a rate of 12% per annum from the Due Date, penalties or cost of collection including attorney's fees as may be fixed from time to time by the Board of

Directors be a lien on the Parcel on which the Unit is situated. In addition to such lien, the then Owner of the Unit may be held personally liable for the payment thereof (including interest, penalties and costs of collection). Such personal liability with respect to a delinquent payment shall remain the person liability of the then Owner until paid and shall be required to be assumed by any successors in interest to the Unit. The Association may bring legal action for payment against the Owner(s) personally liable or may foreclose on the lien as it deems advisable.

Section 5.10. Use of Funds. The Assessments shall be used exclusively for the benefit of the Members of the Association and the Owners of the Property, to promote the recreation, health, safety and welfare of said Members and Owners, to preserve, protect and enhance the value of the Association Facilities and the Property, and to insure the enjoyment of rights, privileges and easements with respect to the Association Facilities.

Section 5.11. Right to Maintain Surplus and Reserves. The Association shall not be obligated in any calendar year to spend all sums collected in such year by way of Assessments, or otherwise, and may allocate such funds to any reserves for repair or replacement of the Association Facilities or additions thereto (which the Association, through its Board of Directors, may establish and maintain) or carry such sums forward as surplus. The Association shall not be obligated to apply any such surpluses to the reduction of the Maintenance Assessment in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.12. Assessment Certificate. Upon the written request of an Owner or lessee or occupant or any prospective Owner, lessee, mortgage or title insurer of a Unit, the Association shall, within a reasonable period of time, issue and furnish to the person or entity making the request a certificate in writing ("Assessment Certificate") signed by an officer or assignee of the Association setting forth with respect to such Unit or Units, as of the date of said Certificate, (i) whether the Assessments, if any, have been paid, (ii) the amount of such Assessments, including interest, penalties and costs, if any, due and payable as of such date and (iii) any other amounts owing to the Association. When the request for the Certificate is made by a person or entity other than the Owner, a copy of the Certificate shall also be sent to the Owner. A reasonable charge as determined by the Board of Directors, may be made for the issuance of such Certificate. Any such Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association any any bona fide purchaser or new lessee of, or lender on, or title insurer of, the Unit or Units in question.

Section 5.13. Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate of the lien of any mortgages or mortgage now or hereafter placed upon any Unit or other portion of the Property subject to said Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Unit or other portion of the Property pursuant to a decree of foreclosure, or any other proceedings in lieu of foreclosure. Such sale or transfer shall not relieve such Unit or other portion of the Property from any

Assessments thereafter becoming due, not from the lien of any such subsequent Assessments.

Section 5.14. Association Funds and Assets - No Right-to Assign, Encumber, Hypothecate or Pledge. Although all funds and other assets of the Association, and any profits derived therefrom, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, encumber, hypothecate, pledge or in any manner transfer his membership or interest in or to said funds or assets, except as an appurtenance to his unit or lot. When an owner of a unit or lot shall cease to be a member of the Association by reason of divestment of ownership of said unit or lot, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association.

ARTICLE VI CONTROL

Section 6.01 Control by Association. Enforcement of the Declaration with respect to control over any change in use or any additions, modifications, or alterations to any Improvement on said Parcel or portion of the Property shall be the responsibility of the Association, acting through the Architectural Standards Committee, as provided in Section 6.02 below.

Section 6.02. Composition and Function of Architectural Standards Committee. The Architectural Standards Committee (the "Architectural Committee") shall be a permanent sub-committee of the Association and shall approve all proposed additions, exterior modifications or alterations to any Improvements or any proposed change in the use of a Parcel or any other portion of the Property (including Association Facilities). The Architectural Committee may also assist and advise the Board of Directors of the Association in enforcing the Declaration and in advertising and publishing rules, regulations and guidelines, and may from time to time perform such other duties or functions as may be assigned to it by the Board of Directors. The Architectural Committee shall be composed of five or more persons (as determined by the Board of Directors from time to time). The Committee members shall be designated by the Board of Directors of the Association for terms of two years, but shall be subject to removal, with or without cause by the affirmative vote of not less than two-thirds of the members of the Board of Directors. All Committee members shall be Members of the Association.

Section 6.03. Submission of Plans to Architectural Committee. No addition, modification or alteration shall be made on or to a Parcel or other portion of the property or the Improvements located thereon, nor shall the use thereof be changed, unless and until a plan or plans therefore, in such form and detail as the Architectural Committee requests, have been submitted to, and reviewed and approved by the Architectural Committee. The Architectural Committee may charge and collect a reasonable fee for the examination of plans submitted for approval.

Section 6.04. Basis for Disapproval of Plans by Architectural Committee. The

Architectural Committee may disapprove any plans submitted pursuant to Section 6.03 above for any of the following reasons:

A. failure of such plan to comply with any protective covenants, conditions and restrictions contained in the Declaration and which benefit or encumber the Parcel or other portion of the property;

B. failure to include information in such plans as requested;

C. objection to the site plan, exterior design, appearance or materials or any proposed improvements, including without limitation, color or color scheme, finish, proportion, style of architecture, proposed parking, height, bulk or appropriateness of any proposed improvements.

D. incompatibility of proposed Improvements or use of proposed Improvements with existing Improvements or uses in the vicinity;

E. the failure of proposed Improvements to comply with any zoning, building, health or other governmental laws, codes, ordinances, rules or regulations.

F. any other matter which in the judgement and sole discretion of the Architectural Committee would render the proposed Improvements, use or uses inharmonious or incompatible with the general plan of improvement of the Property of portion thereof or with Improvements or uses in the vicinity.

Section 6.05. Approval of Architectural Committee. A majority vote of the Architectural Committee shall be required for the approval or qualified approval of any plans submitted pursuant to Section 6.03 above. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 6.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualification or conditions of such approval, shall file a copy of such plans as approved for permanent record (together with such qualification or conditions, if any) and, if requested by the applicant, shall provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any Parcel or portion of the Property shall be final as to such Parcel or portion of the Property and such approval may not be revoked or rescinded thereafter provided (i) that the Improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Parcel or portion of the Property, and (ii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, health or other code or ordinance. Approval of any plans for use in connection with any Parcel or portion of the Property shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently

submitted for use in connection with any other Parcel or portion of the Property.

Section 6.06. Written Notification of Disapproval. In any case where the Architectural Committee disapproves any plans submitted hereunder, the Architectural Committee shall so notify the applicant in writing together with a statement of the grounds upon which such action was based as set forth in Section 6.04. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 6.07. Failure of Committee to Act. If any applicant has not received notice of the Architectural Committee approving or disapproving any plans within 60 days after submission thereof, said applicant may notify the Committee in writing of that fact. The plans shall be deemed approved by the Committee unless notice to the contrary is given by the Committee not later than the later of:

A. 30 days after the date of such notice, if such notice is given;

B. 100 days after the date the plans were originally submitted

Section 6.08. Committee's Right to Promulgate Rules and Regulations. The Architectural Committee may from time to time promulgate rules and regulations governing the form and content of plans to be submitted for approval or with request to the approval or disapproval of certain types of alterations, additions or modifications to Improvements, or uses; provided, however, that no such rule or regulation shall be deemed to bind the Architectural Committee to approve or disapprove any plans submitted for approval, or to waive the exercise of the Committee's decision as to such plans, and provided further that no such rule or regulation shall be inconsistent with the provisions of the Declaration or any applicable governmental law, code, ordinance, rule or regulation.

Section 6.09. Delegation of Functions. The Architectural Committee may authorize its staff, subcommittees or any individual member of the Architectural Committee to perform any or all of the functions of the Committee as long as the number and identity of such staff, subcommittee or member, and the functions and scope of authority have been established by a resolution of the entire Architectural Committee. The approval or disapproval of plans by the staff member, individual member or sub-committee will be subject, however, to the reasonable review of the Architectural Committee, in accordance with procedures to be established by the Committee.

Section 6.10. Records of Meetings and Regulations. The Architectural Committee shall keep minutes of meeting and maintain records of all votes taken at meetings. The Architectural Committee shall make such records and current copies of its rules and regulations available at reasonable places and times for inspection by any person.

Section 6.11. Liability of Architectural Committee. No action taken by the Architectural

Committee or any member, subcommittee, employee or agent thereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulation, codes or ordinances, or with respect to the physical or other condition of any Parcel or other portion of the Property. Neither the Association nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval or to any Owner, member or any other person, in connection with any submission of plans, or the approval or disapproval thereof, including without limitation, mistakes in judgement, negligence or nonfeasance. Every person or other entity submitting plans to the Architectural Committee agrees, by submission of such plans, that no action or suit will be brought against the Association or the Architectural Committee (or any member, subcommittee, employee or agent thereof) in connection with such submission.

Section 6.12. Architectural Committee Certificate. Upon written request of any Owner, lessee or occupant (or any prospective Owner, lessee, mortgagee, or title insurer) of a Parcel or other portion of the Property, the Architectural Committee shall, within a reasonable period of time, issue and furnish to the person or entity making the request a certificate in writing ("Architectural Committee Certificate") signed by a member of the Architectural Committee stating, as of the date of such Certificate, whether or not the Parcel or other portion of the Property, or any Improvements thereon, violates any of the provisions of the Declaration respecting the exterior appearance, design or maintenance and describing such violations, if any. A reasonable charge, as determined by the Architectural Committee, may be imposed for issuance of such Architectural Committee Certificate. Any such Architectural Committee Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated between the Association and any bona fide purchaser of, new lessee of, lender on, or title insurer of, the Parcel or other portion of the Property in question.

6.13 Architectural Committee Approval.

The Architectural Committee hereby approves all plans for the construction of single family dwellings on the property built by Jeffery J. Myers, Sheltertherm Builders, Inc., and Niskayuna Residential Developers, Ltd. without the submission of any plans.

ARTICLE VII
GENERAL COVENANTS AND RESTRICTIONS

Section 7.01 Maintenance. The Association will provide care and maintenance upon the member's property, limited to the following: trimming grass, maintaining shrubs, fertilizing lawns, removing snow from walks, parking areas and driveways and maintaining the driveways and parking areas. Payment for such care or maintenance shall be assessed against the lot or home upon which the services are performed and shall be added to and become part of the annual maintenance assessment or charge to which such lot or home is subject, and, as part of such annual assessment or charge, it shall be a lien and obligation of the owner in all respects. (See Article V of this Declaration).

Any agent of the Association may at any reasonable time to times enter upon, across, over and through the premises owned by each townhouse owner or other portion of the property for the purpose of providing such care and maintenance.

The Owner of a parcel or other portion of property shall keep the Parcel and all improvements thereon in good order and repair, including but not limited to watering of the lawn and shrubbery, and painting or other appropriate external care of the buildings and other improvements thereon, all in a manner and with such frequency as is consistent with good property management.

Section 7.02. Advertising and Signs. No sign or other advertising device of any nature shall be placed for display to the public view on such Parcel or other portion of Property (including temporary signs advertising property for sale or rent) except with the consent of the Architectural Committee.

Section 7.03. Animals, Birds, and Insects. No animals, birds or insects shall be kept or maintained on such Parcel or other portion of the Property other than for domestic purposes, except with the consent of the Architectural Committee which may, from time to time, impose reasonable rules and regulations setting forth the type and number of animals, birds and insects that may be kept on any portion of the Property and may prohibit certain types of animals, birds or insects entirely.

Section 7.04. Protective Screening and Fences. An screen planting, fence enclosures or walls initially developed on a Parcel or other portion of the Property shall be maintained by the Owner of said Parcel or other portion of the Property and shall not be removed or replaced with other than a similar type of planting, fence or wall except with the permission of the Architectural Committee. Except for the foregoing, no fence, wall, or screen planting of any kind shall be planted, installed or erected upon said parcel or other portion of the property unless approved by the Architectural Committee. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

Section 7.05. Garbage and Refuse Disposal. Except for building materials during the

course of construction or repair of any approved Improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (all of which are referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent an surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pick-up. The Association, with respect to Parcels or other portions of the Property may, in its discretion, adopt and promulgate reasonable rules and regulations relating to size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property. All facilities for the storage or disposal of Trash, shall be kept in a clean and sanitary condition.

Section 7.06. Utility Easements. There is hereby created a blanket easement upon, across, over, through and under the property subject to this Declaration for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems including but not limited to sewers, water, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement, it shall be expressly permissible for the Owner or providing utility or service company to maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under roofs, floors, slabs and exterior walls of the residences provided the owner or utility or service company restores disturbed areas to the condition in which they were found. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines may be installed or relocated on the said property except as programmed and approved by the Developer prior to the conveyance of the first home or lot to an Owner or by the Architectural Review Committee thereafter. This easement shall in no way affect any other recorded easements on said property. This easement shall be limited to improvements as originally constructed.

Section 7.07. Drainage Easements. Each Owner shall maintain and repair any drainage facilities on such Owner's Parcel. Each and every other Owner shall have the right to enter upon the drainage easement areas of any other Parcel or for the purpose of installing, maintaining and repairing the drainage facilities on such other Parcel which in any way interfere with the drainage or drainage facilities of such Owner's Parcel. Unless required by law, the Town of Niskayuna, shall not be responsible for the maintenance and repair of the drainage facilities and such maintenance and repair shall be the responsibility of the Owners.

Section 7.08. Noxious or Offensive Activities. No noxious or offensive activity shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance to the area or to the residents or Owners thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electromagnetic radiation disturbances, shall be controlled so as not to be detrimental to or endanger the public health, safety, comfort or welfare, be injurious to property, vegetation or animals, adversely affect property values or otherwise produce a public nuisance or hazard of violate any applicable zoning regulations or governmental law, ordinance or code. In addition, the sound pressure level as measured at the edge of any Parcel or other portion of the Property, and which is produced by mechanical, electrical or

vehicular operation on such Parcel or other portion of the Property, where said Parcel or other portion is proximate to a residential area, shall not exceed the average intensity of the street traffic noise in said residential area except with the consent of the Architectural Committee.

Section 7.09. Party Wall: Encroachments. A wall, intended to be constructed on the dividing line between two or more adjacent Parcels (whether or not such wall is on dividing line between adjacent Parcel) shall constitute a party wall.

The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners of the adjoining Parcels in proportion to their use of the wall. If a party wall is destroyed or damaged by fire or other casualty, to the extent that the cost of repair is not recovered by insurance, any Owner who shares the wall may restore it and the other Owner(s) who share the wall shall contribute to the cost of restoration proportionately. Notwithstanding any other provision of this paragraph an Owner who, by his negligent or willful act or omission, damages or causes the party wall to be damaged shall bear the entire cost of repair.

If a structure located primarily on one Parcel inadvertently encroaches not more than three feet upon another Parcel as a result of the original construction of such structure, or the later reconstruction of such structure or a portion thereof after partial or total destruction by fire or other casualty or through eminent domain proceedings, or as a result of settling or shifting of such structure or a portion thereof, there shall be implied an easement for such encroachments and for the maintenance of same so long as such encroaching Improvement or portion thereof shall stand.

Section 7.10. Oil and Mining Operations. No portion of the Property shall be used for the purpose of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth (except soil borings in connection with the improvement of said portion of the Property) and no derrick or other structure designed for use in boring for oil or natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property, except with the consent of the Architectural Committee.

Section 7.11. Dwelling in Other Than Residential Units. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Parcel or other portion of the Property except with the consent of the Architectural Committee.

Section 7.12. Television and Radio Antennas. No outside television or radio antenna shall be erected on any Parcel or other portion of the Property except with the consent of the Architectural Committee.

Section 7.13. Trees and Other Natural Features. Except as provided below, and except in the event of an emergency, no trees having a diameter of four (4) inches or more, as measured from a point two feet above ground level, nor any other tree or shrub planted by Developer, shall be removed from such parcel or portion of the Property without the permission

of the Architectural Committee. The Architectural Committee in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property. The Architectural Committee may designate certain trees, regardless of size, as not removable without written authorization.

Section 7.14. Use and Maintenance of Slope Control Areas. Within any slope control area shown on any filed map or plat, no Improvements, planting or other materials shall be placed or permitted to remain, nor shall any activity be undertaken, which may damage or interfere with established slope ratios, create erosion or sliding problems, change the directions of flow or drainage channels, or obstruct or retard the flow of water through drainage channels. The slope control areas of any Parcel shall be maintained continuously by the Owner of said Parcel or portion of the Property, except in those cases where a governmental agent or other public entity or utility company is responsible for such maintenance.

Section 7.15. Snowmobiles. No snowmobile or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Association.

Section 7.16. Non-Discrimination in Sale or Rental. No Owner shall refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable to or deny the occupancy or use of any portion of the Property to any person or persons because of race, color, religion, sex, sexual orientation or national origin. This covenant shall run with the land and shall remain in effect without any limitation in time.

Section 7.17. Insurance Coverage and Insurance Assessments. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all buildings, including all single family residential units, unless the owners thereof have supplied proof of adequate coverage to the Board of Directors' complete satisfaction, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard.

Such policies shall specifically cover each unit owner's garage, irrespective of whether the right to use such garage shall exist by virtue of fee simple ownership or an exclusive easement. Such policies shall provide that insurance proceeds payable on account of loss, or damage to, the real property shall be adjusted with the carrier(s) by the Mohawk Trails Homeowners' Association, Inc. and shall be payable solely to the homeowner's mortgagee, if any, and the Mohawk Trails Homeowners' Association, Inc., as Insurance Trustee for the homeowner(s). Such insurance proceeds shall be applied to repair or restoration of the property as hereinafter provided. All such insurance policies shall provide that coverage may not be cancelled by the carrier without first giving Mohawk Trails Homeowners' Association, Inc., and unit mortgagee, if any, ten days written notice of cancellation. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any unit owner, members of the unit owners family, Mohawk Trails Homeowners' Association, Inc., its officers, agents and employees, as well as a waiver of the "pro rata" clause.

The Association shall also obtain a broad form public liability policy covering all common area and all damage or injury caused by the negligence of the Association or any of its agents, officers or employees in an amount of not less than one million dollars for each occurrence and such policies shall contain a waiver of the right of subrogation against members of the Mohawk Trails Homeowners' Association, Inc., its officers, agents and employees.

Premiums for all obtained by the Board of Directors, except policies on the individual residences, shall be a common expense. Premiums for insurance obtained by the Board of Directors on individual residences shall not be a part of the common expense, but shall be an expense of the owner(s) of the specific residence or residences so covered and a debt owed by the owners and shall be paid within twenty (20) days after notice of such debt and shall be collectible by any lawful procedure permitted by the laws of the State of New York. In addition, if said debt is not paid within (20) twenty days after notice of such debt, such amount shall automatically become a lien upon such owner's residence and shall continue to be such a lien until fully paid. This lien shall be subordinate to the lien of any first mortgagee and shall be enforceable in the same manner as any lien created by failure to pay the maintenance assessments.

Any owner may, if he wishes, at his own expense, carry any and all other insurance he deems advisable beyond that included in the homeowners policy required by the Association, provided that the liability of the carrier issuing insurance procured by the Association shall not be affected or diminished by reason of any such additional insurance carried by any owner.

In the event of damage or destruction by fire or other casualty to any property covered by insurance payable to the Association as trustee for the homeowners, the Board of Directors shall, with the concurrence of mortgagees, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two reputable contractors, and then may negotiate with any such contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such building or buildings. In the event that insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to as good condition as formerly, the Board of Directors shall levy a special assessment, as provided in Article V, Section 5.07 against all owners of the damaged residences in such proportions as the Board of Directors deem fair and equitable in the light of the damage sustained by such residences to make up any deficiency, except that the special assessment shall be levied against all owners, in equal proportions, to make up any deficiency for repair or rebuilding of the common area. In the event such insurance proceeds exceed the cost or repair and reconstruction, such excess shall be paid over to the respective mortgagees and owners in such proportions as the Board of Directors deem fair and equitable in the light of the damage sustained by such residences. Such

payments shall be made to all such owners and their mortgagees as their interests may appear.

The Board of Directors, or its duly authorized agent, shall have authority to and shall obtain officers' and directors liability insurance.

Section 7.18. Reservation of Easements, Licenses, Rights and Privileges by Developer.

The Developer, its successors, assigns and purchasers reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the property subject to this Declaration, for the purpose of completing its work in the development of the community and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, over, under and across said property for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, electricity and other utilities and for other materials or services necessary for the completion of the work. Developer, its successors, assigns and purchasers reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the street and roads or other areas of the said property. Developer, its successors, assigns and purchasers reserves the right to continue to use the common properties and any sales office or pavilions, model homes, signs and parking spaces located on the said property, in its efforts to market homes constructed or to be constructed thereon. This paragraph shall not be amended without the express written consent of Developer, its successors, assigns and purchasers.

Section 7.19. Depositing Ashes, Snow, Ice, Stones, Sticks, Et Cetera Upon the Roads.

No owner or resident shall deposit or throw loose stones in the gutter or grass adjoining a road, or shall deposit or throw upon a road, ashes, papers, snow, ice, stones, sticks or other rubbish.

Section 7.20. Easements for Ingress and Egress.

The Developer hereby determines that those portions of property consisting of the driveways of the development will primarily benefit one or more owners because of proximity to and principal use thereof. Accordingly Developer hereby grants an easement for ingress and egress to all lot owners over all the driveways in the development in order for said lot owners to achieve access from Nott Street East to their lot. Developer hereby restricts and limits the use of the driveway as follows:

(a) The Main Trunk Driveway Line shall be used only by the occupants of those Units, and the guests and invitees of such occupants, which are directly serviced by such driveway. Such use shall be limited to ingress and egress by foot or motor vehicle to the Units serviced by such driveway. Parking or standing thereon shall be prohibited. For purposes of this Section 7.20 (a) the Main Trunk Driveway Line shall mean that portion of each driveway leading from the road to the point where such driveway branches off to Units serviced thereby; and

(b) The Lateral Driveway Lines, i.e., such portion of the driveway leading from the garage of a particular unit to the Main trunk Driveway Line, shall be used only by the occupants of such Unit, and the guests and invitees of such occupants. Parking or standing on such lateral line shall be permitted.

ARTICLE VIII
ADDITIONAL COVENANTS AND RESTRICTIONS

Section 8.01. Residential Use Only. Except as provided in Section 8.02 below, Parcels or portions of the Property shall be used only for residential purposes and professional offices and purposes incidental and accessory thereto except that with the consent of the Architectural Committee, such Parcel or portion of the Property may be used for a model home or for a real estate office, provided such use is in conformity with applicable zoning requirements.

Section 8.02. Commercial and Professional Activity on Residential Property. No business or home industry shall be conducted in or on any Parcel or portion thereof without the consent of the Architectural committee except as provided in Section 8.01 above.

Section 8.03. No Division of Parcels or Change in Form of Ownership without Approval. No Parcel or portion of the Property designated for residential use shall be split, divided, or subdivided for sale, resale, gift, lease, transfer or otherwise (including, but not necessarily limited to, conversion to a condominium, cooperative or townhouse-for-sale form of ownership) without the consent of the Architectural Committee.

Section 8.04. Outside Storage. There shall be no outside storage or parking of commercial or recreational vehicles, camper bodies, boats and trailers except as may be permitted by the Architectural Committee, (unless prohibited altogether by the applicable zoning requirements).

Section 8.05. Outdoor Repair Work. No extensive work on any motor vehicles, boats or machines or any kind shall be permitted outdoors on such Parcel or portion thereof, except with the consent of the Architectural Committee.

ARTICLE IX
ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 9.01. Declaration Runs With the Land. Except as otherwise provided in this Section 9.01 each person or entity acquiring an interest in a Parcel or other portion of the Property or otherwise occupying any portion of the Property (whether or not the deed, lease or any other instrument incorporates or refers to the Declaration) covenants and agrees for him, her or itself, and for his, her or its heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration, and also covenants and agrees to incorporate the Declaration by reference in any deed, lease or other instrument further transferring an interest in such Parcel or other portion of the Property.

Section 9.02. Enforceability. The provisions of the Declaration shall bind the Property and shall be construed as running with the land and shall inure to the benefit of and be enforceable by the Association (the Association being hereby deemed the agent for all of its Members), and by any member or Owner, their respective legal representatives, heirs,

successors, and assigns, by actions at law or by suits in equity. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of the Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

Section 9.03. No Waiver by Failure to Enforce. The failure of and beneficiary hereof to enforce any provision of the Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or a similar violation occurring prior or subsequent thereto. No liability shall attach to the Association (or to any officer, director, employee, Member, agent, committee or committee member) or to any other person or organization for failure to enforce the provisions of the Declaration.

Section 9.04. Obligation and Lien for cost of Enforcement by Association. If the Association successfully brings an action to extinguish a violation or otherwise enforce the provision of the Declaration, or the unless and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is an Owner, such cost shall also be a lien upon the Parcel or portion of the Property owned by such violators, if any.

Section 9.05. Inspection and Entry Rights. Any agent of the Association (or the Architectural Committee) may at any reasonable time or times enter upon such Parcel or other portion of the Property to inspect the Improvements thereon for the purpose of ascertaining whether the maintenance, construction or alteration of structures or other Improvements thereon comply with the Declaration, or with rules and regulations issued pursuant thereto, or for the purpose of inspecting and/or designating certain trees in accordance with Section 7.13 herein.

Neither the Association (nor the Architectural Committee thereof) nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

In addition to the above, if the Architectural Committee determines that it is necessary to trim, cut or prune any tree, hedge or other planting because its location or the height to which or the manner in which it has been permitted to grow is unsightly, detrimental or potentially detrimental to persons or property or obscures the view of street traffic or is otherwise in violation of Section 7.01 and 7.04 hereof, the Association shall notify the owner of the Parcel who shall be obligated to remedy the violation. If the Owner fails to remedy the violation within seven (7) days after such notice is given, then the Association may take such remedial action to rectify the condition. The cost of such work shall be assessed against the lot or unit upon which the services are performed and shall be added to and become part of the annual maintenance assessment or charge to which such lot or unit is subject, and, as part of such annual assessment or charge, it shall be a lien and obligation of the owner in all respects, except the payment for any work performed pursuant to this section, shall be due upon presentation to the Owner, either in person or by regular mail, or the Association's invoice therefor. Default in prompt and full

payment within ten (10) days from the date the invoice is sent, shall entitle the Association to twelve (12%) percent per annum interest on the amount due from the date of the invoice which interest shall also constitute a lien upon the lot or unit and obligation of the owner thereof.

Section 9.06. Amending. Except as otherwise specifically provided for herein, the Board of Directors on its own initiative, or pursuant to a written petition signed by not less than 25 percent of the total Members of the Association, may propose an amendment to the Declaration.

The Board of Directors shall hold a Hearing in accordance with Section 4.04 herein for the purpose of considering such proposed amendment. In addition to the Notice required to be given pursuant to such Section 4.02, notice of the Hearing shall be mailed or delivered to all members not less than 10 nor more than 30 days prior to the date set for such Hearing.

Not less than 30 or nor more than 45 days after the Hearing, the Members shall vote on the proposed amendment. Notice of such vote, containing the date, time and place of the canvass thereof and a copy of the proposed amendment, with such charges as the Board of Directors shall have made as a result of the written and oral comments received at the Hearing, and a form of ballot shall be mailed or delivered by the Board of Directors to all members not less than 14 days prior to the date or dates set for the canvass thereof.

The affirmative vote or not less than two thirds (2/3) percent of the total number of Members shall be required for approval of a proposed amendment.

Any approved amendment to the Declaration shall become effective only when an instrument describing such amendment has been duly recorded in the Office of the Clerk of the County of Saratoga and upon such recording on all of the Property unless otherwise specifically provided in such amendment. Such instrument need not contain written consent of the required number of Members and Owners but shall contain a certification by the Board of Directors that the consents required for such amendment have been received and filed by the Board.

Any approved termination to the Declaration shall become effective only when an instrument describing such termination has been duly recorded in the Office of the Clerk of the County of Schenectady and upon such recording shall be binding from the date of such recording on all of the Property unless otherwise specifically provided in such amendment. Such instrument need not contain the written consent of the required number of Members but shall contain a certification by the Board of Directors that the consents required for such termination have been received and filed by the Board.

Section 9.07. Duration. Except as otherwise provided for herein, the Declaration shall continue with full force and effect (unless terminated by an amendment to this Section 9.07 pursuant to Section 9.06 herein). Between October 1, 2050 and December 1, 2050 (and each 20 years thereafter that the Declaration continues in effect) the Board of Directors of the Association shall hold a Hearing in accordance with Section 4.02 herein for the purpose of considering the termination of the Declaration. In addition to the Notice required to be given

pursuant to such Section 4.02, notice of the Hearing shall be mailed or delivered to all Owners, not less than 10 nor more than 30 days prior to the date set for such Hearing.

Not less than 30 nor more than 45 days after the Hearing, the Members and Owners shall vote on the proposed termination. Notice of such vote, containing the date, time and place of the canvass thereof, and form of ballot, shall be mailed or delivered to all Members, not less than 14 days prior to the date or dates set for the canvass thereof.

Not less than a two-thirds (2/3) of the total number of Members voting for such termination, shall be required for termination.

Section 9.08. Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of the Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, such construction or interpretation shall be binding as to all persons or property benefitted or bound by the provisions hereof.

The Association may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of the Declaration. In so adopting and promulgating such rules and regulations, and making any findings, determinations, ruling, or orders or in the issuance of permits, authorizations or approvals, the Association (and the Architectural Committee) shall take into consideration the best interests of the Owners and Members and of the Property to the end that the value and amenities of the Property shall be preserved and maintained.

Section 9.09. Conflict with Municipal Laws. The Declaration shall not be construed as permitting anything prohibited by the applicable zoning laws, or any other applicable laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease and no action may be taken hereunder which would so violate such applicable zoning laws, other laws, ordinance, rules, regulations or restrictions. In the event of any conflict, the more restrictive provision shall be deemed to govern and control or in the event of a direct contradiction or incompatibility, the applicable law ordinance, rule, or regulation of the governmental entity shall control.

Section 9.10. Invalidity of Declaration. The determination by any court that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE X GENERAL

Section 10.01. Heading and Caption. The headings and captions contained in the Declaration are for convenience only and shall not effect the meaning or interpretation of the content thereof.

Section 10.02. Notice. Any notice required to be sent to any Member or Owner under the provisions of the Declaration shall be deemed to have been properly sent when mailed, postage prepaid, or otherwise delivered to the last known address of the person who appears as Member or Owner on the records of the Association.

Section 10.03. Right of Developer to Transfer. Notwithstanding any other provision herein to the contrary, Developer shall at all times have the absolute right to transfer, convey and assign any of its rights, benefits and obligations, hereunder to third parties, and upon such transfer, conveyance or assignment the successor shall have all of the right and be subject to all of the duties of the transferor as set forth in this Declaration and shall be deemed to have agreed to be bound by all provision of this Declaration, to the same extent as if such successor had been an original party to this Declaration.

Any such transfer shall be accepted by the successor in a written agreement pursuant to which such successor shall expressly assume all the duties and obligations of the transferor, however, a failure to accept in writing shall in no way alter the obligation of the successor to be bound by all provisions of this Declaration.

Section 10.04. Right of Association to Transfer. Notwithstanding any other provision herein to the contrary, the Association, by the affirmative vote of not less than two-thirds of its Board of Directors, shall at all times have the absolute right to transfer, convey and assign its right, title under the Declaration to any successor not-for-profit corporation, trust or governmental entity and upon such assignment the successor corporation, trust or governmental entity shall have all the rights and be subject to all the duties of the Association as set forth in this Declaration and shall be deemed to have agreed to the bound by all provisions hereof, to the same extent as if the successor corporation, trust or governmental entity and been an original party to this Declaration, and all reference herein to Board of Directors shall refer to the Board of Directors, Trustees or governing board of such successor corporation, trust or governmental entity. An such assignment shall be accepted by the successor corporation, trust or governmental entity under a written agreement pursuant to which the successor corporation, trust or governmental entity shall expressly assume all the duties and obligations of the Association, however, a failure to accept in writing shall in no way alter the obligation of the successor to be bound by all provisions of this Declaration. If for any reason the Association shall cease to exist without having first assigned its rights hereunder to a successor corporation, trust or governmental entity, the covenants, easements, charges and liens imposed hereunder, and under any supplemental declaration, trust agreement, or other agreement, shall nevertheless continue and any Owner or Member may petition a court of competent jurisdiction to have a trustee appointed for the purpose of organizing a not-for-profit corporation, trust or governmental entity

for in the Declaration.

IN WITNESS WHEREOF, the undersigned have caused their hand and corporate seal to be hereunto affixed and this declaration to be signed by their duly authorized officer the day and year first above written.

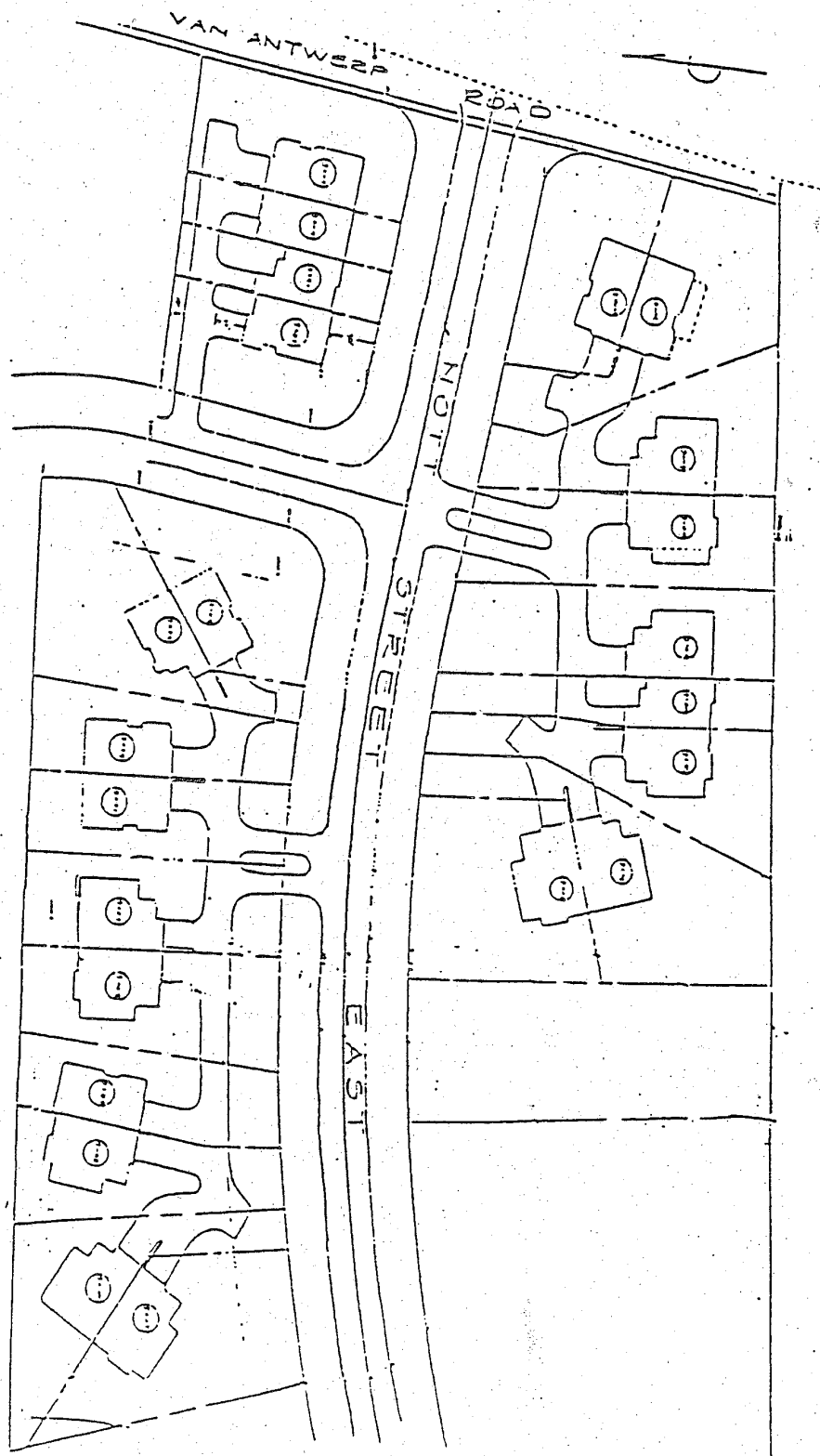
JEFFORY J. MYERS

MOHAWK TRAILS HOMEOWNERS'
ASSOCIATION, INC.

By: _____

ATTEST:

Secretary



SITE PLAN

DESCRIPTION
PARCELS 1, 2, AND 3
AREA RESERVED FOR TOWNHOUSES
NOTT STREET EAST
MOHAWK TRAILS PHASE 1A AND 1B

All that certain tract, piece or parcel of land situate in the Town of Niskayuna, Schenectady County, New York, lying Westerly of Van Antwerp Road, Northerly and Southerly of Nott Street East as proposed and shown on a map entitled "Mohawk Trails Phase 1A, 1B, and 2B," dated November 22, 1989 revised to February 26, 1993 made by C.T. Male Associates, P.C. and filed in the Schenectady County Clerk's Office on _____ and being more particularly bounded and described as follows:

PARCEL 1
CONTAINING 2.69± ACRES OF LAND

BEGINNING at a point on the Westerly margin of Van Antwerp Road along the Westerly margin of a 5 foot wide strip of land to be dedicated to the County of Schenectady, at its intersection with the common division line between lands now or formerly of McGarry and lands now or formerly of MacLeod on the South and lands now or formerly of Mohawk Stockade Developers, Inc. (Mohawk Trails) on the North, said point lying South 87 deg. 14 min. 10 sec. West along said common division line a distance of 5.12 feet from its intersection with the most Northeasterly corner of lands of McGarry, and runs thence from said point of beginning along said common division line South 87 deg. 14 min. 10 sec. West a distance of 554.76 feet to its intersection with the division line between Open Space No. 2 to be dedicated to the Town of Niskayuna on the West and lands herein described to be reserved for townhouses on the East; thence along said division line North 04 deg. 40 min. 38 sec. West a distance of

SCHEDULE A

PARCELS 1, 2, AND 3
AREA RESERVED FOR TOWNHOUSES
NOTT STREET EAST
PAGE - 2

231.92 feet to a point on the Southerly margin of Nott Street East as proposed; thence along said Southerly road margin the following three (3) courses: 1) along a curve to the right having a radius of 1,252.22 feet, a chord of South 97 deg. 54 min. 19 sec. East 328.92 feet, an arc distance of 329.87 feet to a point of tangency; 2) South 80 deg. 21 min. 31 sec. East a distance of 248.10 feet to a point of curvature; and 3) along a curve to the right having a radius of 25.00 feet, a chord of South 35 deg. 21 min. 31 sec. East 35.36 feet, an arc distance of 39.27 feet to a point on the above first mentioned Westerly margin of Van Antwerp Road; thence along said Westerly Road Margin South 09 deg. 38 min. 30 sec. West a distance of 123.75 feet to the point or place of beginning and containing 2.59± acres of land.

PARCEL 2
CONTAINING 27,214± SQUARE FEET OF LAND

BEGINNING at a point of cusp on the Westerly margin of Van Antwerp Road along the Westerly margin of a 5 foot wide strip of land to be dedicated to the County of Schenectady at its intersection with the Northwesterly margin of Nott Street East as proposed, said point lying North 09 deg. 38 min. 30 sec. East along said Westerly margin of Van Antwerp Road a distance of 257.74 feet from its intersection with the division line between lands now or formerly of McGarry on the South and lands of

Mohawk Stockade Developers, Inc. on the North, as shown on the above described map, and runs thence from said point of beginning along the Northwesterly and Northerly margins of Nott Street East as proposed the following two (2) courses: 1) along a curve to the right having a radius of 25.00 feet, a chord of South 54 deg. 38 min. 29 sec. West 35.36 feet, an arc distance of 39.27 feet to a point of tangency; and 2) North 50 deg. 21 min. 31 sec. West a distance of 145.10 feet to a point of curvature with the Northeasterly margin of Comanche Trail as proposed; thence along the Northeasterly and Easterly margins of Comanche Trail the following two (2) courses: 1) along a curve to the right having a radius of 30.00 feet, a chord of North 35 deg. 21 min. 31 sec. West 42.43 feet, an arc distance of 47.12 feet to a point of tangency; and 2) North 09 deg. 38 min. 29 sec. East a distance of 98.42 feet to its intersection with the division line between Lot 104 Comanche Trail on the North and lands herein described on the South; thence along said division line South 35 deg. 37 min. 25 sec. East a distance of 200.95 feet to a point on the above first mentioned Westerly margin of Van Antwerp Road; thence along said Westerly road margin South 09 deg. 38 min. 30 sec. West 121.86 feet to the point or place of beginning and containing 27,214± square feet of land.

C.T. MALE ASSOCIATES, P.C.

PARCELS 1, 2, AND 3
AREA RESERVED FOR TOWNHOUSES
NOTT STREET EAST
PAGE - 4

PARCEL 3
CONTAINING 2.82± ACRES OF LAND

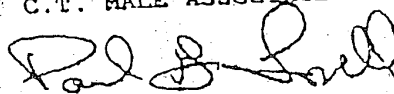
BEGINNING at a point of cusp on the Northerly margin of Nott Street East as proposed at its intersection with the Northwesterly margin of Comanche Trail as proposed as shown on the above described map, said point lying North 42 deg. 12 min. 18 sec. West a distance of 374.80 feet from its intersection with the Westerly margin of Van Antwerp Road at the Northeasterly corner of lands now or formerly of McGarry as shown on the above described map, and runs thence from said point of beginning along said Northerly margin of Nott Street East as proposed along a curve to the left having a radius of 1,336.22 feet, a chord of South 87 deg. 01 min. 11 sec. West 551.46 feet, an arc distance of 555.45 feet to a point of reverse curvature with the Northeasterly margin of Orchard Park Drive as proposed; thence along said Northeasterly road margin the following two (2) courses: 1) along a curve to the right having a radius of 25.00 feet, a chord of North 53 deg. 40 min. 02 sec. West 32.95, an arc distance of 35.97 feet to a point of tangency; and 2) North 22 deg. 26 min. 45 sec. West a distance of 181.92 feet to its intersection with the division line between Lot 2050 Orchard Park Drive as proposed on the North and lands herein described on the South; thence along said division line North 75 deg. 45 min. 39 sec. East 226.52 feet to its intersection with the common division line between Lots 240, 244

PARCELS 1, 2, AND 3
AREA RESERVED FOR TOWNHOUSES
NOTT STREET EAST
PAGE - 5

and 248 Mohawk Trail as proposed on the North and lands herein described on the South; thence along said common division line the following two (2) courses: 1) South 81 deg. 20 min. 19 sec. East a distance of 166.00 feet to a point; and 2) North 89 deg. 46 min. 10 sec. East a distance of 319.90 feet to a point on the Westerly margin of Comanche Trail as proposed; thence along said Westerly street margin the following three (3) courses: 1) along a curve to the right having a radius of 270.00, a chord of South 02 deg. 47 min. 24 sec. West 64.42 feet, an arc distance of 64.57 feet to a point of tangency; 2) South 09 deg. 38 min. 29 sec. West a distance of 98.52 feet to a point of curvature; and 3) along a curve to the right having a radius of 30.00 feet, a chord of South 54 deg. 17 min. 05 sec. West 42.15 feet, an arc distance of 46.75 feet to the point or place of beginning and containing 2.82± acres of land.

The hereinabove described parcels being subject to any easements, covenants or restrictions of record affecting said premises.

C.T. MALE ASSOCIATES. P.C.



Paul G. Lovell, PLS

May 20, 1993
EGL/pa
CTM 192.1756

BY-LAWS

OF

MOHAWK TRAILS HOMEOWNERS' ASSOCIATION, INC.

Prepared By:

Louie Lecce, Esq.
IANNIELLO, ANDERSON, REILLY, LUHN, NICHOLS & LECCE
805 Route 146
Northway Nine Plaza
Clifton Park, NY 12065
(518) 371-8888

BY-LAWS

OF

MOHAWK TRAILS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

Section 1.01. The name of the corporation is Mohawk Trails Homeowners' Association, Inc. hereinafter referred to as the "Association". The principal office of the corporation shall be located in the Town of Colonie, County of Albany and State of New York.

ARTICLE II
DEFINITIONS

As used by these By-Laws, the following terms shall be defined as:

Section 2.01. Association Facilities. All land, improvements and other properties heretofore or hereafter owned by or in the possession of the Association.

Section 2.02. Declaration. The document entitled "Declaration of Protective Covenants, Restrictions, Easements, Conditions, Charges and Liens of the Windmill Estates Subdivision" as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

Section 2.03. Developer. Shall mean and refer to Jeffery J. Myers.

Section 2.04. Property. All such land and the improvements thereon, and such additions as may be made thereto from time to time, as are subject to the Declaration.

ARTICLE III
MEMBERS

Section 3.01. Membership. The Association shall have one class of members. Only home or lot owners shall be members. Each home or lot owner upon the date that title to the home or lot is transferred to said home or lot owner shall be deemed automatically to be a member and there shall be no other qualification for membership. Membership as a home or lot owner shall terminate when such owner transfers title to the home or lot owner transfers

title to the home or lot.

Section 3.02. Right to Assign Membership. Members may not transfer or assign their membership.

Section 3.03. Voting Rights of Members. Each Member 18 years of age or older shall have one vote in the Association ("Members"). Directors shall be elected by a plurality of the votes cast at a meeting of members by the members entitled to vote in the election. In addition, whenever any corporate action, other than the election of directors, is to be taken under this declaration by vote of the members, it shall, except as otherwise required by the certificate of Incorporation, this declaration or the by-laws, be authorized by a majority of the votes cast at a meeting of members by the members entitled to vote thereon. Except as provided in the preceding sentence, any reference to corporate action at a meeting of members by "majority vote" or "two-thirds vote" shall require the action to be taken by such proportion of the votes cast at such meeting, provided that the affirmative votes cast in favor of any such action shall be at least equal to the quorum. Blank votes or abstentions shall not be counted in the number of votes cast.

Section 3.04. Assigning Right to Vote. Any Member may assign his or her right to vote, by written proxy to any other Member, provided that each such proxy shall specify the meeting or issue to which it applies. The form of such proxy may be prescribed from time to time by the Board of Directors.

Section 3.05. Voting Regulations. The Board of Directors may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws and the Not-For-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of Members, in regard to proof of age, proof of membership, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

ARTICLE IV MEETINGS OF MEMBERS

Section 4.01. Annual Meeting. The first annual Association meeting of Members shall be held within 30 days after the first meeting of the Board of Directors of the Association. Thereafter, annual meetings shall be held on the anniversary date thereof in each succeeding year; except that if such date is a Saturday, Sunday or legal holiday, the annual meeting shall be held on the next succeeding business day.

Section 4.02. Special Meetings. Special meetings of the Voting Members unless otherwise regulated by statute, may be called at any time by the President by resolution of Board of Directors, or by the President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of not less than one-tenth (1/10) of the Members. Such request shall state the purpose of the meeting.

Section 4.03. Notice of Meetings. Not less than ten (10) nor more than thirty (30) days before the date of any Annual or Special meeting of members, the Association shall provide each Member, written notice stating the time and place of the meeting and, in the case of Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Member at his or her post office address as it appears on the records of the Association with postage thereon prepaid. Notwithstanding the foregoing provisions, a waiver of notice in writing signed by the Member either before or after the meeting, or actual attendance at the meeting in person, shall be deemed equivalent to the giving of such notice to such Member. Any meeting of Members, Annual or Special, may adjourn from time to time and reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 4.04. Quorum. At each meeting of Members, there shall be present in person or by proxy, to constitute a quorum for the transaction of business at such meeting, not less than one-tenth of the total number of Members. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time to a future day without further notice. The act of a majority of the Members present in person or by proxy at a meeting at which a quorum is present shall be the act of the Members unless the act of a greater number is required by law, or by the Certificate of Incorporation of the Association or by the Declaration.

ARTICLE V BOARD OF DIRECTORS

Section 5.01. Directors; Selection and Term. The business and affairs of the Association shall be managed by a Board of Directors. There shall be no less than three nor more than nine directors. Directors shall be selected as follows:

a. Developer hereby appoints Jeffory J. Myers, Bradley Myers and Louie Lecce, Esq., to the first Board of Directors of the Association. This first Board shall hold office and exercise all powers of the Board of Directors until the fifth annual meeting of the annual meeting of Association members. The first meeting of the Board of Directors shall be held within six (6) months of the first closing.

b. Following the term of the first Board of Directors of the Association as provided in (a) above, the appointed directors shall be replaced by directors elected in accordance with the procedures set forth in the By-Laws of the Association.

c. Elected directors shall serve for two year terms and shall be members of the Association.

Section 5.02. Nominations for Elected Directors. Only Members may be nominated for Elected Directors. Nominations for Elected Directors shall be made initially by a Nominating committee consisting of a Chairman, who shall be a member of the Board of Directors and two (2) or more Members. The Members of the Nominating Committee shall be appointed by the Board of Directors at least sixty (60) days prior to each Annual Meeting of members and shall serve only to make nominations for Elected Directors to be elected at that meeting. The Nominating Committee shall make as many nominations for Elected Directors as it shall, in its sole discretion, determine, but not less than the number of vacancies that are to be filled.

The Nominating Committee shall submit its list of Nominees to the Secretary of the Association not less than thirty (30) days prior to the Annual Meeting and such list shall be included in the Notice of the Annual Meeting.

In addition to nominations by the Nominating Committee, any other Member may be nominated for Elected Director by a written nominating petition signed by ten (10) or more Members and submitted to the Secretary of the Association not less than ten (10) days prior to the date of the Annual Meeting; provided however, if any such nominating petition is submitted to the secretary not less than thirty (30) days prior to the Annual Meeting, the person nominated therein shall be included in the list of nominees in the notice of the Annual Meeting.

In addition to the foregoing, write-in votes for Members not previously nominated shall be permitted at the time of voting.

Section 5.03. Voting for Elected Directors. Voting shall be by secret written ballot which shall:

- A. set forth the number of vacancies to be filled;
- B. set forth the names of those nominated by the nominating petition;
- C. provide space for a write-in vote for each vacancy.

The person or persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5.04. Vacancies. Any vacancy of an Appointed Director shall be filled by appointment by developer. Any vacancy of an Elected Director shall be filled at the next meeting of the Board of Directors by the affirmative vote of a majority of the remaining Elected Directors or by the sole remaining Elected Director, or if not previously so filled, shall be filled at the next succeeding Annual Meeting of the Members (nominations and voting therefor to be provided in Sections 5.02 and 5.03 of these By-Laws). Any Director appointed or elected to fill a vacancy shall serve as such until the expiration of the term of

the vacant position.

Section 5.05. Removal. Developer may, at its discretion, remove any Appointed Director and may appoint the successor to fill the unexpired term of the removed Director.

At a duly called meeting of Members may, by the affirmative vote of two-thirds of all Members, remove any Elected Director (or Director appointed to fill the vacancy of an Elected Director). The Members may thereafter elect the successor to fill the unexpired term of the Elected Director so removed.

Section 5.06. Compensation. No Director shall receive any compensation or salary for his or her services as Director. However, a Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties, and a Director who serves the Association in any other capacity may receive compensation therefor.

Section 5.07. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the time and place within the Town of Niskayuna for the holding of such meetings. Notice of regular meetings need not be given.

Section 5.08. Special Meetings. Special Meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary upon the written request of two or more Directors. The person or persons authorized to call such special meetings of the Board may fix any place within the Town of Niskayuna as the place for holding such special meetings.

Section 5.09. Notice of Special Meetings. Notice of the time and place of each Special meeting of the Board of Directors shall be served upon each Director in one of the following ways: (a) by ordinary mail directed to him or her at his or her usual place of business or residence at least five (5) days before the day of the meeting, (b) by delivering the same to him or her personally at least two (2) days before the day of the meeting, (c) by sending the same to him or her by telegram, cablegram or notifying him or her by telephone at least three (3) days before the day of the meeting. Any Director may waive notice of any meeting by signing a written waiver before, at or after the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting. Neither the business to be transacted at, nor the purpose of such Special Meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Declaration, by the Certificate of Incorporation, or by the By-Laws.

Section 5.10. Quorum of Voting. At all meetings of the Board of Directors, two-thirds of the Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the Directors present, by a majority vote and without further notice, may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Except in cases in which it

is by statute, by the Declaration or these By-Laws otherwise provided, a vote of a majority of those in attendance at duly constituted meeting shall be sufficient to elect and pass any measure.

ARTICLE VI OFFICERS

Section 6.01. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer and such other officers as may be elected by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 6.02. Election and Term. Officers shall be elected annually by the Board of Directors at the First meeting of the Board of Directors following each Annual Meeting of members, to hold office until a successor shall have been duly elected. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.03. Resignation and Removal. Any officer may be removed by the Board of Directors, with or without cause, whenever, in the judgment of the Board, the best interests of the Association will be served thereby. Any officer may resign at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.04. President. The President shall be the chief executive officer, shall supervise the work of the other officers, shall preside at all meetings of members, and if there is no Chairman of the Board, shall preside at all meetings of Directors and shall perform such other duties and functions as may be assigned him or her. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board.

Section 6.05. Vice President. Any Vice President shall be capable of performing all of the duties of the President. He or she may sign in the name of the Association any and all contracts or other instruments authorized by the Board, and shall perform such other duties and functions as may be assigned to him or her by the President or the Board.

Section 6.06. Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall keep the minutes of all meetings, shall have charge of the seal of the Association and the Association records and shall perform such other duties as are assigned to him or her by the President or the Board. Any Assistant Secretary shall be capable of performing all of the duties of the Secretary.

Section 6.07. Treasurer. The Treasurer shall have the custody of all moneys and

securities of the Association and shall keep or cause to be kept regular books and records. He or she shall account to the President and the Board, whenever they may require it, with respect to all his or her transactions as Treasurer and of the financial condition of the Association, and shall perform all other duties that are assigned to him or her by the president or the Board.

Section 6.08. Other Officers. Such other officers as the Board may appoint shall perform such duties and have such authority as the Board may determine.

ARTICLE VII COMMITTEES

Section 7.01. Committees. The Board of Directors, by resolution duly adopted, may designate one or more committees, each to have a Chairman and two or more members which may or may not be Directors, and may delegate such powers and duties to them as the Board may deem advisable; provided, however, that no such committee shall have the authority to approve an amendment to the Certificate of Incorporation of the Association, the By-Laws or a plan of merger or consolidation.

Section 7.02. Standing Committees. The standing committee of the Association shall be the Architectural Standards Committee and such other committees as the Board of Directors shall deem desirable. The Architectural Standards Committee shall have the and functions described for such committee in the Declaration.

The Association shall also have the authority to establish other standing committees to provide greater expertise and efficient use of available manpower. By way of example, and not by way of limitation, the Association may establish the following committees:

(a) Fiscal Affairs. This committee should have primary responsibility for preparation of the annual budget, establishment of adequate reserves, and periodic review of the development's insurance program. The committee should also supervise collection and disbursement of common charges, and when necessary, insurance proceeds paid to repair contractors.

(b) Personnel, Grounds and Equipment. This committee should have primary jurisdiction over the common elements, including grounds, equipment, and personnel. Chief among the committee's concerns would be the smooth functioning of the property. The committee directs the efforts of the superintendent and/or managing agent.

(c) Liaison Committee. This committee should serve as the communications link between the Board of directors and third parties and groups such as local municipal authorities, home and lot mortgagees, and counsel for the Association. Wherever possible, the chairman (or at least a member) of this committee should be an attorney.

(d) Committee on Unit Owner Relations. This committee should be charged with the task of formulating, reviewing, and publishing house rules. It should serve as a public relations vehicle guaranteeing, as far as possible, two-way communication between the Board and constituent home and lot owners.

(e) Social Committee. This committee should plan and carry out social events for the Development's residents. Unless circumstances dictate otherwise, this committee may also be given the task of publishing a periodic newsletter covering local events.

Section 7.03. Rules. Each committee may adopt rules and regulations for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VIII FINANCE

Section 8.01. Fiscal Year. The fiscal year of the Association shall be the twelve (12) calendar months ending December 31st of each year, unless otherwise provided by the Board of Directors.

Section 8.02. Annual Reports & Budgets. There shall be prepared annually at the direction of the Board of Directors, a full and correct statement of the financial affairs of the Association including a balance sheet and a financial statement of operation for the preceding fiscal year, and a budget for the ensuing year, which shall be submitted at the Annual meeting of the Association, and will be made available to all Members.

ARTICLE IX BOOKS AND RECORDS

Section 9.01. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, Certificate of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE X CERTIFICATES OF MEMBERSHIP

Section 10.01. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board of Directors. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor, upon such terms and conditions as the Board of Directors may determine or prescribe.

ARTICLE XI
CORPORATE SEAL

Section 11.01. Corporate Seal. The Board of Directors shall provide a suitable corporate seal, bearing the name of the Association, the year of its incorporation and the words "New York".

ARTICLE XII
ORGANIZATION

Section 12.01. The Association is organized pursuant to the Not-For-Profit Corporation Law of New York. All the functions of this Association are subject to the provisions of such law.

ARTICLE XIII
AMENDMENTS

Section 13.01. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of two-thirds of the members present in person or by proxy. These By-Laws shall not be amended in any manner which conflicts with the Declaration or the Certificate of Incorporation, and in the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

EXHIBIT "B"

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
FOR TWELVE MONTH PERIOD BEGINNING 1/1/94 - 12/1/94
Number of Lots - 23

| | |
|--|--|
| (1) <u>Projected Income</u> Maintenance charges | \$845.00 per "home" or "Lot" per year (based on 23 homes or lots) payable monthly at a rate of \$70.42 per home or lot per year |
| TOTAL | \$19,435.00 |

Projected Expenses

| | |
|---------------------------------------|--------------|
| (2) Supplies and Office equipment | \$ 265.00 |
| (3) Insurance | \$ 1,000.00 |
| (4) Lawn Maintenance and snow removal | \$12,558.00 |
| (5) Driveway maintenance | \$ 4,275.00 |
| (6) Accounting | \$ 500.00 |
| (7) Legal | \$ 500.00 |
| (8) Taxes - Franchise Taxes | \$ 325.00 |
| (9) Reserves | \$ 000.00 |
| (10) Contingencies, petty cash | \$ 12.00 |
| (11) Other - Miscellaneous | \$ 000.00 |
| TOTAL..... | \$ 19,435.00 |

FOOTNOTES

1. Projected Income:

The projected income of the Association represents the total common charges to be collected from the unit or lot owners during the first year of Association operation. It is estimated that the Association will require annual income of \$19,435.00 in order to operate during this period of time. Accordingly, the annual common charges to be levied against each lot or unit owner, will be payable on a monthly basis at the rate of \$70.42 per installment.

After Association charges have been levied on one or more owners who have closed title to their units or lots, Offeror's obligation for Association charges for unsold units or lots shall be the lesser of the following:

(a). The common charges levied on unsold units or lots as projected in Exhibit "B" of the Offeror's Affidavit, as the same may be amended from time to time; or

(b). The difference between actual Association expenses, as provided for in the Association's budget, and the Association charges levied on owners who have closed title to their units or lots as projected in Exhibit "B" of the Offeror's Affidavit. For purposes of the preceding sentence, actual Association expense shall be computed by allocating the accrued expenditures incurred over the budget years to which such expenditure relate, and by further allocating the expenditures, as allocated to the budget year, over the twelve month budget period. For example, if an expenditure in the amount of \$1,440.00 is made to an independent contractor for services to be rendered during four months of the current budget year and two months during the next budget year, \$960.00 of such expenditure shall be allocated to the current budget year and the remaining \$480.00 shall be allocated to the next budget year. The \$960.00 expense allocated to the current budget year shall be further allocated over the 12 month period of the current budget year, such that the actual monthly Association expense shall be deemed to be \$80.00. Likewise, the \$480.00 expense allocated to the next budget year shall be further allocated over the 12 month period of the next budget year, such that the actual monthly Association expense shall be deemed to be \$40.00.

2. Supplies and Office Equipment:

The basis for the projected cost of supplies and office equipment is derived from comparable costs paid by similar associations.

3. Insurance:

The expense based upon a direct quote from Crescent Associates, Ltd., and includes the following coverage:

1) Directors and Officers Liability:

\$ 1,000,000 each loss
\$ 1,000,000 Aggregate
\$ 1,000 Deductible

Estimated Annual Premium - \$1,000.00

This estimate does not include general liability insurance due to the fact that the Association at this time does not own any real property. However, all independent contractors performing any work required on behalf of the Association must be fully insured.

4. Lawn Maintenance and Snow Removal:

This cost is based on a direct quote by Dale's Yard and Home Care, 313 N. Hudson Avenue, Stillwater, NY, 12170.

5. Driveway Maintenance:

This estimate covers the estimated cost of maintaining and sealing the parking areas and driveways annually. The estimate is based upon a direct quote from Preston Peacock, New York.

6. Accounting:

The cost is based on a direct quote by Dagostino & Lazarow, Certified Public Accountants, Barney Road Clubhouse, P.O. Box 284, Clifton Park, NY, 12065. This budgeted cost includes an annual review of financial statements and preparation of state and federal income tax returns. While Offeror is in control of the Board of Directors, financial statements will not be certified. Non-Offeror Association Members shall have the right, by majority vote, to require certified financial statements.

7. Legal:

The cost is based on a direct quote of the law firm of Ianniello, Anderson, Reilly, Luhn, Nichols & Lecce, 805 Route 146, P.O. Box 1169, Clifton Park, NY, 12065 (attorneys for the Offeror) and is based upon comparable costs of legal services paid by similar associations. The budgeted cost includes only the estimated fee for the

preparation of and appearance at the annual meeting of the Association and for the drafting of the minutes of this annual meeting. The cost of additional legal services, if any, required by the Association will be billed at the rate of \$125.00 per hour.

8. Taxes

New York Franchise Tax -- The estimated annual franchise tax liability of the Association is \$325.00.

9. Reserves:

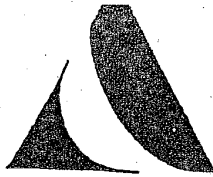
There will not be a reserve fund established for the Association.

10. Contingencies, petty cash:

The sum of \$ 12.00 has been allocated for contingent operating expenses.

11. Other:

There is no amount allocated for miscellaneous expenses.



April 30, 1993

Ianniello, Anderson, Reilly, Luhn, Nichols & Lecce
805 Route 146
Northway Nine Plaza
Clifton Park, NY 12065

Attn: Lou Lecce

Dear Lou,

At your request, we are pleased to offer the following estimates:

- 1) General Liability
- 1,000,000 per occurrence
 - 1,000,000 Personal & Advertising Injury
 - 2,000,000 General Aggregate
 - 2,000,000 Products & Completed Operations Aggregate
 - 50,000 Fire Legal
 - 10,000 Med Pay

Annual Premium: \$250.00


- 2) Directors & Officers Liability
- 1,000,000 Each Loss
 - 1,000,000 Aggregate
 - 1,000 deductible

Annual Premium: \$1,000.00

These estimates are based on information furnished by your office. Any actual policies will reflect possible rate changes, changes in exposure or underwriting changes at the time the applications are made.

Thank you for asking us to provide a quotation, if you should have any questions, please let me know.

Sincerely yours,


Mike Bermosche CIC

MB/cs

Crescent Associates, Ltd.

Executive Park - Ushers Road, P.O. Box 436, Clifton Park, NY 12065-0436 Tel: (518) 877-6404 Fax: (518) 877-8581

IANNIELLO, ANDERSON, REILLY,
LUHN, NICHOLS & LECCE

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NORTHWAY PLAZA
SUITE 1316
GLENS FALLS, N.Y. 12801
(518) 792-4385
FAX (518) 792-4388

ANTHONY R. IANNIELLO
RICHARD F. ANDERSON, JR.
PETER E. REILLY
CHRISTOPHER N. LUHN
ROSEMARY NICHOLS
LOUIE LECCE
THOMAS W. SPINRAD
VAN ZWISOHN

AMSTERDAM PROFESSIONAL PLAZA
9 MARKET STREET
AMSTERDAM, N.Y. 12010
(518) 842-0032
FAX (518) 842-0028

ALL MAIL TO:
P.O. BOX 1169
CLIFTON PARK, N.Y. 12065

OF COUNSEL

JEFFREY ROSENTHAL
SHAUNA McMILLEN DeSANTIS
DONALD J. DeANGELUS

April 30, 1993

Mr. Jeffery J. Myers
Troy-Schenectady Road
Schenectady, NY 12309

Re: Mohawk Trails Homeowners' Association, Inc.

Dear Mr. Myers:

Based upon our experience in representing homeowners' associations similar to that of Mohawk Trails Homeowners' Association, Inc., I would estimate that the attorneys' fees on a yearly basis would be approximately \$500.00, and would include preparation for and attendance at the first meeting of the members of the association and the preparation of the minutes of such meeting.

The annual figure would be determined based upon the number of hours actually expended during the year at the rate of \$125.00 per hour. Therefore, this figure could vary up or down to a modest degree.

Very truly yours,

IANNIELLO, ANDERSON, REILLY, LUHN,
NICHOLS & LECCE

By: 

Louie Lecce

LL/kw

DAGOSTINO & LAZAROW

Certified Public Accountants
(518) 371-9250

Donald P. Dagostino, CPA
Martin S. Lazarow, CPA, ESQ.

Barney Road Clubhouse
Post Office Box 28-A
Clifton Park, New York 12065

April 30, 1993

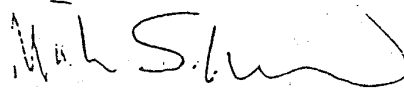
Mohawk Trails Homeowners' Association,
Inc.
c/o Ianniello, Anderson, Reilly, Luhn,
Nichols & Lecce
805 Route 146, Northway Nine Plaza
Clifton Park, NY 12065

Re: Accounting Fees

Gentlemen,

At the request of Louie Lecce, Esq. I am submitting to you a fee quote for accounting and tax services for the Association. I would estimate my fees for preparing a reviewed financial statement and the applicable tax returns will be approximately \$500 on an annual basis. This estimate is based on my knowledge and past experience with homeowners associations and the usual assistance from the management company. This assistance is the basic summarization of check registers, cash receipts journal, accounts receivable and accounts payable, etc.

Very Truly Yours,



Martin S. Lazarow, CPA

MSL/kda

Certified Public Accountants

(518) 371-9250

Gerald P. Dagostino, CPA
 Martin S. Lazarow, CPA, ESQ.

Barney Road Clubhouse
 Post Office Box 284
 Clifton Park, New York 12065

April 30, 1993

To the Board of Directors
 Mohawk Trails Homeowners' Association, Inc.
 c/o Ianniello, Anderson, Reilly, Luhn, Nichols
 & Lecce
 805 Route 146, Northway Nine Plaza
 Clifton Park, NY 12065

The following is a partial list of services available from our firm. We hope to better meet your expectations of service from our firm by clearly identifying the particular services to be provided and their frequency.

None of the services can be relied on to detect fraud or defalcations that may exist. However, we will inform you of any such matters that come to our attention.

We have marked the frequency of the services which we expect to provide you with for 1992. Please review the information below and make any changes necessary.

FREQUENCY OF SERVICE
MONTHLY QUARTERLY ANNUALLY

BOOKKEEPING SERVICES

| | | | |
|-----------------------------|-------|-------|-------|
| Record journals | _____ | _____ | _____ |
| Post general ledger | _____ | _____ | _____ |
| Post other ledgers | _____ | _____ | _____ |
| Reconcile bank statements | _____ | _____ | _____ |
| Post earnings records | _____ | _____ | _____ |
| Prepare payroll tax returns | _____ | _____ | _____ |
| Prepare W-2s | _____ | _____ | _____ |
| Other services (specify) | _____ | _____ | _____ |

FINANCIAL STATEMENTS

| | | | |
|---|-------|-------|-------|
| Compiled Financial Statements | | | |
| Balance sheet | _____ | _____ | _____ |
| Statement of income and retained earnings | _____ | _____ | _____ |
| Statement of cash flows | _____ | _____ | _____ |
| Notes | _____ | _____ | _____ |
| Supplementary information | _____ | _____ | _____ |

FREQUENCY OF SERVICE
MONTHLY QUARTERLY ANNUALLY

FINANCIAL STATEMENTS (continued)

| | | | |
|--|-------|-------|---------|
| Reviewed Financial Statements | | | |
| Balance sheet | _____ | _____ | ___X___ |
| Statement of income and retained earnings | _____ | _____ | ___X___ |
| Statement of cash flows | _____ | _____ | ___X___ |
| Notes | _____ | _____ | ___X___ |
| Supplementary information | _____ | _____ | ___X___ |
| Special statements (specify) | _____ | _____ | _____ |
| _____ | | | |
| _____ | | | |

TAX SERVICES

| | | | |
|-------------------------------|-------|-------|---------|
| Federal income tax return | _____ | _____ | ___X___ |
| State income tax return | _____ | _____ | ___X___ |
| State franchise report | _____ | _____ | _____ |
| Other state returns | _____ | _____ | _____ |
| Tax planning or consultations | _____ | _____ | _____ |
| Other tax services (specify) | _____ | _____ | _____ |
| _____ | | | |
| _____ | | | |

PROFIT SHARING PLANS

| | | | |
|--------------------------|-------|-------|-------|
| Participants' accounting | _____ | _____ | _____ |
| Form 5500 series | _____ | _____ | _____ |

OTHER SERVICES (SPECIFY)

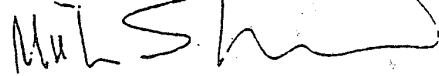
| | | | |
|---|-------|-------|-------|
| Management consultations | _____ | _____ | _____ |
| Investment consultation | _____ | _____ | _____ |
| Set up or revise accounting systems | _____ | _____ | _____ |
| Accounting assistance | _____ | _____ | _____ |
| Prospective financial statements | _____ | _____ | _____ |
| Personal financial statements for owners and employees | _____ | _____ | _____ |
| Personal financial planning | _____ | _____ | _____ |
| _____ | | | |
| _____ | | | |

Page Three

Our fees for the above services will be based on the time expended at our standard rates and will be billed to you monthly, payable on receipt. We estimate our annual fee for this engagement will range from .

Please indicate your acceptance of the above understanding by signing below. A copy is enclosed for your records. If your needs change during the year, the nature of my service can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

Very Truly Yours,



Martin S. Lazarow, CPA

Acknowledged

_____ Date _____

_____ Date _____

MSL/kda

Dale's Yard and Home Care
313 N. Hudson Avenue
Stillwater, New York 12170
(518) 664-5166
January 28, 1993

Sheltertherm Structures
P.O. Box 618
Cohoes, New York 12047
Attn: Brad Meyers

Re: Mohawk Trails

Maintenance Agreement

April 1 to October 30

1. Spring cleaning
 - A. removal of any debris from shrub bed and lawn areas
 - B. cleaning of rain gutters
2. Fertilization
 - A. lawns to be fertilized three times a year
 - B. shrub and trees to be fertilized at least two times per year
3. Shrubs to be trimmed at least twice a year
4. Shrub beds and trees to be mulched once a year
5. Lawns to be mowed on a seven to ten day schedule not less than 2 1/2"
6. Shrub beds, house foundation, curb, sidewalk and tree areas to be trimmed with a power weed trimmer with each mowing
7. Law clippings to be removed as necessary

November 1 to March 30

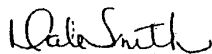
1. Snow Removal, driveways to be done
 - A. accumulation is 3 in. or more
 - B. snow blower to minimize damage to black top and shrub bed and lawns
2. Sidewalks to be shoveled at same time of driveway snow removal
3. Sand and salt mixture provided as necessary

Spring/Summer Maintenance
Winter Maintenance

\$48 per month for 7 months
\$42 per month for 5 months

Payable within 10 days of billings.

Sincerely



Dale Smith

PROPOSAL SUBMITTED TO: MOHAWK TRAILS HOMEOWNERS' ASSOCIATION

NAME Shelter Builders, Inc.
 ADDRESS 8 Saratoga St.
 CITY Cohoes STATE N.Y. ZIP _____
 TELEPHONE (518)237-4101

NAME Mohawk Trails Homeowners' Association Inc.
 ADDRESS _____
 CITY Niskayuna STATE N.Y. ZIP 12308
 TELEPHONE _____

| DATE | DATE OF PLANS | START WORK DATE | YOUR INQUIRY NO. | PROPOSAL NO. | PAGE NO. | OF PAGES |
|---------------|---------------|-----------------|------------------|--------------|----------|----------|
| March 9, 1993 | 1993 | on request | | | | |

To Brad Myers:

Job Description - sealcoat approximately 28,500cu. ft. and yearly maintenance of said driveways and parking area.
Material - Latex sealer, action pave or equivalent,
Labor - clean debris, blow clean pavement and hand applied sealer

Labor and material - \$4,275

Payment - to be worked out later after acceptance

MATERIAL AND LABOR AS REQUIRED IN ACCORDANCE WITH THE ABOVE SPECIFICATIONS.

FOR THE SUM OF \$4,275 DOLLARS
 PAYMENT TO BE MADE AS FOLLOWS see above

THE ABOVE PRICES, SPECIFICATIONS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. YOU ARE AUTHORIZED TO COMPLETE THIS CONTRACT AS SPECIFIED. PAYMENT WILL BE MADE AS OUTLINED TO THE LEFT.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry live, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation insurance.

SIGNATURE OR COMPANY _____
 AUTHORIZED SIGNATURE _____
 DATE OF ACCEPTANCE _____

THIS PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN 15 DAYS.
Wesley S. Peacock
 AUTHORIZED SIGNATURE

Certified Public Accountants
(518) 371-9250

Gerald P. Dagostino, CPA
Martin S. Lazarow, CPA, ESQ.

Barney Road Clubhouse
Post Office Box 284
Clifton Park, New York 12065

April 30, 1993

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

Re: Mohawk Trails Homeowners' Association, Inc.
Town of Niskayuna
Schenectady, NY

Dear Sir or Madam:

The Offeror of the homeowners' association for the captioned property retained our firm to review Exhibit "B" of the Offeror's Affidavit containing projections of income and expenses for the first year of operation as a homeowners' association.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13 NYCRR Part 22 insofar as they are applicable to Exhibit "B".

We have reviewed the Exhibit and investigated the facts set forth in the Exhibit and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in accounting and reporting on Homeowners' Associations.

We certify that the projections in Exhibit "B" 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. We certify that the Exhibit:

- 1) Sets forth in detail the terms of the transaction as it relates to the Exhibit and is complete, current and accurate;
- 2) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the first year of operation as a homeowners' association;

- 3) Does not omit any material fact;
- 4) Does not contain any untrue statement of a material fact;
- 5) Does not contain any fraud, deception, concealment, or suppression;
- 6) Does not contain any representation or statement which is false, where we
 - a) knew the truth;
 - b) with reasonable effort could, have known the truth;
 - c) made no reasonable effort to obtain the truth;
 - d) did not have knowledge concerning the representation or statement made;

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan.

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

Dagostino & Lazarow, CPA's

By: *Gerald P. Dagostino*
Gerald P. Dagostino, CPA

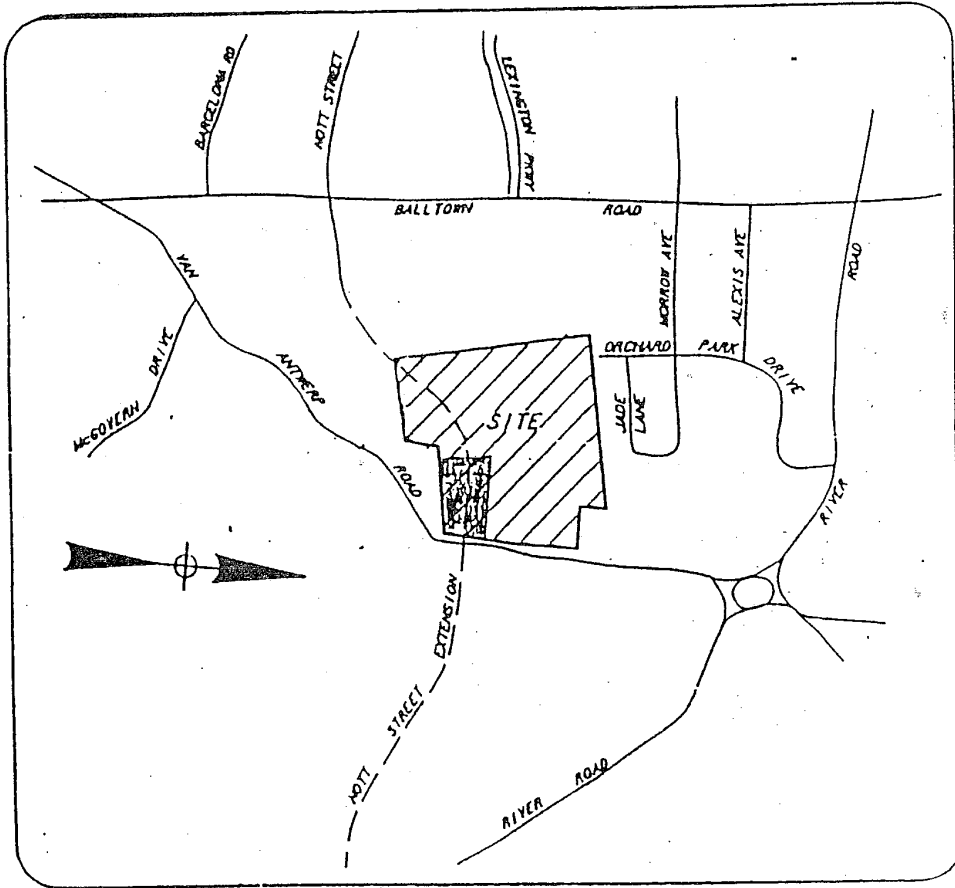
Sworn to before me this 30th day
of April, 1993.

Kristen D. Andrie
Notary Public

KRISTEN D. ANDRIE
NOTARY PUBLIC NY 4899418
GREENE CO. COMM. EXP. 7/20/94

KRISTEN D. ANDRIE
NOTARY PUBLIC NY 4899418
GREENE CO. COMM. EXP. 7/20/94

EXHIBIT "D"



SITE LOCATION

EXHIBIT "E"



EXHIBIT "F"

STATE OF NEW YORK
COUNTY OF SARATOGA

:
: SS.:

_____, as individuals, with an address of _____, (the "Offeree") have read the Affidavit of Jeffery J. Myers, (referred herein as the "Offeror"), submitted as part of Offeror's application to the New York Department of Law for a "No-Action Letter" in connection with the sale of property at Mohawk Trails in the Town of Niskayuna, County of Schenectady, State of New York; and

Offeree understands that no offering literature except as required by the No-Action Letter will be provided.

Offeree has inspected the property which is the subject of the No-Action Letter.

Offeree understands that the purchase price of a lot or home at Mohawk Trails includes the cost of membership in Mohawk Trails Homeowners' Association, Inc. (the "Association").

Offeree has received from Offeror copies of the following:

- (1). No-Action letter application, including Offeror's Affidavit;
- (2). No-Action Letter from the Department of Law;
- (3). A statement that the purchase price of the lot includes the cost of membership in the Association.
- (4). the estimated monthly or annual assessment and the current or proposed budget;
- (5). Certification by an expert as to the adequacy of the projected income and expenses for the first year of operation;
- (6). A copy of the proposed or recorded deed(s) of Association property, for which legal descriptions are presently available, from Offeror to the Association;
- (7). A copy of the recorded deed to the Association property by which Offeror derived title;
- (8). A copy of the most recent financial statement of income and expenses for the operation of the property;

- (9). Information known to the Offeror which may result in extraordinary expenses for members or for the Association, including, but not limited to, assessments, liabilities, dangerous or hazardous conditions, pending litigation and administrative proceedings;
- (10). Evidence of compliance with local zoning laws and regulations; and
- (11). Such other information as the Department of Law has required.

Offeree

Offeree

Sworn to before me this _____
day of _____, 1993.

Notary Public - State of New York

