

SPECIAL RISKS

1. The Sponsor will retain voting control of the Board of Directors of the Homeowners Association until 50% of the homes have been sold, or until July 1, 1989, whichever occurs first. See Page 3 hereof for a more detailed description of this risk.

2. The entire Plan is approved for 500 units in the Town of Manlius. There is no assurance that the entire 500 units will be marketed or built. The entire man-made lake will border on some phases and not on others. All owners will have access to the lake at certain designated locations. See Exhibits E and M.

3. The man-made lake is spring fed, and over the past several years has maintained a level of not less than 412 feet above sea level. There can be no assurance that the lake will maintain itself at this level. The water level is also subject to rising. The units are built to an elevation of two feet above 100 year flood. Unit owners shall not be obligated to provide flood insurance. See engineer's letter appended hereto as Exhibit K. Unit owners could avail themselves of flood insurance if they so desire at additional cost to them.

4. No assurance can be given that the water quality can be maintained for swimming. Water quality tests have been made and there is good reason to believe that with proper control and maintenance, water quality will continue.

5. Temporary areas will be designated by Sponsor for storage of building materials and equipment during the construction phase.

6. No bond or other security will be furnished to secure the performance of the obligation to construct the common facilities by Sponsor. The ability of Sponsor to perform its financial obligations will depend upon its financial condition at the time it is called upon to perform.

7. Sponsor reserves the right to pump the level of water down in both the lake and drainage areas to remove material for on-site use, and to further contour the lake and drainage areas.

INTRODUCTION

Erie Village, Inc., a New York corporation (the "Sponsor" or "Developer"), is the owner of approximately 216 acres of land located in the Town of Manlius, County of Onondaga, State of New York, situated on the east side of North Burdick Street in said Town. Sponsor acquired title on June 2, 1983 from Earl L. Oot, Leo E. Oot, Donald R. Oot, and Robert V. Oot, who have owned the property for over five years and are Principals and sole stockholders in Sponsor. The Sponsor intends to construct approximately 149 attached single-family homes on approximately 26.6 acres of land, and reserve to the Sponsor the remaining area for the construction of additional units. The total number of units will not exceed 500 for the entire development, consisting of approximately 216 acres. See Exhibit "M" for Phases and Areas.

The first four Phases of Erie Village will consist of 26.6 acres and 149 units in a development to be known as Erie Village (the "Development").

In offering the 149 homes in the development, the Sponsor is simultaneously offering mandatory memberships in Erie Village Homeowners Association, Ltd. (the "Association"), a membership corporation which has been organized under the Not-for-Profit Corporation Law of the State of New York, to own and maintain the common areas in the development, including, but not limited to the roadways, natural and landscaped areas, and a man-made spring fed lake (33 acres in total). See Page 18 for complete details of the services to be provided by the Association. A purchaser of a home in the development will automatically assume the rights and obligations of membership in the Association upon closing title to his Home. Prospective purchasers should be aware that if they resell their homes, those who purchase from them will automatically become members of the Association. The mandatory nature of membership in the Association is set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens (the "Declaration") annexed as Exhibit A to this Offering Plan and as set forth in the Purchase Agreement and Deed annexed hereto as Exhibits G and G, respectively. A summary of the Declaration is set forth at pages 35 thru 52.

North Burdick Street, a public roadway, leads to the property, and from that road a public road will be constructed to the development permitting access to and from the premises. Certain private roadways will be installed and maintained by the Association as is shown on Exhibit E. All areas outside of the units as herein defined shall be owned and maintained by Erie Village Homeowners Association, Ltd., a Not-for-Profit Corporation.

The Association will own approximately 975,744 aquare feet of land in Phases 1 thru 4 (the "Common Properties" or "Common Areas"). The Homeowners Association will have ownership of all the natural and landscaped areas, internal roadways and man-made lake which will be used by Association members. The common areas include all of the lands on the property except those areas designated for units to be built as attached single family units and public roads. The Sponsor will deed the Common Property to the Association free and clear of all mortgages prior to the closing of the first home in the development. See Page 24. A full description of the Common Properties is set forth at Page 52. Upon the recordation of the Declaration in the Onondaga County Clerk's Office, the Common Properties will become subservient to and have only minimal value separate and apart from the attached homes. The Sponsor estimates that, absent the effect of the recording of the Declaration, the Common Properties would have a market value of approximately \$106,400 for Phases 1 thru 4. Additional Phases would be approximately \$4,000 per acre. See Exhibit "M" for acres of each Phase.

The price of homes or lots includes the costs of membership in the HOA, and the prices are set by the Sponsor alone and are not subject to review or approval by the Department of Law or any other Government Agency.

There are no limitations on who may purchase homes other than financial qualifications and being able to adhere to the Protective Covenants.

The entire area has been zoned R-3 permitting one family residential use.

The Sponsors do not own or are expected to acquire any adjoining lands for further development. The Sponsors do own land near the subject area and the use is expected to be residential. The land to the east and south is partly bordered by Limestone Creek and Erie Canal State Park and a small area of privately owned property. On the west the land is bordered by Burdick Street and on the north by Restricted Agriculture land. The lands, therefore, would be put to recreational, agricultural and residential uses.

Commencing with the recording of the Declaration, each home owner will become responsible for the payment of a pro rata portion of the expenses of the Association arising from the operation and maintenance of the Common Areas, maintenance of the roofs, painting of exterior facades of all homes on the Properties, care and maintenance of the lake, those areas designated for drainage channels and swails, snow plowing, landscape maintenance and other expenses including premiums for liability insurance covering the Common Areas and fire insurance covering the units, and the creation of such reserves for contingencies as the Board of Directors of the Association may deem proper. The Sponsor will control the Board of Directors until July 1, 1989, or until 250 units have been sold, whichever occurs first. See page 20. The estimated charges for the first full year of operation of the Association are set forth on page 5. The Association will maintain at the Association's expense, fire and liability insurance covering the unit and liability insurance covering the exterior of the dwelling. In the event of damage to a unit, the unit will be reconstructed by the Homeowners Association as soon as practicable upon receipt of the insurance proceeds. Purchasers will be required to pay monthly maintenance charges in advance, the first of which will be due upon the acquisition of title to each home. See the Section of the Offering Plan entitled, "The Association" and the By-Laws of the Association annexed hereto as Exhibit C.

The purpose of the Offering Plan is to set forth all the terms of the offer concerning the H.O.A. The Plan may be altered from time to time in amendments filed with the Department of Law. All amendments will be served on purchasers and members.

The Plan as presented to prospective purchasers contains all of the detailed terms of the transaction as it relates to the H.O.A. Parts A, B and C of the Exhibits delivered to the Department of Law contain all of the documents referred to in the Plan.

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

Copies of this Offering Plan and all exhibits or documents referred to herein will be available for inspection without charge to prospective purchasers and their attorneys at the office of the Sponsor.

The property is not the subject of any prior offering.

MUNICIPAL AND OTHER FACILITIES

The Community is served by Onondaga Coach Corp. at a point on Route 5 which is approximately one mile from the subject property, and by Centro bus, which is approximately one-half mile to the north. Schedules vary depending upon the time of the day and run to the City of Syracuse. Police service is provided by the Village of Minoa, with backup from the Village of Fayetteville and the Onondaga County Sheriff's Department. Fire protection is provided by the Village of Minoa with a backup by surrounding fire departments which are in close proximity to the subject property. The Post Office at present serving this area is the East Syracuse Post Office. Beaches will be located at two points on the west side of the artificial lake and on the east side of said lake, and will permit bathing by resident owners and their guests only. A large shopping mall is located on North Burdick Street approximately 3/4 mile south of the subject property, and a smaller Fremont Shopping Center is located approximately 1/2 mile north and west of the subject property. Medical East is located 1/4 mile north on North Burdick Street, and has dental and medical services including general practitioners and specialists in both medical and dental practice. Numerous stores are located in Fayetteville Mall and surrounding areas, including restaurants and general stores, to serve the needs of all residents of the area.

No Homeowners Association charges will be collected prior to July 1, 1984, and may be further waived for an additional time subject to the sole discretion of the Sponsor. The Plan may be amended to include a revised budget disclosing current projections, prior to closing on the first home or lot. If such amended projections exceed the original projections by 25% or more, the Plan will state that the Sponsor will offer all purchasers the right, for a reasonable period of time, to rescind their offer to purchase and have their deposits refunded with interest earned, if any. Sponsor's guarantee of the budget in the Plan will not avoid an offer of rescission. See Schedule A, Homeowners Association Assessments and Charges.

The estimated costs per member for Association charges will not exceed \$100. per member. Charges may vary as the number of Homeowners Association members increases.

Homeowners Association members will be billed in advance for charges within thirty days of closing, adjusted to the closing date. Thereafter, members will automatically make payments on or before the first of each month. All members of the Homeowners Association will pay the same monthly charge regardless of type of home or cost of same.

This Offering Plan relates solely to the rights and obligations of purchasers as members of the Association and as contained in the annexed Declaration. This Offering Plan does not relate to the purchase of land or homes other than as set forth above, and should not be relied upon except for the specific purposes set forth herein.

SCHEDULE A
 PROJECTED SCHEDULE OF RECEIPTS AND EXPENSES
 FOR FIRST YEAR OF OPERATION OF
 ERIE VILLAGE HOMEOWNERS ASSOCIATION, LTD.
 COMMENCING JULY 1, 1984

PHASES 1 - 4

PROJECTED INCOME

Maintenance Charges

(\$1066.99 Per Home Per Year Payable Monthly,
 Based on 149 Homes)

\$158,982.00

PROJECTED EXPENSES

Ground Maintenance	(2) & (4)	33,642.00
Snow Removal	(5)	16,110.00
Refuse Removal	(6)	13,370.00
Insurance	(7)	28,000.00
Accounting and Supplies	(8)	600.00
Legal	(9)	500.00
Home Exterior Maintenance	(10)	47,959.00
Real Estate Taxes	(11)	2,235.00
Maintenance of Lake, Drainage Channels, Swails	(12)	1,000.00
Lighting	(13)	100.00
Contingencies, Petty Cash	(14)	8,761.00
Monitored Smoke & Fire Protection	(15)	<u>6,705.00</u>
TOTAL		\$158,982.00

ESTIMATED MONTHLY COST PER HOME

\$88.92

*It is anticipated that additional units will be added to a total of not more than 500 units. It is anticipated the the cost per unit will not increase. It is expected that the unit charge might be slightly reduced. Subject to price increases for services rendered.

FOOTNOTES TO MAINTENANCE SCHEDULE

1. In addition to income presented on this Schedule, each purchaser will be required to contribute \$100.00 to the Association's Reserve Fund at closing.
2. The Association will be responsible for the Grounds Maintenance. Grounds Maintenance will include mowing, weeding, seeding and fertilizing lawns, as well as raking and spring cleanup. The cost for such services is based on an estimate provided by Landscapes East, which provides similar services for commercial establishments and home owners in the vicinity. The monthly contribution of \$15.89 will cover this estimated cost.
3. The Association will be responsible for maintenance of home exteriors and roofs. (See Footnote 10 for costs associated with the replacement of home roofs and maintenance of home exteriors.) The cost for such maintenance work is based on estimates provided by Al Caza, who has over ten years experience with the Sponsor on other developments, and Weare & Wilkinson, painting contractors, also with experience with the Sponsor on other developments.
4. The Association will be responsible for maintenance of the private roads and driveways to the individual houses. The cost of such maintenance is based on an estimate provided by Davis Wallbridge, Inc., an experienced road paving contractor providing this service in the local area. The \$56.00 yearly accrual for maintenance on an average 400 square feet of private drives will cover the cost to seal 59,500 feet at the end of three (3) years, calculated based on the following:

- (a) It is estimated by Davis Wallbridge, Inc. that sealing the driveways and private roads in three (3) years will cost fourteen cents (\$.14) a square foot for a total of \$8,344. Based on compound interest rate tables using an effective rate of .833, a payment of \$16.08 per taxable year payable at \$1.34 per month will accumulate \$56.00 in three (3) years. Thus, based on estimated costs as set forth above, a \$16.08 annual contribution to a Reserve Fund will be sufficient to seal the driveways every three (3) years.
- (b) It is estimated by Davis Wallbridge, Inc. that maintaining the private roadways will require an expense estimated to be ten percent (10%) of the original cost every five (5) years. The original cost of the private roadways will be approximately \$122,512. Accordingly, the cost of maintenance is estimated to be \$12,251. every five (5) years. Based on monthly compound interest rate tables using an effective rate of .833, a payment of \$1.06 per year, payable at \$.09 per month will accumulate \$12,251. in five (5) years. Thus, based on estimated costs as set forth above, a \$1.06 annual contribution to a Reserve Fund will be sufficient to maintain the private roadways.
5. The Association will be responsible for snow removal from driveways and common area walkways. Homeowners will be responsible for clearing snow from the walkways leading to their units. The cost for snow removal is based on an estimate received from Landscapes East based on their experience of snow removal from commercial and private areas in the local vicinity. The estimate of \$16,101. is represented by the Sponsor as the going rate for such

- services in Onondaga County.
6. The projected expense for refuse removal is based on an estimate for once-a-week trash pickup from each unit and once-a-week emptying of seven (7) three yard dumpsters. The estimate was provided by Rubbish Removal, Inc. The Sponsor reserves the right to discontinue the use of three yard dumpsters in the event their capacity is not required for the project.
 7. Insurance coverage for the Association will consist of Comprehensive General Liability coverage in the amount of \$1,000,000 per occurrence for bodily injury and property damage, and Fire and Extended Coverage for 149 buildings for \$15,000,000.00 (\$100,000.00 for each home). Such coverage will be sufficient to replace any unit, based on current anticipated selling prices. The insurance will include a 100% coinsurance clause and is based on a monitored fire alarm system. The Public Liability policy will include officers and directors liability. This information has been supplied by the Frank J. Shaw Agency, Inc., of East Syracuse, New York.
 8. The accounting cost is based on the estimated cost of preparing an annual unaudited financial statement. Audited financial statements may be obtained by the homeowners at additional cost and expense to them.
 9. Legal costs are projected at a minimum amount.
 10. The Homeowners Association will be responsible for replacing roofs and repainting unit exteriors. It is estimated that a yearly payment of \$55.20 per unit, consisting of an accrual for roof replacement and a \$116.40 accrual for exterior painting will be sufficient to create a reserve fund for painting and roofing. Calculations for the reserve fund are as follows:
 - a. Roof Replacement. It is estimated by Al Caza that the cost to replace a roof in twenty (20) years (the expected useful

life) will be \$125.00 per square or an average of \$3,437.50 per unit. (The current cost per square is \$75. and the cost 20 years ago was \$50. per square.) Based on monthly compound interest rate tables, using an effective rate of .833, a payment of \$55.20 per year, payable at \$4.60 per month, will accumulate to \$3,493.10 in 20 years. Thus, based on estimated costs as set forth above, a \$55.20 per year contribution to the Reserve Fund will be sufficient to replace a roof in 20 years.

- b. Exterior Painting. It is estimated by Weare & Wilkinson Painting Contractors, Inc., that the cost to stain siding and paint the trim in five (5) years will be \$750.00 per unit. Based on annual compound interest rate tables, using an effective rate of .833, a payment of \$116.40 per year, payable at \$9.70 per month, will accumulate \$751.00 in five years. Thus, based on estimated costs as set forth above, a \$116.40 per year contribution to the Reserve Fund will be sufficient to paint the exterior every 5 years.
11. An annual estimated expenditure of \$15.00 per unit for all real estate taxes on the common areas, based on a nominal value of \$500.00 with the rest of the value of the common areas to be reflected allocably in the assessed value of the Association members' homes.
12. Monthly contributions of \$.56 per unit will be reserved for the estimated cost of maintaining the lake, drainage channels and swails, which are part of the common areas, based on the engineering estimate furnished in letter of Carl R. Maar, P.E. dated February 6, 1984.
13. Based on an estimated cost of \$100. per year, each unit will be assessed monthly to cover entrance lighting to Erie Village.
14. A monthly contribution of \$4.90 per unit will establish a contingency reserve and petty cash fund for use by the Association.
15. The projected expense for continuously monitored fire and

smoke protection represents a monthly charge of \$3.75 per month per unit, which allows for a reduced fire insurance rate on the total project, per the estimate of the Frank Shaw Insurance Agency.

OOT LAW OFFICES

COUNSELORS AT LAW

EARL L. OOT
THOMAS M. OOT

OFFICES:
501 POWELSON BLDG.
SYRACUSE, N.Y. 13202
315-422-9295

5900 NORTH BURDICK ST
E. SYRACUSE, N.Y. 13057
315-656-2265

January 30, 1984

Erie Village, Inc.
5912 North Burdick Street
East Syracuse, New York 13057

Re: Erie Village Homeowners Association, Ltd.

Gentlemen:

You have requested our opinion for inclusion in an offering plan to be filed by you with the New York Attorney General in connection with an offering of an interest in Erie Village Homeowners Association, Ltd. We have examined the Certificate of Incorporation of Erie Village Homeowners Association, Ltd. and its By-Laws, and the Declaration of Covenants, Restrictions, Easements, Charges and Liens to be recorded in the Onondaga County Clerk's Office. We have also examined the subdivision map for Erie Village, with approvals attached, and other appropriate documents. It is our opinion that:

a) The Erie Village subdivision final plan as submitted to the Town of Manlius was approved by the Planning Board and Town Board of the Town of Manlius in conformance with applicable procedures for approval of a zone change and for a subdivision approval. The Erie Village subdivision final plan conforms with the zoning ordinance of the Town of Manlius and homes built in each subdivision will be in conformance with such zoning ordinance providing they are built in accordance with Residential R-3 District Regulations.

b) Members of the Homeowners Association will not be entitled to deduct any portion of Association charges for Federal or State income tax purposes.

c) The Declaration of Covenants, Restrictions, Easements, Charges and Liens is legal and valid and will be binding upon the lot owners of Erie Village Homeowners Association, Ltd. when the Declaration is recorded in the Onondaga County Clerks Office.

d) Section 528 of the Internal Revenue Code of 1954, as amended, affords certain Homeowners Associations, substantially all of whose homes are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty percent (60%) or more of the Homeowners Association's

revenue must consist of amounts received as membership dues, fees or assessments from the home owners and ninety percent (90%) or more of the expenditures must be for the acquisition, construction, management, maintenance and care of Homeowners Association properties, which properties, as defined in Section

528 of the Code, include property held by the Homeowners Association, property commonly held by the members of the Homeowners Association, or property within the Homeowners Association held by members of the Homeowners Association. Based upon our examination of the Offering Plan and subject to the Homeowners Association actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Homeowners Association will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election will exempt from Federal income taxation and New York State Income and Franchise taxation, except for the \$250.00 minimum franchise tax, all amounts received by the Homeowners Association from home owners as membership dues, fees or assessments. The Homeowners Association will be taxed, however, on any excess of income over expenses from unrelated sources of income including interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than home owners. In the event the Homeowners Association fails to qualify for an election of Section 528 taxation status in any year, it may, to the extent that it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from home owners not expended in any taxable year, be subject to Federal and New York State Income Taxation (see Rev. Rul. 74-79, 1974-1 C.B. 131).

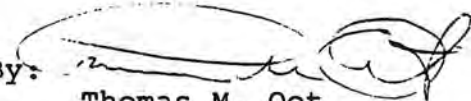
The Homeowners Association will be liable for State and Local sales and use tax.

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

We understand that this opinion of counsel will be included as part of the Offering Plan for Erie Village Homeowners Association, Ltd.

Very truly yours,

OOT LAW OFFICES

By: 
Thomas M. Oot

TMO/ps

DESCRIPTION OF COMMON AREAS AND FACILITIES
TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION

SITE:

The site is bordered on the north by open land, on the east by Limestone Creek, on the south by vacant lands which are near the Erie Canal, and on the west by North Burdick Street. The entire parcel consists of approximately 216 acres, and is zoned R-3 under the zoning requirements of the Town of Manlius, Onondaga County, New York. Approximately 26.6 acres, consisting of 149 units, will be offered in this prospectus for development as set forth herein. This will consist of Phases 1 thru 4 as indicated on the map attached as Exhibit E, inclusive of the lake area, which is shown on Exhibit E, all as contained on a map entitled Erie Village, and filed in the Office of the Clerk of the County of Onondaga on as Map No.

There are 149 lots for single family attached and semi-attached homes, totaling approximately 182,952 square feet. The remaining 975,744 square feet will be owned by the Association as Common Area.

There will be 47 structures, containing 149 attached and semi-attached homes.

An engineer's description of the Common Areas and facilities to be maintained by the Homeowners Association is appended hereto as Exhibit K.

ROADWAYS:

The public roadway in the Development is approximately 2400 feet in length, terminating at a temporary turnaround. The roadway is 26 feet in width. Construction will consist of 1-1/2 inches of asphalt concrete topping over 10 to 12 inches of gravel base and three inches of binder. These roads, upon completion, will be deeded to the Town of Manlius, and a performance bond has been delivered to the Town of Manlius for completion of roads in Phases 1-4, all in accordance with Town specifications.

Private driveways will be constructed by the Sponsor as shown on Exhibit E and maintained by the HOA. These private roads and parking will be installed in varying widths and consist of 12 inches of gravel base, two inches of binder, and 1/2 inch of top course. See letter of engineer appended hereto as Exhibit K.

AUTOMOBILE PARKING:

The Development will contain two-car garages in Phases 1 and 3, and garages in Phases 2 and 4 will be optional. All garages will be owned by individual owners and not by the Association and garages will be attached to the units and will be maintained in the same manner as the housing structure. Areas will be assigned for parking directly forward of the units, and those units having garages will have two units contained within the garage units and two units designated forward of the garages. Those units without garages will have two units of parking assigned for each unit. Provision will be made for garages in Phases 2 and 4 at the election of Purchasers.

SITE LIGHTING:

Individual unit lighting will be installed by the Sponsor and operated by the unit owner. Two overhead entrance lights will be provided at the entrance to each of the public roadways leading from Burdick Street to the Development. These lights will be maintained by the Association at cost and expense as set forth in the budget.

UTILITIES:

Public water service will be installed and supplied by the Onondaga County Water Authority, at Sponsor's own cost and expense.

Electric and telephone lines will generally be installed within the Common Areas adjacent to and under the paved roads. Telephone service will be provided by buried cable and will be designed and installed by New York Telephone Company. Electric service will also be by buried cable, and will be designed and installed by Niagara Mohawk Power Corporation, and will consist of primary and secondary components and various on-site transformers. Electricity, water, and telephone charges for each home will be an individual expense of each homeowner.

CABLE:

The Sponsor may elect to pre-wire for Cable or permit a licensed cable company to do so. In that event, Purchasers will be responsible for their individual contract with the cable company for service to the unit.

SEWAGE:

Sewage disposal shall be accomplished by an underground collection system and then discharged into a County trunk that runs east and west through the Development and into the Meadowbrook-Limestone Treatment System. This system has been approved by the Onondaga County Health Department. Sewers are completed in Phase 1 and accepted by the Town, and are in the process of being completed in Phases 2-4. Upon completion and certification by the engineer, the Town of Manlius and County of Onondaga will accept such sewer lines for maintenance. See Engineer's letter, Schedule K.

REFUSE;

The entire site will be landscaped. All units will be landscaped forward and rear of the structures. The lake area and drainage swails will be landscaped. Some rip rap consisting of stone and heavy materials will be placed around the lake area to prevent erosion. Areas will be designated for beach areas and sand will be provided on those beach areas. Slopes will be provided on a 1-4 basis at the boundaries of the lake area. Walkways and exercist paths will be provided as indicated on the map of Erie Village. Typical landscaping plan is shown on Exhibit E.

RECREATIONAL FACILITIES:

The lake area will provide swimming, boating and other recreational facilites. Suitable areas for walking paths, recreational areas and green areas will be as indicated on the map of Erie Village, Exhibit E. No lifeguards will be provided at the beaches on the lake, and swimming will be permitted at user's own risk.

Maintenance of Common Areas will be at the expense of the Homeowners Association, except for dedicated roadways.

The Homeowners Association will be obliged to provide exterior maintenance upon each unit, including exterior painting and roof, maintaining lawns, clearance of snow from driveways and non-dedicated roadways, and trash and garbage pick-up. Unit walkways from the unit to the driveway will be maintained by the unit owner. In the event that any lot is caused to fall into a state of disrepair, the Association may perform such repair and the cost of such work will be borne solely by the individual lot owner.

FIRE AND CASUALTY INSURANCE ON HOMES, RECONSTRUCTION

All risk fire insurance will be provided by the Association in the broadest coverage available. Blanket insurance in the amount of \$70,000-100,000 will cover all units. Public liability insurance will be provided with a limit of liability of \$1,000,000 for each occurrence. This single limit of liability insurance includes Bodily Injury liability, Property Damage liability, and has been broadened to include Personal Injury liability and invasion of privacy. The policy has an Inflation Guard endorsement which automatically increases the limit of liability for all of the building structures by 1% each quarter. The blanket policy will have a 90% co-insurance clause. The limit of liability of \$4,000,000 is equal to the total value of the cost of construction of the buildings.

In the event of destruction by fire or other casualty wherein approximately 80% of the structure is destroyed, or the damage exceeds 80% of the total value of the buildings erected on the site, the homeowners of record of 80% of the units may elect not to rebuild. All insurance proceeds shall be payable to the Association to the extent of the loss, in the event the Association elects to rebuild. Any remaining moneys paid over and above the loss shall be paid to the unit owner. In the event the casualty is less than 80%, the Association shall be obligated to reconstruct any fire loss or damage.

The Association shall direct exterior painting when required. Snow removal shall be required by the Association when the depth of snow equals approximately three inches. At that time, snow will be removed from all walkways with the exception of walkways from individual units to their driveways, which will be maintained by the individual lot owners, and from all driveways, which will be maintained by Sponsor. In the case of slush or freezing rain, more frequent removal or sanding may be required by the Association.

Lawns shall be maintained by the Association at all times to keep a neat and tidy appearance.

All lots will be seeded by the Sponsor initially. Sponsor shall have the right to substitute sod for other appropriate seeding methods in lieu of seeding.

Lawn care for each lot, including watering, fertilizing, cutting, weed control, and leaf removal shall initially be done by Sponsor and by the Association when the grass is installed and properly growing.

The Sponsor will make periodic visits to the Development at reasonable intervals to correct any defects in the construction of any of the facilities forming the Common Properties or in the installation or operation of any mechanical equipment therein due to improper workmanship or material substantially at variance with this Offering Plan on condition that it is notified or becomes aware of such defects within one year from date of substantial completion of the defective portion(s) of the Common Properties.

The drainage areas, swails, lake, etc., will be maintained by the HOA to insure that the lake is pure at all times, in accordance with the regulations of the Town of Manlius.

THE ASSOCIATION

A. Declaration of Covenants, Restrictions, Easements, Charges and Liens

Prior to the closing of title to any home in the Development, the Sponsor will record the Declaration of Covenants, Restrictions, Easements, Charges and Liens, together with the By-Laws annexed to and made a part thereof, with the Office of the Clerk of the County of Onondaga. This Declaration and the annexed By-Laws have been included in this Offering Plan as Exhibits A and C.

The Sponsor has organized Erie Village Homeowners Association, Ltd. under the provisions of the New York Not-for-Profit Corporation Law, for the purpose of owning, maintaining and operating the roadways comprising the Common Properties and maintaining the garage buildings and the exterior of homes and landscaping of individual lots in the Development. The Declaration of Covenants, Restrictions, Easements, Charges and Liens provides the framework and procedures by which the Association will maintain and administer said land and improvements. The date of incorporation of the H.O.A. was June 21, 1983.

Upon the sale and conveyance of a home by the Sponsor, the purchaser thereof will automatically become a "Member" of the Association (as membership is included in the price of the home) subject to the Association's rules and regulations and liable for its assessments as hereinafter provided.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens gives each Member of the Association an easement in and to the roadways located on the Common Properties for himself and his guests. Each Member is also granted easements to connect with and make use of certain utility and sewer and drainage lines. The instrument also makes provision for various easements in favor of the Association and the Sponsor including, in the case of the Sponsor, the retention of easements necessary for the completion of construction and sale of 500 homes in the Development.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens provides that the Association shall have architectural control over any exterior addition, change or alteration. In addition, the use of a home and the Common Areas are subject to various covenants and restrictions. See Article XI of the Declaration for a full description of such restrictions.

The Members' right to the use and enjoyment of the Common Properties, which expires on October 1, 1993, will be automatically extended for successive ten year periods, unless 80% of the owners of homes constructed on The Properties agree to change the Declaration of Covenants, Restrictions, Easements, Charges and Liens in whole or in part.

Sponsor reserves the right to add additional Phases 5-14 and purchasers will automatically have membership rights in the Common Areas in the same manner and to like degree as those members in Phases 1-4.

B. Management and Operation of
the Association

The affairs of the Association shall be governed by a Board of Directors, consisting of three members, each of whom, subsequent to those designated and elected by the Sponsor, must be either a Member of the Association or a lessee in lieu of the Member renting them the unit in which they reside. The Sponsor will initially designate the below listed individuals to the Board of Directors, consisting of three Directors, to serve until the first annual meeting of the Association. The first annual meeting of the Board of Directors will be held within six (6) months of closing on the first home.

Earl L. Oot - Hoag Lane - Fayetteville, NY 13066

Leo E. Oot - 4466 Eventyde Circle - Manlius, NY 13104

Donald R. Oot - East Ave. Ext. - Kirkville, NY 13082

At the first annual meeting and at all subsequent annual meetings the membership will elect seven Directors to serve for one year terms. Each voting Member will be entitled to one vote per membership.

C. Control by Sponsor

Notwithstanding the provisions of Paragraph "B" above, the Sponsor will have the right to designate ~~three~~ three Directors at any annual meeting of the Association members, until two hundred and fifty (250) homes have been sold, or until July 1, 1989, whichever occurs first. Thereafter, the Sponsor will have the right to designate one Director for so long as it holds at least one membership. The Sponsor may not cast its votes to elect any Directors in addition to the designated Directors set forth above. When Sponsor no longer owns any membership interest, it may no longer designate any Directors. However, so long as the Sponsor or its designee shall continue to own membership interests representing at least 25% of the total membership, but in no event later than five years from the closing of title to the first home, the Board of Directors may not, without the Sponsor's prior written consent, (i) make any addition, alteration or improvement to the Common Areas, or (ii) assess any Association charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee in addition to the employees referred to in the Offering Plan of the Erie Village Homeowners Association, Ltd., or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date that the said Plan is declared effective, or (v) borrow money on behalf of the Association, or (vi) increase or decrease the services or maintenance set forth in Schedule A of the Erie Village Homeowners Association, Ltd., or (vii) purchase any materials, equipment or other goods costing in excess of \$5,000.00, except as required by law or in the budget.

D. Expenses of Operating
The Association

The costs and expenses of operating the Homeowners Association and of making capital improvements, if any, will be allocated equally among the 500 homes in the Development. The Developer's obligation for such assessments on unsold homes subject to the Declaration will be limited to the difference between the actual operating costs of the Association, including reserves on the Common Properties, and on homes to which title has been conveyed and the assessments levied on owners who have closed title to their homes. The Sponsor will be responsible for any deficiencies in Association expenses that occur after July 1, 1989, or after title to 250 homes have been transferred.

By his acceptance of a deed, each home owner subject to the Declaration will be deemed to covenant and agree to pay to the Homeowners Association such assessments as are fixed by its Board of Directors. Any sum assessed by the Board but unpaid, together with interest and reasonable collection costs, will constitute a personal obligation of the person who was the owner of the property when the assessment fell due, as well as a charge on the land and a continuing lien on the property against which the assessment is made.

As the Homeowners Association will be an automatic Homeowners Association, no member may exempt himself from contributing toward the expenses of the Homeowners Association by waiver of the use of the improvements maintained by the Association.

Set forth at Page 5 is an estimate of the receipts and operating expenses of the Association for its first full year of operation.

At the closing of title to a home a purchaser will contribute \$100.00 to the Association as initial working capital. During the period that Sponsor is in control of the Board of Directors, the working capital fund will not be used to reduce Association assessments. If any portion of the working capital fund is used during this period to pay for items in the budget set forth at Page 5, such amounts will be repaid to such fund out of the Association assessments collected.

E. Membership and Voting Rights
in the Association

The Association shall have one class of membership interest. The Owner(s) of each dwelling unit in the Development shall be a Member, whether such ownership is joint, in common, or tenancy by the entirety. Each member shall be entitled to one (1) vote.

Homeowners shall not be entitled to vote on Association matters until Sponsor has relinquished control, which event shall occur when 250 homes have been sold, or July 1, 1989, whichever event occurs first. Following the aforementioned date, each member of the Association is entitled to one (1) vote in the Association.

No member shall split or divide its votes on any motion, resolution or ballot other than in the cumulative voting procedure employed in the election of Directors.

Sponsor will not exercise his veto power or use his control of the Board of Directors to reduce the level of services described in this Offering Plan or prevent capital repairs, or prevent expenditures required to comply with applicable laws or regulations.

While Sponsor is in control of the Board of Directors, unaudited financial statements will be provided each year to Members, provided, however, a majority of the Members of the Association, without the Sponsor voting, may require audited financial statements. If audited statements are required, the Homeowners Association will pay the additional cost associated therewith.

The Association is obliged to provide exterior maintenance upon each unit after one year from closing each unit, including exterior painting and roofing, maintaining lawns, clearance of snow and trash, and garbage pickup. For a period of one year following closing, Sponsor will be responsible for such maintenance and warranty. In the event that any home is caused to fall into a state of disrepair, the Association may perform such repair and the cost of such work will be borne solely by the individual lot owner.

During the period which the Sponsor retains voting control of the Homeowners Association, Sponsor will be obligated for differences between actual Association expenses and the Association charges levied on owners who have closed title to their homes.

LOCAL GOVERNMENT APPROVAL

The Development is designed and is in accordance with a certain map that was presented to the Town of Manlius and approved by way of zone change to R-3, and the necessary Resolutions and Directions to the Planning Board of the Town of Manlius. The Town Board by Resolution adopted April 13, 1983 changed the zoning of said area from Restricted Agricultural to R-3, and by Resolution dated April 13, 1983 did grant approval for clustering of single family units, under Section 281 of the Town Law of the State of New York. The Town of Manlius Planning Board has the authority to approve subdivisions, and did by a Resolution adopted August 1, 1983 approve said subdivision, Phases 1 thru 4.

The Town of Manlius has also approved Sewer, Water and Drainage Districts for the area.

OBLIGATIONS OF SPONSOR

Prior to the conveyance of title to any home, the Sponsor will arrange for the home to be released from the provisions of any land, construction or mortgage loan or lien encumbering the Development. The Common Areas will be released from the lien of these mortgages prior to their conveyance by the Sponsor to the Association and the recording of the Declaration. The Sponsor will convey title to the Common Areas to the Association prior to the closing of title to the first home. Landscaping will be completed prior to the closing of title to the last home or the following planting season.

No bond or other security will be furnished to secure the performance of these obligations by Sponsor. The ability of Sponsor to perform its financial obligations will depend upon its financial condition at the time it is called upon to perform.

The Sponsor is obligated to perform the following obligations:

1. To construct land improvements at its sole cost and expense.
2. To file the Declaration of Covenants, Restrictions, Easements, Charges and Liens prior to conveyance of title to the first home.
3. To deliver title to each home free of any mortgage or lien, excepting that mortgage required by the purchaser as part of the purchase price, and further excepting the Erie Village Homeowners Association, Ltd., lien for annual and special assessments.
4. To pay all costs and expenses in connection with the formation of the Homeowners Association and all architect's fees, engineering fees, surveyor's fees, accounting fees, attorney's fees, organization cost and brokerage commissions in connection with the sale of the homes, except the fees or commissions of any broker, attorney or other professional consultant as the purchaser may employ.
5. Prior to the conveyance of title to each home in the Development, the Sponsor shall complete the construction of all streets, roadways and walks directly serving each home; and any other facilities that are vital to the health and safety of the occupants of the unit. Provided, however, that finishing work on streets and roadways may be deferred until weather conditions permit. In such event, Sponsor will furnish adequate sub-base and crushed stone to service the needs of the homeowners for streets and roadways for egress and ingress to the unit or development. In no event, however, will the finished surfaces of the streets and roadways be completed any later than July 1, 1985. No security will be posted for the completion of the private roads.

6. Sponsor shall enforce payment of all its obligations and complete all acts required of it during control of the board and following control in the same manner as any other home owner.

7. Sponsor has the obligation to defend any suits or proceedings arising out of Sponsor's acts and omissions and to indemnify the Board of Directors for same.

8. Sponsor, while in control of the Board, will not sign or obligate the Association to any agreement that will expire more than three (3) years from the date of the first offering. Sponsor agrees not to dissolve or liquidate before fulfilling all of its obligations in connection with this Offering.

9. To file with the Sponsor's attorney, Earl L. Oot, Esq., Oot Law Offices, 5900 North Burdick Street, East Syracuse, New York 13057. copies of this Offering Plan and all exhibits or documents referred to herein in compliance with Section 352-(e)9 of the General Business Law, for examination by any person who has purchased a home offered pursuant to this plan or has otherwise participated in this Offering.

10. Any mortgages or liens which remain on the property after closing on the first home shall be subordinate to the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

11. After January 1, 1984 and after Association charges have been levied on one or more owners who have closed title to their homes, Sponsor will be obligated for the differences between the actual Association expenses, including reserves applicable to completed improvements as provided for in the Association budget, and the Association charges levied on owners who have closed title to their homes as projected in Schedule A of the Offering Plan. Such obligation shall continue until all the homes have been sold, provided, however, such obligation shall cease after December 31, 1986 and after title to one hundred and twenty (120) homes has been transferred to owners.

At the time of transfer of title of the Common Properties by the Sponsor to the Association, the Sponsor will furnish the Association with a fee title policy covering the lands comprising the Common Properties. This fee policy of title insurance will be issued by Monroe Abstract & Title Corporation or such other reputable title insurance company licensed to do business in the State of New York, and shall be in the amount of \$106,400. Any proceeds of such title policy arising out of a claim of defective title, pertaining to land being conveyed to the Association, will be held for the benefit of and delivered to the Association.

12. Sponsor shall deliver a set of as-built plans to the Homeowners Association, upon completion of installation of all roads and utilities.

13. Sponsor states that after construction, Sponsor will represent in a duly filed amendment to the Plan, that as-built plans and specs are in substantial compliance with the terms of the Offering Plan, or that rescission will be offered.

14. Sponsor shall have the right to liquidate, and the Homeowners Association shall take over, any functions necessary to carry out the Plan.

TRUST FUND PROVISIONS

The Sponsor will hold all monies received directly or through its agents or employees in trust until the closing of title or Sponsor will post a surety bonds issued by a New York insurance company securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. If no bond is posted, such funds will be held as trust funds pursuant to Section 352-h and Section 352e2(b) of the General Business Law, in a special account entitled, "The Erie Village Special Account" or similar name in the Merchants Bank, Syracuse, New York. The signature of a member of Setright & Ciabotti, as attorneys for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Sponsor upon the closing of title to the home covered by the Purchase Agreement. In the event of default by the purchaser under such Purchase Agreement, which default continues for thirty (30) days after notice of such default from the Sponsor to the Purchaser, the down payment to a maximum of 10% of the purchase price plus the cost of any optional items ordered may be released to the Sponsor from such account as liquidated damages and thereafter neither party shall have any rights or obligations against or to the other. In the event a bond is posted, the Sponsor will file an amendment to the Offering Plan to disclose such fact.

Any interest earned on the deposit will be credited to the purchaser.

MANAGEMENT AGREEMENT
AND OTHER CONTRACTUAL ARRANGEMENTS

This Sponsor has entered into a management contract to provide for management responsibilities. See Exhibit D for terms thereof.

No other contracts, appointments, agreements or other obligations binding the Association presently exist.

However, for so long as Sponsor controls the appointment or election of the Board of Directors, Sponsor shall have the power to enter into contracts of a duration of three (3) years or less which are binding upon the Association.

The Board of Directors of the Association will be responsible for the management of the Association, and may perform this function itself or hire a managing agent to bill and collect the annual maintenance charges, hire and fire employees, supervise alterations and repairs, maintain the Association's books and records, advise the Board of Directors of its proposed annual budget, provide each homeowner with an annual unaudited financial statement prepared by an independent certified public accountant or public accountant, purchase supplies for the Association and generally perform the duties of a managing agent for residential property. In performing its duties, the Board of Directors or a managing agent employed by it may engage contractors for the purpose of carrying out the maintenance and repair of the Common Properties.

At the present time, no contracts have been entered into with contractors for these purposes.

IDENTITY OF PARTIES

Erie Village, Inc., the Sponsor, is a New York corporation with its principal office at North Burdick Street, East Syracuse, New York.

The following are all of the principals of the Sponsor. All were born in Kirkville, New York, all are citizens of the United States, all have been active in the real estate industry in Central New York for approximately 35 years, and all will be involved in this offering.

EARL L. OOT, age 62, is a graduate of Syracuse University College of Law. He is married, has five children, and lives in Fayetteville, New York. He is a practicing attorney with offices at 501 Powelson Building, Syracuse, New York and 5900 North Burdick Street, East Syracuse, New York. He will be involved with the legal and financial aspects of the operation.

LEO E. OOT, age 59, attended Minoa High School. He is married, has five children, and lives in Manlius, New York. He has been involved in the building of various types of homes and commercial buildings, with an office at 5912 North Burdick Street, East Syracuse, New York.

DONALD R. OOT, age 57, graduated from Minoa High School. He is married, has five children, and lives in Kirkville, New York. He has a plumbing contractor's license, and has been engaged in the plumbing and heating business for about 35 years at East Avenue, Minoa, New York.

ROBERT V. OOT, age 53, is a graduate of Minoa High School. He is married, has five children, and lives in Kirkville, New York. He has been involved in the building and erection of various types of homes and commercial buildings at 5912 North Burdick Street, East Syracuse, New York.

All four of the principals were officers and directors of the following: Oot Bros., Inc. (Building); Fremont Realty, Inc. (Apartments and Developing); Oot Bros. Contractors (Developing); Doow Lumber, Inc. (Lumber Operation); and Fremont Shopping Plaza, Inc. (Shopping Center).

Below is a list of some of the projects undertaken by the four principals:

APARTMENTS (Totaling approximately 500 units)
Olde Mill Apartments - Liverpool, New York
Edgerton Estates - Minoa, New York
Village Square Apartments - Minoa, New York

COMMERCIAL PROPERTIES

Fremont Lanes - East Syracuse, New York
Fremont Shopping Plaza - East Syracuse, New York
Medical Center East - East Syracuse, New York

HOME BUILDING SUBDIVISIONS (Totaling Approx. 5,000 units)

Canterbury Woods/Helfer Estates - Minoa, New York
Oot Park - Minoa, New York
Oot Acres - Liverpool, New York
Oot Meadows - Liverpool, New York
Moyer Heights - Liverpool, New York
Fremont Heights - East Syracuse, New York
Fremont Hills - East Syracuse, New York
Longmeadow - Manlius, New York
Meadowbrook - Manlius, New York

Additionally, Earl L. Oot and Donald R. Oot have participated in an offering known as Bacon Hill, in which each vacant lot consists of five or more acres, on the east side of Skaneateles Lake, Town of Spafford, Onondaga County.

Sponsor has not participated in any prior public offering for the sale of cooperative interests in realty, except through other corporations the individual members have been involved in Edgerton Estates, a U.D.C. project in the Village of Minoa, and Medical Center East, both of which are in the Town of Manlius, Onondaga County.

The four principals of Sponsor have all been involved in the marketing and management of the above mentioned.

The Sponsor's attorney is the firm of Oot Law Offices, 501 Powelson Building, Syracuse, New York and 5900 North Burdick Street, East Syracuse, New York. This Offering Plan was prepared by Earl L. Oot, Esq., a partner in the firm and a principal of the Sponsor. In home closings the Sponsor will be represented by Earl L. Oot and/or Thomas M. Oot.

All legal matters in connection with the establishment of the Association, the Opinions of Counsel contained herein, and the preparation of the Offering Plan have been passed on for the Sponsor by Oot Law Offices. All legal matters with respect to zoning have been passed upon by Oot Law Offices.

Oot Real Estate, owned by Earl L. Oot, a principal of Sponsor, will oversee the sales of all units. This company has been owned by the said Earl L. Oot since 1959.

The Engineering firm is C. William Dunn & Associates, located in Manlius, New York, and has served the area of the County of Onondaga for over five years.

The Architect is Al DalPos of DalPos Associates, located in Skaneateles, New York, and has likewise served the area of Onondaga County for over five years.

REPORTS TO MEMBERS

Each member of the Association will receive, at the expense of the Association:

1. An annual unaudited financial statement by an independent certified public accountant or public accountant at the end of each fiscal year. A certified copy of the financial statement may be obtained by any member at additional expense to him.
2. Written notice of any membership meeting shall be given to each member by mailing a copy of such notice, postage prepaid, at least ten (10) days prior to such meeting to all members who are entitled to vote thereat, directed to the member's address appearing on the books of the Association or supplied by such member to the Association for the purpose of notice.

DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business Law, copies of this Offering Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased an interest in the Homeowners Association offered by this Plan or shall have participated in the offering of such interests at the office of the Sponsor, Oot Bros., Inc., 5912 North Burdick Street, East Syracuse, New York 13057, and shall remain available for such inspection for a period of six years.

GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. Exact copies are contained herein of the Declaration, Certificate of Incorporation, By-Laws, Sample Contract and Sample Deed.

There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or the Association or any person or persons which might become a lien against the property or which materially affect this offering.

This Plan is offered only to persons over 21 years of age, residents of the State of New York.

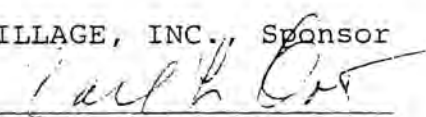
In accordance with the provisions of the laws of the State of New York, the Sponsor represents that the Sponsor, the Association and the Agent will not discriminate against any person because of race, sex, creed or ancestry in the sale of homes at Erie Village or in the offering of memberships in the Association.

All roads and sewers will be constructed in accordance with the Town of Manlius specifications. Roads will be completed and deeded together with Common Areas to the Homeowners Association, to be maintained by it. See Exhibit "K" with regard to public and private roads.

No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

Dated: Syracuse, New York
January 27, 1984

ERIE VILLAGE, INC., Sponsor

By: 
Earl L. Oot