

RY-LAWS

OF

BLACK WATCH OFFICE PARK CONDOMINIUM

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ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1.01 Unit Ownership. The land described in Schedule A of the Declaration recorded or to be recorded in the Office of the Clerk of Monroe County, New York, and the appurtenances thereof, including the buildings and other improvements constructed on said land, (hereinafter collectively called the "Property") have been or prior to conveyance of the first Unit shall be submitted by Black Watch Office Park Associates, Inc. (hereinafter called the "Sponsor") to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration and shall be known as the "Black Watch Office Park Condominium" (hereinafter called the "Condominium").

Section 1.02 Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land and all improvements thereon (including the "Units" and the "Common Elements"), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The term "Structure" as hereinafter used, shall be defined as the exterior walls and roofs of one or a number of Buildings all of which are constructed with common walls and roofs.

Section 1.03 Personal Application. All present and future Owners (hereinafter referred to as "Unit Owners"), mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II
UNIT OWNERS - VOTING RIGHTS AND MEETINGS

Section 2.01 Voting. Each Unit Owner shall receive a certificate showing his proportionate undivided interest in the Common Elements and that he shall be entitled to vote at all meetings of Unit Owners. Each Unit Owner shall be entitled to vote in accordance with the common interest of his Unit. A Unit which has been acquired by the Board of Managers in its own name or in the name of its agents, designee or nominee on behalf of all the Unit Owners shall be voted by the Board of Managers, or its designee, at all meetings of the Unit Owners, except that such votes may not be cast for the election of the members of the Board of Managers. If a Unit is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Unit shall reach agreement as to the matter voted upon and cast their vote for their Unit. A fiduciary shall be the voting member with respect to any Unit owned by in a fiduciary capacity.

Section 2.02 Right to Vote. At any meeting of the Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 2.03 Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 2.04 Annual Meetings. The Sponsor
 First Election of Board of Managers.
- will have control of the Board of Managers for two (2) years from the date of the filing of the Declaration or until the transfer of title to Units representing more than fifty (50%) percent of the interest in the Common Elements (other than to the Sponsor or its designees), whichever shall first occur. After the transfer of title to Units representing more than fifty (50%) percent of the interest in the Common Elements or the termination of said two-year period, the Sponsor shall notify all Unit Owners that the first meeting shall

be held within thirty (30) days thereafter. At such meeting all Unit Owners, including the Sponsor, shall elect a new Board, which shall serve until the next annual meeting. One (1) member shall initially serve for one (1) year; two (2) members shall initially serve for two (2) years; and two (2) members shall initially serve for three (3) years. Thereafter, as of each election, each member shall only be elected for a two (2) year term. Any member may succeed himself. In the event the Sponsor still owns Units representing more than fifty (50%) percent of interest in the Common Elements, the Sponsor shall continue to control the Board of Managers until the next annual meeting of Unit Owners. In no event shall the Sponsor control the Board of Managers for more than three (3) years from the date of closing of title to the first Unit. Annual meetings of the Unit Owners shall be held on such a date as originally fixed by the Board of Managers and on the same date of each succeeding year at 7:30 p.m. or on such other date and at such other time and at such place convenient to the Unit Owners as shall be designated by the Board of Managers. At such meetings the Board of Managers shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.04 of these By-Laws. The Unit Owners may transact such other business at such meeting as may properly come before them.

2.05 Place of Meetings. Meetings of the Unit Owners shall be held at a suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

2.06 Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by Unit Owners of Units having not less than twenty (20%) percent interest in the Common Elements of the Condominium. The notice of any such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

2.07 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least ten (10), but not more than twenty (20), days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be

held, to each Unit Owner of record, to the Building in which his Unit is located or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, and to all mortgagees of a Unit who have requested the same. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The mailing of a notice of meeting in the manner provide in this Section shall be considered service of notice.

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

2.09 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning fifty (50%) percent of the common interests in the Condominium shall constitute a quorum at all meetings of the Unit Owners. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present or represented.

2.10 Majority Vote. The vote of Unit Owners having more than one-half (1/2) the interest in the Common Elements of the Condominium of all Unit Owners present by person or by proxy at a meeting at which a quorum shall be present, shall be binding upon all Unit Owners for all purposes except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. The term "majority of Unit Owners" shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 2.01 of these By-Laws.

2.11 Inspectors of Election. The Board of Managers, in advance of any meeting of Unit Owners, may appoint two or more persons, who need not be Unit Owners, to act as inspectors of election at such meeting or any adjournment thereof. If inspectors of election are not so appointed prior to the meeting, the person presiding at such meeting may, and on the request of any Unit Owner entitled to vote thereat shall, appoint two or more inspectors of election. In case any person appointed fails to appear or act, the vacancy may be filled in advance of the meeting by the Board of Managers or at the meeting by the person presiding thereat.

The inspectors of election shall (i) determine the Unit Owners entitled to vote at the meeting; (ii) determine the existence of a quorum and the validity and effect of proxies; (iii) receive ballots or determine votes or consents; (iv) hear and determine any challenges or questions arising in connection with any Unit Owner's right to vote; (v) count and tabulate all votes, ballots or consents and determine the result thereof; and (vi) do such other acts as may be proper to conduct an election or vote with fairness to all Unit Owners.

ARTICLE III BOARD OF MANAGERS

3.01 Number and Qualifications. The affairs of the Condominium shall be governed by a Board of Managers who will serve without compensation. The Board of Managers shall consist of five (5) persons designated by the Sponsor until their successors shall have been elected by the Unit Owners at the first annual meeting of Unit Owners held pursuant to Section 2.04 of these By-Laws. To be on the Board of Managers, a person must be an Owner, mortgagee, or spouse of the Owner of a Unit or Units; in the case of partnership Owners or mortgagees, the person shall be a member or employee of such partnership or; in the case of corporate Owners or mortgagees, shall be an officer, director, shareholder, employee or agent of such corporation or; in the case of fiduciary Owner or mortgagee, shall be the fiduciary or officer, agent, or employee of such fiduciary or; in the case of the Sponsor, shall be designees of the Sponsor.

3.02 Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Determining and levying assessments ("Common Charges") to cover the cost of common expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Property. The Board of Managers may increase the assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective common interests.

b. Collecting, using and expending the assessments collected to maintain, care for and preserve the Units, buildings, and Common Elements.

c. Operation, care, upkeep and maintenance of the Common Elements.

d. Making of repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

e. Entering into and upon the Units when necessary, and preservation of the Property.

f. Obtaining and maintaining insurance for the Property, including the Units, pursuant to the provisions of Section 7.01 hereof.

g. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

h. Selling, leasing, mortgaging, repairing, maintaining, voting the votes appurtenant to (other than the election of members of the Board of Managers), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

j. Leasing of portions of the Common Elements and granting of licenses.

k. Bringing and defending actions by or against more than one Unit Owner and pertinent to the operation of the Condominium.

l. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least sixty (60%) in common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner.

If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph "l" is not repaid by the Board, a Unit Owner who pays to the creditor a portion of said sum equal to his interest in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

m. Adoption and amendment of reasonable rules and regulations covering the details of operation and use of the Property. Such rules and regulations and amendments shall be binding upon the Unit Owner when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof.

n. Collection of delinquent assessments by suit or otherwise, abatement of nuisances and the enjoinder and/or seeking of damages from the Unit Owners for violations of the rules or rules and regulations herein referred to.

o. Employing and terminating the employment of employees and independent contractors, purchasing supplies and equipment, entering into contracts and generally having the powers of manager in connection with the matters hereinabove set forth.

p. Establishing of reserves for the repair and replacement of the Common Elements.

q. Complying with any change in New York law as it may affect the Condominium.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Units representing twenty-five (25%) percent or more in common interest, but in no event later than three (3) years from the date of the recording of the Declaration, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund in an amount equal to the proportion to the then existing budget which the amount of reserves in the initial budget of estimated expenses bears to the total amount of such initial budget of estimated expenses, or (iii) hire any employee in addition to the employees, if any, referred to in the Plan of Condominium Ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit, or (v) borrow money on behalf of the Condominium, or (vi) reduce the quantity or quality of services or maintenance of the Property.

3.03 Committees Acting on Behalf of Board of Managers. Except as limited by this Section 3.03, the Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Unit Owners, at least one of whom shall be a member of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. However, no such committee shall have or be given the power to (a) determine the common charges and expenses required for the affairs of the Condominium, (b) determine the common charges payable by the Unit Owners to meet the common charges and expenses of the Condominium, or (c) adopt or amend the Rules and Regulations covering the details of the operation and use of the Property. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

3.04 Term of Office. Except as provided in Section 2.04 of these By-Laws, at the first meeting of the Unit Owners, the term of office of the members of the Board of Managers shall be two (2) years. At the expiration of the initial term of office of each respective member of the Board of Managers, a successor shall be elected to serve for a term of two (2) years, and a member may succeed himself or herself. The members of the Board of Managers shall hold office until respective successors shall have been elected by the Unit Owners. Anything contained herein notwithstanding, the terms for said members of the Board of Managers will be initially modified to comply with the provisions of Section 2.04.

3.05 Election. At least forty-five (45) days preceding each annual meeting of the Condominium, the President shall appoint a nominating committee of not less than three (3) Unit Owners at least two (2) of whom shall be Unit Owners other than the Sponsor or those affiliated with the Sponsor. Within fifteen (15) days thereafter, the nominating committee shall select a person or persons to be elected members of the Board of Managers of the Condominium at the forthcoming annual meeting. No member of the nominating committee shall be eligible for any nomination by said committee at such election. Such committee shall report to nominees by notice sent by mail to the Unit Owners not less less than thirty (30) days prior to the date of the annual meeting. Additional Unit Owners may be added to the election ballot upon receipt by the Board of Managers not less than fifteen (15) days prior to the date of the annual meeting of nominating petitions signed by not less than three (3) Unit Owners. The names of all candidates nominated by the nominating committee and the Unit Owners shall appear on the election ballot in alphabetical order.

A typed or printed ballot shall be prepared by the nominating committee and mailed to each Unit Owner at least five (5) days before the annual meeting. The candidate or candidates receiving the greatest number of votes shall be declared elected.

3.06 Removal of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed with or without cause by Unit Owners representing seventy-five (75%) percent or more interest in the Common Elements and a successor may then and there or thereafter be elected to fill the vacancy thus

created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

3.07 Resignation of Members of the Board of Managers. A member of the Board of Managers may resign at any time by giving written notice to the Board, or to the President or Secretary of the Condominium. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Board, President or Secretary as the case may be, and acceptance of the resignation shall not be necessary to make it effective.

3.08 Vacancies. Vacancies in the Board of Managers shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers for the unexpired portion of the term for which he was appointed or until a successor is elected. If the vacancy occurs with respect to any member of the initial Board of Managers as designated by the Sponsor, the Sponsor shall have the sole right to choose the successor to fill the unexpired portion of the term of such manager.

3.09 Meetings. Organizational, regular and special meetings of the Board of Managers shall be held as follows:

a. Organizational Meetings: The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter at such date, time and place, as may be practicable.

b. Regular Meetings: Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers personally, by mail, or by telegram, at least two (2) days prior to the day set for such meeting.

c. Special Meetings: Special meetings of the Board may be called by the President on two (2) days notice to each member, either personally or by mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings shall be called by the President and Secretary in a like manner and on like notice on the written request of at least three (3) Managers.

Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.10 Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws, the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, the member present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.11 Liability of the Board of Managers. The members of the Board of Managers 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 Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or

shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as the interest of the Unit Owner in the Common Elements. Every agreement made by the Board of Managers or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Managers 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 each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

3.12 Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (b), (c), (d), (e), (f), (o), and (p) of Section 3.02 of these By-Laws. The Board of Managers may delegate to the managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (g), (h), (i), (j), (k), (l), and (m) of Section 3.02 of these By-Laws.

ARTICLE IV OFFICERS

4.01 Designation. The principal officers of the Condominium shall be the President, the Secretary, and the Vice-President-Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers

may appoint such other officers as in its judgment may be necessary. The President, but no other officer, must be a member of the Board of Managers.

4.02 Election and Appointment of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers. Appointive officers shall be appointed at such time and shall hold their office for such terms as the Board of Managers shall determine from time to time.

4.03 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and a successor to such office may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

4.04 President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

4.05 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; shall record all votes and the minutes of all proceedings in a book to be kept for that purpose; shall have charge of such books and papers as the Board of Managers may direct; shall give or cause to be given, notice of all meetings of Unit Owners and all special meetings of the Board of Managers; and shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York. The Secretary shall prepare and have available at each meeting of the Unit Owners, a certified list in alphabetical order of the names of the Unit Owners and of their common interest and certify which of them are entitled to vote and shall perform all other duties incident to the office of the Secretary of the Condominium as may be required by the President or the Board of Managers.

4.06 Vice-President-Treasurer. The Vice-President-Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. The monies and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated, by the Board of Managers, and shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. The Vice-President-Treasurer shall take the place of the President and perform his duties whenever Vice-President shall be absent or unable to act. If neither the President nor the Vice-President-Treasurer is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in place of the President on an interim basis. The Vice-President-Treasurer shall also perform such other duties as shall from time to time be imposed upon such officer by the Board of Managers or by the President.

4.07 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by such officer or officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

ARTICLE V COMMON CHARGES AND ASSESSMENTS

5.01 Determination of Common Charges. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement thereto to every every Unit Owner and mortgagee. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficit from prior years. The total annual requirements shall be assessed as

a single sum against all Units and prorated against each of said Units according to the respective common interests appurtenant to such Units, except that the Board of Managers may elect a special allocation and apportionment of expenses including, but not limited to, water and other utility charges, based on the availability or use thereof by particular Unit Owners. The common charges or assessments shall be payable monthly in advance as ordered by the Board of Managers. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular common charges.

5.02 Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges and special assessments assessed by the Board of Managers at such time or times as the Board of Managers shall determine. Dissatisfaction with the quantity or quality of maintenance furnished to the Property shall not be grounds for the withholding of or failure to pay any common charge or special assessment.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance of such Unit by such Unit Owner. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey such Unit to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from common charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of common charges assessed against such Unit prior to the acquisition of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

5.03 Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time and at least annually and may take action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

5.04 Default in Payment of Common Charges. In the event of default by any Unit Owner in payment to the Board of Managers of any common charges or special assessments as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest from the dates such common charges or assessments are due at the maximum interest rate which banks may legally charge individuals on conventional home mortgages under New York State law on such common charges or assessments from the due date thereof until paid, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such common charges or assessments, together with interest thereon as provided above, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 330-aa thereof.

5.05 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

5.06 Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, may, at its option, or shall, at the request of the mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Managers. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of common charges.

5.07 Statement of Common Charges. Upon the written request of a Unit Owner, lessee or mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such mortgagee holds a mortgage, or any prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Managers or the managing agent, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate (1) whether or not the common charges due have been paid; (2) the amount of such common charges, including interest and costs, if any, due and payable; and (3) whether any other amounts or charges are owing to the Condominium, e.g. for the cost of extinguishing a violation of the Declaration of Rules and Regulations. A reasonable charge as determined by the Board of Managers, may be made for the issuance of this 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 Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

5.08 Liability for Water and Refuse Removal. All water consumed in each Unit and for the Common Elements and refuse removal charges shall be a common expense.

5.09 Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation, including but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

5.10 Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VI RECORDS AND AUDITS

6.01 Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and

the managing agent, minutes of the meetings of the Board of Managers, minutes of the meeting of the Unit Owners, and financial records and books of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against each Unit, the date when due, the amounts paid thereon, and the balance, if any, remaining unpaid. In addition, an annual report of the receipts and expenditures of the Condominium, shall be delivered to each Unit Owner at such reasonable times and places as may be determined by the Board of Managers as a common expense.

6.02 Fiscal Year. The fiscal year of the Condominium shall be the calendar year or such year as the Board of Managers shall establish.

ARTICLE VII INSURANCE AND INSURANCE TRUSTEE

7.01 Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable and to the extent determined by the Board of Managers to be appropriate or relevant, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all of the Buildings (including all of the Units and the bathroom and fixtures installed therein on the date of recordation of the Declaration, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein, and covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings, without deduction for depreciation, each of said policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth and (2) such other insurance as the Board of Managers may

determine. All such policies shall provide that the adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof if \$50,000.00 or less, shall be payable to the Board of Managers and if more than \$50,000.00, shall be payable to the Insurance Trustee.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from acts of the insured, and shall provide that such policies may not be called or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units, whose name and addresses shall have been previously made known in writing to the Board of Managers, at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the Units and all of the Common Elements therein, without deduction for depreciation, and for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year. Until the first meeting of the Unit Owners, such public liability insurance shall be in a single limit of \$1,000,000.00 covering all claims for bodily injury and \$100,000.00 covering all claims for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

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

7.02 Insurance Trustee The Insurance Trustee shall be any bank or trust company located in the State of New York, designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. If the Board of Managers is unable to obtain a bank or trust company to serve as Insurance Trustee, at a fair and reasonable fee, it shall designate an attorney or law firm duly qualified to practice law in the State of New York to serve as Insurance Trustee.

7.03 Repair or Reconstruction After Fire or Other Casualty.
In the event of damage to or destruction of the Buildings or Common Elements as a result of fire or other casualty (unless 80% or more of the Units are 80% destroyed or substantially damaged and 80% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the insurance proceeds, if any, shall be payable to the Board of Managers if they do not exceed \$50,000, and if in excess of \$50,000, then to the Insurance Trustee as the Board of Managers shall select, subject to the reasonable approval of the mortgagee's representative, if any. The Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Units, and any bathroom fixtures initially installed therein by the Sponsor, but excluding any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, appliances or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit and for a completion bond for such deficit as part of the common charges.

If there shall have been a repair or restoration pursuant to the first paragraph of this Article, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of

such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners, subject to the rights of holders of mortgages encumbering such Units in proportion to their respective common interests after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on such Unit in the order of priority of such liens.

If eighty (80%) percent or more of the Units are destroyed or substantially damaged as determined by the Board of Managers and eighty (80%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition upon the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be held in escrow by the Board of Managers or the Insurance Trustee, as the case may be, to be divided among all Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in order of the priority of such liens.

Wherever in this Article the words "promptly repair" are used, it shall mean repairs are to begin, weather permitting, not more than sixty (60) days from the date the Insurance Trustee notifies the Board of Managers and the Unit Owners that it holds proceeds of insurance sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notifies the Board of Managers and the Unit Owners that such funds are insufficient to pay said estimated costs and advises them of the amount of the required completion bond, if necessary, or in the event there is no Insurance Trustee, not more than sixty (60) days from the date of receipt of insurance funds on account of such damage or destruction, and wherever the words "promptly resolve" are used, it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and the same shall constitute a common expense of the Condominium.

7.04 Actions Which May Increase Insurance Rates Prohibited.

Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in such Unit Owner's Unit which will increase the insurance rates on such Unit or on any other Unit or on the Common Elements.

ARTICLE VIII
CONDEMNATION

8.01 Action to Contest Condemnation. The Board of Managers shall have the exclusive right to contest any condemnation or eminent domain proceeding which is directed at taking any portion of the Common Elements or which touches upon, concerns or affects the use of the Common Elements. No Unit Owner or tenant of a Unit shall impair or prejudice the action of the Board of Managers in contesting such condemnation. Such restriction or prohibition shall not preclude a Unit Owner or tenant of a Unit from contesting the taking in such condemnation or eminent domain proceeding of the Unit owned or rented by such Unit Owner or tenant or of any trade fixtures or other equipment installed or located in the Unit so owned or rented. In any action contesting a taking by condemnation or eminent domain proceeding, the Board of Managers shall request the court to set forth the allocation of the condemnation award among the Unit Owners affected, taking into account the respective percentage interests in the Common Elements, the effect of the taking on each Unit affected thereby and any other relevant factors.

8.02 Partition Action in Lieu of Continuation of Condominium After Partial Taking by Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award for such taking shall be payable to the Board of Managers if the award is less than \$50,000.00 and shall be payable to the Insurance Trustee if it is \$50,000.00 or more. If seventy-five (75%) percent in number and in common interest of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse

the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage. As used in this Section, the words "promptly approve" shall mean not more than one hundred twenty (120) days from the date of such taking.

8.03 Distribution of Condemnation Awards. Except as provided in Section 8.02 above and any award obtained by a Unit Owner for the Unit or for any trade fixtures or other equipment as further provided in Section 8.01 above, in the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$50,000.00, and if the award is \$50,000.00 or less, it shall be paid to the Board of Managers. The Board of Managers shall arrange for the repair, restoration or replacement of such Common Elements to the extent reasonably possible, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments.

If there shall be a surplus of such proceeds or if the Board of Managers cannot reasonably repair, restore or replace the Common Elements taken, the proceeds shall be distributed among the Unit Owners and the percentage interests in the Common Elements of the Condominium reallocated among the remaining Units as the court shall have directed or as the Board of Managers shall equitably determine, if there was no direction by the court, taken into account the respective percentage interests in the Common Elements of the Units affected thereby, the effect of the taking on each Unit affected thereby after the completion of any repair, restoration or replacement by the Board of Managers and any other relevant factors. Any court direction as to such distribution shall be final.

After any determination for reallocation of percentage interest in the Common Elements, the Unit Owners promptly prepare, execute and record an amendment to the Condominium Declaration reflecting such reallocation.

8.04 Condemnation Provisions Subject to Existing Law. All provisions of this Article VIII are subject to interpretation in accordance with the law in effect at the time of any condemnation or eminent domain

proceeding. Should all or any portion of the provisions of this Article VIII be deemed illegal at such time, the distribution of proceeds, rights with respect to partition and allocation of percentage interests in the Common Elements after a partial taking, shall be as a court of law shall determine.

ARTICLE IX AMENDMENT

9.01 Amendments to By-Laws. Except as hereinafter provided otherwise, these By-Laws may be modified, altered, amended or added to any duly called meeting of Unit Owners provided that:

a. A notice of the meeting proposed by the Board of Managers or the Owners of Units having not less than twenty (20%) percent of the Common Elements of the Condominium and containing a full statement of the proposed modification, alteration, amendment or addition has been sent to all Unit Owners as listed on the books and records of the Condominium and to all mortgagees of Units who have requested same; and

b. Seventy-five (75%) percent in common interest of all Unit Owners approve the change; and

c. The change is set forth as an amendment to the Declaration duly recorded in the Monroe County Clerk's Office.

9.02 Prohibited Amendments. Section 2.04, insofar as it provides that the Sponsor or its designee, so long as it is the Owner of more than fifty (50%) percent of the interest in the Common Elements, shall be entitled to elect the members of the Board of Managers; Section 3.02, insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's prior written consent so long as the Sponsor or its designee shall continue to own Units representing twenty-five (25%) percent or more interest in the Common Elements; Section 2.01 insofar as it provides that the Sponsor, or its designee, so long as it is the Owner of Units, may vote the votes appurtenant thereto; and Section 9.01, which may not be amended without the consent in writing of the Sponsor or its designee so long as the Sponsor or its designee shall be the Owner of one or more Units, or until three (3) years after the filing of the Declaration, whichever occurs first.

ARTICLE X
MAINTENANCE AND REPAIRS

10.01 Repairs to Units and Common Elements. All

maintenance, repairs, and replacement in and to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance doors), windows, electrical (except Common Elements), plumbing (except Common Elements), heating and cooling elements within or without the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, except as otherwise specifically provided herein. All maintenance, repairs and replacements to the Common Elements as defined in the Declaration and the painting and decorating of the exterior side of Unit entrance doors shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner.

10.02 Additions, Alterations or Improvements by Unit Owners.

No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, without the prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within thirty (30) days after such request is received and failure to do so within the stipulated time shall constitute a denial by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the Town of Perinton or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit which has been approved by the Board of Managers shall be executed by the Board of Managers, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner

making or causing to be made any structural additions, alterations or improvements, agrees and shall be deemed to have agreed, to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Section 10.02 shall not apply to Units owned by the Sponsor or its designee until such Units shall have been initially sold and conveyed.

10.03 Additions, Alterations or Improvements by Board of Managers.

All alterations, additions or improvements in or to any Common Elements shall be made by the Board of Managers and the cost and expense thereof shall be charged to all Unit Owners as a common expense.

10.04 Right of Access.

All Unit Owners grant a right of access to his Unit to the Board of Managers, the Managing Agent and/or any other person authorized by the Board of Managers, for the purpose of reading any utility meters which may be located within a Unit on, or for the purpose of making inspections to determine if there exists conditions threatening another Unit or a Common Element, or violations of the By-Laws or Rules and Regulations of the Condominium or any State or Municipal ordinances, or for the purpose of correcting any conditions originating in the Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided herein, any costs for repairs shall be borne in accordance with the provisions of Sections 10.01 and 10.02 of this Article X and if chargeable to a Unit Owner, it shall be a charge against his or her rent for which the Board of Managers shall have all rights under Section 5.04.

ARTICLE XI
MISCELLANEOUS

11.01 Rules and Regulations. All Unit Owners shall comply with the Rules and Regulations as the same may be amended from time to time by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board; however, so long as Sponsor is entitled to designate the Board of Managers, action of the Board may not be so overruled without the consent of the Sponsor. Copies of such Rules and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to time when the same shall become effective.

11.02 Use of Common Elements. No furniture, packages or objects of any kind (except portions of the heating Units) shall be placed on the grounds, walks, or other public areas, or any other part of the Common Elements. The grounds, walks and other public areas shall be used only for the purposes established by the Board of Managers from time to time. The provisions of this Section 11.02 shall not apply to the Sponsor or its designee until such time as all Units have been initially sold and conveyed by the Sponsor or its designee; however, Sponsor or its designee shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the other Units for residential purposes.

11.03 Notices. All notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a post-paid sealed wrapper, addressed, if to go to the Board of Managers, to the Board of Managers at the office of the Board of Managers, and if to go to a Unit Owner or Unit Mortgagee, to the address of such Unit Owner or Mortgagee at such address as appears on the books of the Condominium. All notices shall be deemed to have been given when received. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

11.04 Conflicts; Compliance With Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

11.05 No Waiver for Failure to Enforce. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

11.06 Gender. The use of the masculine gender in these By-Laws shall be deemed to include the masculine, feminine or neuter and the use of the singular shall be deemed to include the plural, whenever the context so requires.

11.07 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way defines, limits or describes the scope of these By-Laws, or the intent of any provision hereof.

11.08 Severability. Should any part of these By-Laws be deemed void or be or become unenforceable at law or in equity, the validity, enforceability or effect of the balance of these By-Laws shall not be impaired or affected in any manner.