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**RESTATED
BY-LAWS
OF
LAC DE VILLE VILLAGE HOMEOWNERS ASSOCIATION, INC.**

DATED: July 5, 2007

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**BY-LAWS
OF
LAC DE VILLE VILLAGE HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

These Restated By-Laws, made this 5th day of July, 2007, by the Homeowners representing a majority of a quorum of Homeowners present at a meeting in person, by absentee ballot, or by proxy, being referred hereinafter as "the Homeowners",

WITNESSETH

Whereas, the Homeowners wish to amend and restate the By-Laws of Lac De Ville Village Homeowners Association, Inc.; and

Whereas, pursuant to the By-Laws, Article XI, a majority of the Homeowners present in person or by proxy, at a meeting at which a quorum was obtained, have consented to this amendment; and

Now therefore, the Homeowners for themselves, their successors and assigns, amend and restate the By-Laws as hereinafter set forth.

Section 1.01. Name and Location. The name of the corporation is the Lac De Ville Village Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the corporation shall be located in the Town of Brighton, Monroe County, New York, but meetings of members and directors may be held at such other places within Monroe County, in the State of New York, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

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

Section 2.01. "Association" shall mean and refer to the Lac De Ville Village Homeowners Association, Inc.

Section 2.02. "Association Property" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by the Association.

Section 2.03. "Building" shall mean and refer to each of the 29 Buildings in the three phases of Lac De Ville Village containing, three, four or five Homes respectively.

Section 2.04. "Common Utilities" shall mean and refer to any common sanitary sewer line and common storm sewer line servicing Lac De Ville Village.

Section 2.05. "Declaration" shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens - Lac De Ville Village (The Lac De Ville Village Declaration) as it may from time to time be supplemented, extended or amended in the manner provided for herein.

Section 2.06. "Home" Each of 115 single family residences as constructed within one of the Buildings, including the garage.

Section 2.07. "Homeowner" shall mean and refer to the holder of record title, whether one or more persons or entities, of the fee interest in any Lot or Home, whether or not such holder actually resides in such Home or on such Lot.

Section 2.08. "Institutional First Mortgage Lender" shall mean and refer to a bank, savings and loan association, life insurance company, pension trust, trust company, the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac") or any lender approved by Fannie Mae or Freddie Mac which holds a first mortgage on a Home.

Section 2.09. "Lot" shall mean and refer to any portion of the Property (with the exception of Association Property as heretofore defined) under the scope of the Declaration and (i) identified as a separate parcel on the tax records of the Town of Brighton; and (ii) shown as a separate lot upon any recorded or filed subdivision map, upon which a Home has been constructed.

Section 2.10. "Owner" shall mean and refer to the holder of record title, whether one or more persons or entities, of the fee interest in any Lot or Home, whether or not such holder actually resides in such Home or on such Lot.

Section 2.11. "Property" shall mean and refer to all properties as are subject to the Declaration.

Section 2.12. "Recording Office" shall mean and refer to the official office for the recording of land documents in the County in which the "Property" is located.

ARTICLE III

HOMEOWNERS

Section 3.01. Membership in the Association. The Members of the Association shall be only the Homeowners.

Section 3.02. Voting Rights. Each Owner shall have only one (1) vote. Any Owner who is in violation of the Declaration, as determined by the Board of Directors of the

Association, shall not be entitled to vote during any period in which such violation continues. Voting rights may be assigned as permitted by the Declaration. Absentee ballots and proxy voting shall be as permitted in Section 3.06 below.

Section 3.03. Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws, and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Homeowners, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.04. Corporate Members. Any votes of a corporate Owner may be cast by an appropriate officer of such corporation.

Section 3.05. Joint or Common Ownership: If a Lot is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Lot shall have one vote for their Lot.

Section 3.06. Absentee Ballots and Proxy Voting. On any matter submitted to the Homeowners for vote, other than the election of Directors of the Association, any Owner entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Owner intends to vote and that the Owner votes for or against the same. Homeowners unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot provided by the Board of Directors or may vote by a proxy which shall be in writing and shall be filed with the Secretary of the Association.

ARTICLE IV

MEETINGS OF HOMEOWNERS

Section 4.01. Annual Meeting. There shall be an annual meeting of the Homeowners held in the Spring of each year or at such other date and time and at such place convenient to a majority of the Homeowners as shall be designated by the Board of Directors, which meeting shall be held in Monroe County, and for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

Section 4.02. Special Meetings. Special meetings of the Homeowners may be called at any time by the President or by the Board of Directors, or at the request in writing of Homeowners of the Association holding votes not less than the lesser of 39 Units or 34% of the existing Homeowners.

Section 4.03. Notice of Meetings. Not less than 10 calendar days or more than 60 calendar days before the date of any Annual or Special Meeting of Members, the Association

shall give to each Owner entitled to vote at such meeting, written or printed notice stating the time and place of the meeting, and, in the case of a special meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail or by presenting it to the Owner personally, or by leaving it at such Owner's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, addressed to the Owner as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the Owner entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person, shall be deemed equivalent to the giving of such notice to such Owner. Any meeting of Homeowners, annual or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 4.04. Quorum. Except as may otherwise be provided in these By-Laws, the presence in person or by proxy of Homeowners having one-quarter (1/4) of total eligible votes of all Homeowners shall constitute a quorum at any meeting of Homeowners. If any meeting of Homeowners cannot be held because a quorum is not present, a majority of the Homeowners who are present at such meeting, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present in person or by proxy. The quorum required in each reconvened meeting shall be one-half of the quorum required for the previous meeting. The act of two-thirds (2/3) of the Homeowners present at a meeting at which a quorum was present shall be the act of the Homeowners unless the act of a greater or lesser number is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws.

Section 4.05. Waiver and Consent. Wherever the vote of the Ownership is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of the Owner may be dispensed with if the lesser of 68% of those eligible to vote or 78 Homeowners, shall consent in writing to such action being taken.

Section 4.06. Appointment of Inspectors of Election. The Board of Directors may, in advance of any meeting of the Homeowners, appoint two or more inspectors to act at the meeting or at any adjourned meeting thereof. If inspectors are not so appointed in advance of the meeting, the person presiding at such meeting may, and on the request of any Owner entitled to vote thereat shall, appoint two or more inspectors. In case any inspector appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. No person who is a candidate for the office of Director of the Association shall act as an inspector at any meeting of the Homeowners at which Directors are elected. An inspector of elections need not be an Owner or Member of the Association.

Section 4.07. Duties of Inspectors of Election. Inspectors of Election shall determine the number of Homeowners entitled to vote, the Homeowners represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots, or consents, determine the result, and to do such acts as are proper to conduct the election or vote with fairness to all Homeowners.

Section 4.08. Order of Business at Annual Meeting. The General Agenda of the Annual Meetings of Homeowners of the Association shall be published with the Meeting Notice, and a detailed Agenda will be provided at the meeting itself.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number and Qualification of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors shall consist of seven (7) persons. All Directors shall be: (i) Homeowners; (ii) spouses or domestic partners of Homeowners, (iii) members or employees of a partnership Owner; or (iv) officers, directors, shareholders, employees or agents of a corporate Owner. Only one person per home may serve at any one time.

Section 5.02. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee cannot be a majority of the current Board Members. The Nominating Committee shall be appointed by the Board of Directors no less than three months prior to each annual meeting of the members, to serve until such annual meeting and such appointment shall be announced to all members. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 5.03. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Tie votes shall be decided by drawing of lots.

Voting shall be by secret written ballot which shall:

- (a) set forth the number of vacancies to be filled;
- (b) contain space for a write-in for each vacancy.

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

Section 5.04. Term. At each annual meeting, the Homeowners shall elect the number of directors commensurate with the number of expiring director terms, for a term of three years. The term shall begin at the beginning of the Organizational Meeting following the election and shall end at the beginning of the Organizational Meeting following the next election. Each director may serve no more than two consecutive three-year terms. A former director may stand for re-election to the Board of Directors for a term beginning one (1) year after completion of a previous term.

If a person has been appointed to serve the remainder of the term of a director who has resigned or who can no longer serve, such person may stand for re-election as follows:

(a) If the appointed director has served for 18 months or more from the time of appointment, he/she may stand for re-election for one-three year term immediately following the expiration of the appointed term.

(b) If the appointed director has served for less than 18 months from the time of appointment, he/she may stand for re-election for two consecutive three-year terms immediately following the expiration of the appointed term.

(c) If one year or more has elapsed from the date a person serving in the capacity of an appointed director last served, he/she may stand for election for up to two consecutive three year terms regardless of the number of months he/she served as an appointed director.

Section 5.05. Vacancies. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5.06. Removal of Members of Board of Directors. Subject to the limitations as provided in this Section, at any regular or special meeting of Homeowners, any one or more of the members of the Board of Directors elected by the Homeowners may be removed with cause by the affirmative vote of not less than a majority of the Homeowners or without cause by the affirmative vote not less than two-thirds (2/3) of the Homeowners and a successor may then and there or thereafter be elected by the Homeowners to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Homeowners shall be given an opportunity to be heard at the meeting. In addition, the other Directors may, by the affirmative vote of not less than two-thirds (2/3) of the other Directors, declare the position of the Director vacant in the event the person filling such position (i) shall be absent from three (3) consecutive meetings or (ii) shall be absent from 50% or more of the regularly scheduled meetings of the Board of Directors in any fiscal year, or (iii) has been judicially determined to be of unsound mind.

Section 5.07. Compensation. Directors shall not receive any compensation or salary for their services. Any Director may be reimbursed for actual expenses incurred in the performance of duties as a Director. A Director who serves the Association in any other capacity, however, may receive compensation.

Section 5.08. Organizational Meeting. After the annual election, the newly constituted Board of Directors shall meet. The purpose will be the transition of Association business to include all financial transactions, a review of all outstanding contracts and updated status reports from all Association committees. At this time the new board will also elect its officers. The President of the preceding Board will preside until the new officers are elected.

Section 5.09. Regular Meetings. Regular monthly meetings of the Board of Directors shall be held not less than nine (9) times a year at such places and at such times convenient to the Directors as may be designated from time to time by resolution of the Board of Directors and on at least seven (7) days notice to each Director.

Section 5.10. Special Meetings. Special meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors after not less than two (2) days' notice to each Director. The person or persons authorized to call such special meeting of the Board may fix any place convenient to the Directors as a place for holding such special meeting. Any Director may, in a writing, signed by such Director, before or after the time of the special meeting stated therein, waive notice of any special meeting. The attendance of a Director at any special meeting shall constitute a waiver of notice of such special meeting. Neither the business to be transacted at, nor the purpose of, any special meeting, need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Certificate of Incorporation of the Association or by these By-Laws.

Section 5.11. Quorum and Voting. Unless otherwise provided in the Declaration, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. Except in cases in which it is provided otherwise by statute, by the Certificate of Incorporation, or by these By-Laws, a vote of a majority of such quorum at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by majority vote of those Directors present, and without further notice, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted at the meeting which might have been transacted as originally called.

Section 5.12. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or of any committee thereof may be taken without a meeting, provided a written consent to such action is signed by at least 2/3 of the members of the Board of Directors or of such committee, as the case may be, and provided further that such written consent is filed with the minutes of proceedings of the Board or committee.

Section 5.13. Powers and Duties. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) Maintain, repair and replace, as necessary, all properties and facilities owned by the Association or for which the Association has maintenance, repair and/or replacement responsibilities as provided in the Declaration;

(b) Determine and levy the maintenance assessments, special assessments and other charges as provided for in the Declaration, with recommendations from the finance committee or the Board;

(c) Send written notice of each assessment to every Homeowner subject thereto at least thirty days in advance of each assessment period;

(d) Collect, use and expend the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association, and the maintenance, care and preservation of the exteriors of the Homes and other improvements to the Property;

(e) To the extent it deems the same necessary and reasonable, procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and procure and maintain adequate hazard insurance on such of the Association's real and personal properties and the Homes;

(f) Subject to the provisions of the Declaration, repair, restore or alter the properties of the Association after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

(g) Adopt and publish rules and regulations governing the use of the Property, and the personal conduct of the Homeowners and other guests thereon, and establish penalties for infractions thereof;

(h) Collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin, or seek damages from or impose penalties on Members for violations of the provisions of the Declaration or of any rules or regulations of the Association;

(i) Pay all taxes owing by the Association, and filing tax returns;

(j) At the Board's discretion declare the office of a member of the Board of Directors to be vacant in accordance with Section 5.06 above;

(k) Keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and present a statement thereof to the Homeowners at the annual meeting of Members, or at any special meeting of Members when such a statement is requested in writing by not less than one-third (1/3) of the Members entitled to vote;

(l) Issue, or cause to be issued, upon demand by any person, an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessments for any Lot;

(m) Establish reserves or other segregations or allocations of Association funds for the repair and replacement of capital items and other expenses not anticipated to be incurred annually, including any debt incurred by the Association;

(n) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Homeowners by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration;

(o) Enter into contracts;

(p) Borrow money as permitted by the Declaration;

(q) Employ a managing agent and such other persons or firms to perform such duties and services as the Board of Directors may authorize.

(r) Suspend the voting rights for a period not to exceed 60 days, of an Owner after notice and a hearing, for infractions of published rules or regulations, or during any period in which such Owner is in default in the payment of any assessment levied by the Association.

Section 5.14. Managing Agent and Manager. The Board of Directors may employ for the Association a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such services and duties as the Board of Directors shall authorize.

ARTICLE VI

OFFICERS

Section 6.01. Officers. The officers of the Association shall be the President, one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors.

Section 6.02. Election and Appointment of Officers. The elective officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors.

Section 6.03. Term and Vacancies. Each elective officer shall hold office until his or her successor shall have been duly elected, unless he or she shall sooner resign, or shall be removed or otherwise be disqualified to serve. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.04. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, 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 Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 6.05. President. The President shall be the chief executive officer, shall supervise the work of the other officers, shall preside at all meetings of Members and Directors, and shall perform such other duties and functions as may be assigned to him or her by the Board of Directors. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board of Directors or these By-Laws.

Section 6.06. Vice President. Any Vice President shall be capable of performing all of the duties of the President. He or she may sign, in the name of the Association any and all contracts or other instruments authorized by the Board of Directors, and shall perform such other duties and functions as may be assigned to him or her by the President or by the Board of Directors.

Section 6.07. 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 keep a current list of Standing Committees, their members and residence addresses.

The Secretary shall keep a separate record of all resolutions and policies adopted by the Board. Such record is to be considered a subset of, and is to be kept separate from the minutes of the Board of Directors.

Section 6.08. Treasurer. The Treasurer shall be responsible and accountable of all monies and for securities of the Association and shall keep or cause to be kept regular books and records; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. He or she shall account to the President and to the Board of Directors, whenever they may require it, with respect to all of his or her transactions as Treasurer and of the financial condition of the Association, and shall perform all other duties that are assigned to him or her by the President or by the Board of Directors.

Section 6.09. Other Officers. Such other officers as the Board of Directors may appoint shall perform such duties and have such authority as the Board of Directors may determine.

Section 6.10. Delegation of Authority and Duties; Control of Officers. In the absence of any officer of the Association, or for any other reason the Board of Directors may

deem sufficient, the Board of Directors may delegate the power or duties, or any of them, of such officers, to any other officer or to any Director or the managing agent. In addition, the Board of Directors is authorized generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

Section 6.11. Fidelity Bonds. The Board of Directors shall require that all officers, and employees of the Association or any other individuals' handling or responsible for Association funds have adequate fidelity bonds. The premiums on such bonds shall be paid by the Association and shall be a common expense.

ARTICLE VII

COMMITTEES

Section 7.01. Committee of Directors. The Board of Directors by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association provided, however, that no such committee shall have the authority of the Board of Directors to approve an amendment to the Certificate of Incorporation of the Association or to the By-Laws or a plan of merger or consolidation.

All actions by such committee shall be reported to the Board of Directors at its meeting next succeeding such actions. Such actions shall be subject to control, revision and alteration by the Board of Directors provided that no rights of any third parties shall be prejudiced by any such control, revision or alteration.

Section 7.02. Committees of Homeowners. The committees of the Association shall be the Architectural Standards Committee, the Nominating Committee, Landscaping Committee, Welcoming Committee, and such other committees as the Board of Directors shall deem desirable. Each committee shall consist of a chairman and two (2) or more Homeowners and shall include a member of the Board of Directors. The Nominating Committee shall be structured as specified by Section 5.02. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration.

Section 7.03. Rules and Records. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors as required.

ARTICLE VIII

FINANCE AND RECORDS

Section 8.01. Checks. All checks, drafts, and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President, or Treasurer and countersigned by one Director of the Association, provided that the President or Treasurer and Director so signing are not the same person.

Section 8.02. Fiscal Year. The fiscal year of the Association shall be the 12 months ending December 31 of each year, unless otherwise provided by the Board of Directors.

Section 8.03. Annual Reports. There shall be a full and correct statement of the financial affairs of the Association including a balance sheet and a financial statement of operation for the preceding fiscal year prepared by a public or certified public accountant and including a certificate signed by a public or certified public accountant to the effect that the financial statement presents fairly the financial position of the Association and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period except as specified therein. The statement of the financial affairs of the Association shall be prepared in accordance with the then current guidelines for "common interest realty associations" promulgated by the American Institute of Certified Public Accountants or any successor organization. Such audit shall be distributed to all Homeowners and to all mortgagees of Homes who have requested the same, within 90 days after the end of each fiscal year.

Section 8.04. Record Keeping. The Board of Directors or the managing agent retained by the Board of Directors shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of Members, and financial records and books of account of the Association, including chronological listing of receipts and expenditures, as well as a separate account for each Lot which, among other things, shall contain the amount of each maintenance assessment, special assessment and other charges, if any, against such Lot, the dates when installments of assessments are due, the amounts paid thereon, and the balance remaining unpaid.

Section 8.05. Capital Reserve Funds. Any funds of the Association collected or designated as reserves for the replacement of capital items shall be segregated from all other funds of the Association in one or more separate accounts. This shall not preclude the Association from segregating other portions of its funds in separate accounts for a specific purpose (e.g., reserves for noncapital items) or otherwise.

Section 8.06. Books, Records and Legal Documents. The Board of Directors shall make available for inspection upon reasonable notice and during normal business hours, to Homeowners, title insurers, mortgagees, mortgage insurers and mortgage guarantors, current

copies of the Declaration, By-Laws, Certificate of Incorporation, rules and regulations, budget, schedule of assessments, balance sheet and any other books, records and financial statements of the Association. The Board of Directors may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

ARTICLE IX

GENERAL POWERS OF THE ASSOCIATION

Section 9.01. Common Expenses. The Association, for the benefit of all the Homeowners, shall pay for out of Association funds as common expenses, the following:

(a) Utilities and Related Facilities. The cost of maintaining and/or repairing any water and sewer lines for which they are obligated to maintain.

(b) Insurance. Premiums for all insurance obtained as required or permitted by the Declaration.

(c) Wages and Fees for Services. The fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Association, and legal, accounting or other services or expenses necessary or proper in the conduct of the affairs of the Association or the enforcement or interpretation of the Declaration and these By-Laws and for the organization, operation and enforcement of the rights of the Association.

(d) Care of Association Property and Building Exteriors. The cost of lawncutting, landscaping, snow removal, maintenance, repair, replacement and rehabilitation of the property of the Association and the maintenance, repair and replacement of the exterior of the buildings containing the Homes as required by the Declaration or determined to be appropriate by the Board of Directors from time to time, as well as reimbursement to Homeowners for electricity and water to maintain the Association garden and signage areas.

(e) Certain Maintenance of Lots. The cost of the reasonable maintenance and repair of any improvement on a Lot if such maintenance or repair is necessary, in the discretion of the Board of Directors, for public safety or to protect the Association Property, and the Owner of such Lot has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity thereof delivered by the Association to such Owner; provided that the Association shall levy an assessment against such Owner for the cost of such maintenance or repair.

(f) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Association or its property. Where one or more Homeowners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging such lien, and any costs incurred by the Association by reason of such lien shall be specially assessed against such Owner or Homeowners.

(g) Additional Expenses. The cost of any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, or other expenses which the Association is required or permitted to secure or pay for pursuant to the terms of the Declaration, these By-Laws, or by law or which in the opinion of the Board of Directors shall be necessary or proper for the maintenance and operation of the Association Property.

Section 9.02. No Active Business to be Conducted for Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Homeowners or any of them.

Section 9.03. Miscellaneous Income. Except as may otherwise be provided in the By-Laws or in the Declaration, all monies received for the rental of or for the use of any Association Property or from any source other than Assessments shall be added to the Association's general fund and used to defray the items of common expense.

Section 9.04. Special Services. The Association may arrange for the providing of any special services and facilities for the benefit of such Homeowners and/or occupants of Homes as may desire to pay for the same. Fees for such special services and facilities shall be determined by the Board of Directors and may be charged directly to the Members receiving such services, or paid from the Association's general funds and levied as a Special Assessment against the Members receiving such services.

Section 9.05. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through the Board of Directors or officers of the Association, from delegating to persons, firms or corporations of its choice, including any manager or managing agent, such duties and responsibilities of the Association as the Board of Directors shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE X

CORPORATE SEAL OPTIONAL

Section 10.01. Corporate Seal Optional. If decided by the Board of Directors, the Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

ARTICLE XI

AMENDMENTS

Section 11.01. Alteration, Repeal or Amendment. These By-Laws may be modified, altered, repealed, amended or added to at any regular or special meeting of the Lot Homeowners provided that:

(a) a notice of the meeting containing a full statement of the proposed modification, alteration, repeal, amendment or addition has been sent to all Members and mortgagees as listed on the records of the Association, not less than 10 nor more than 60 days prior to the date or initial date set for the canvass of the vote thereon; and

(b) 67% or more of the eligible Homeowners present at the meeting in person or by proxy approve the change; and

(c) prior to date or initial date for the canvass of the vote thereon, the Association has not received written notification of opposition to the change from either
(i) Homeowners of the lesser of 34% of those eligible to vote or 38 Homeowners or
(ii) mortgagees of 51% or more of Lots on which there are mortgages as shown on the records of the Association.

Section 11.02. Form of Amendment Proposals. No By-Laws shall be modified, altered, amended or added to by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be modified, altered, amended or added to, new words shall be inserted in the text underlined, or italicized, and words to be deleted shall be lined through. If the proposed change is so extensive that the above procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and interlining as indicators of words added or deleted, but a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See Section ___ of By-Laws for present text."

Section 11.03. Nonmaterial Errors or Omissions. Nonmaterial errors or omissions in the By-Law amendment process shall not invalidate an otherwise properly promulgated amendment. The Board of Directors may amend these By-Laws to correct omissions or errors, which amendment shall not substantially or adversely modify rights of any Members without such Member's written consent.

Section 11.04. Effective Date of Amendment. An amendment to these By-Laws shall be effective in accordance with the terms of its adoption.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Notices. All notices hereunder shall be in writing and delivered personally or sent by first class mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed: (i) if to go to the Board of Directors, or to the Association, to any member of the Board of Directors or to the secretary of the Association (if the secretary is not a member of the Board); (ii) if to go to a Owner to such permanent address of such Owner as appears on the books of the Association; (iii) if to go to a mortgagee, to the address of such mortgagee as appears on the books of the Association; and (iv) to a devisee or personal representative of a deceased Owner to the address of such devisee or personal representative as

appears on the records of the Court wherein the estate of such deceased Homeowners is being administered.

All notices shall be deemed to have been given when mailed, except notices of change of address which 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.

Section 12.02. Conflict with Certificate of Incorporation or with Declaration. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 12.03. 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.

Section 12.04. 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.

Section 12.05. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 12.06. Severability. Should any part of these By-Laws be deemed void or become unenforceable at law, the validity, enforceability or effect of the balance of these By-Laws shall not be impaired or affected in any manner.