

EXHIBIT I
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by SUMNOL REALTY CORP., a New York Corporation with its principal office at 48 South Estate Drive, Webster, New York 14580 hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the Town of Webster, County of Monroe, State of New York, which is more particularly described as:

All that tract or parcel of land situate in the Town of Webster, County of Monroe and State of New York, being a part of Town Lot 47, Township 13, Range 4 and known as Phase IV, Summit Knolls Subdivision, as shown on a map thereof filed in the Monroe County Clerk's Office in Liber 204 of Maps, at pages 96 and 97, together with easements for installation and maintenance of drainage facilities extended northerly from Block 24, and easterly from Blocks 25 and 26, and an easement for installation and maintenance of a "Temporary Detention and Desilting Pond" all as shown on a Utility Plan for Summit Knolls Phase IV, Drawing No. 1860.04-10, made by Sear Brown Associates, P.C., dated July, 1977.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run

with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Sunnol Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, including areas therein to be improved by single dwellings, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

"Townhome Dwelling" shall mean the structure erected by Declarant on each lot to be occupied and used as a one family dwelling.

Section 4. "Common Area" shall mean all real property and improvements thereon owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows: All driveways for access to all lots to and from South Estate Drive and all other

Property outside the townhome lot lines of the subdivision map to be filed with the Monroe County Clerk.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Sunnol Realty Corp., and its successors and assigns, if such successors or assigns should acquire more than one developed Lot from the Declarant for the purpose of development.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE 2

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment, through the Association, in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the voting rights of an owner for any period during which any assessment remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(b) the right of the Association to declare or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an

instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

(c) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area, and to grant a mortgage covering the common area as security for such indebtedness provided such mortgage shall be subordinate to the rights of the owners hereunder.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of use of Common Area to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Regulation of Uses. The Association reserves the right to regulate the use of the Common Area through the establishment of rules and regulations.

ARTICLE 3

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant; provided, however, that the Declarant may become a Class A member upon termination of its Class B membership as provided herein, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the

owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) twelve (12) months after date of transfer of title to the first Lot in the subdivision.

Section 3. In any event, eighteen (18) months after date of transfer of title to the first Lot, Class A members, excluding Sponsor (Declarant), shall be entitled to elect all members of the Board of Directors of the Association.

ARTICLE 4

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each owner of any Lot by acceptance of a deed thereafter, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual maintenance assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. However, the covenant in this Section 1 shall not constitute a guarantee of any kind by the Declarant to pay the annual or

special assessments, or any other obligations of the owners other than Declarant.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, if any, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, if any, shall be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Each Deed shall contain the following covenant:

"And the party of the second part (his, her, their) distributees, grantees and assigns further covenants that the property herein conveyed shall be subject to an annual charge in such amount as shall be determined by the Sunnol Homeowners Association, Inc., (hereinafter "Homeowners Association"), its successors and assigns, which sum shall be payable monthly, in advance on the 1st day of each month, and on each monthly date such charge shall become a lien upon the land and so continue until fully paid and the party of the second part does hereby authorize and empower said Homeowners Association, its successors and assigns, for the collection of such charges and the enforcement of such liens. Such charge shall be payable to the Homeowners Association, its successors and assigns and shall be devoted exclusively to promote the health, safety, and welfare of the owners and for the improvement and maintenance of the Common Area."

Section 2. Purpose of Assessments. General assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the residents in the properties and for the improvement and maintenance of the Common Area, specifically for taxes and insurance, maintenance and repair of the driveways including snow and refuse removal; maintenance and repair of walkways and courtyards; maintenance of the landscape of the owners lots and the exterior of the Townhome dwellings.

Section 3. Maximum Annual Assessment Per Lot Per Year. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessments shall be One Thousand Dollars (\$1,000.00) per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year in conformance with the rise, if any, of the Consumer Price Index for the Northeast (published by the Department of Labor, Washington, D.C.) for the preceding month of July without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction; reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto or restoration of Townhouse Unit(s) destroyed by fire or other casualty, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 or 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty-six and two-thirds percent (66 2/3%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual maintenance and special assessments must be fixed at a uniform rate for all Lots.

Section 7. Date of Commencement of Annual Assessments:

Due Date. The annual assessments provided for herein shall commence as to all Lots upon which title is transferred or upon all occupied houses on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment for each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and, unless otherwise provided, the Association shall collect each month from the owner of each Lot one-twelfth (1/12th) of the annual assessment for such Lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of nonpayment of Assessments:

Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum prevailing rate per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action

shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Sunnol Homeowners Association, Inc., or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on a real property, and such owner hereby expressly grants to the Association a power of sale in connection with said lien. The Lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot owners. The Association, acting on behalf of the Lot owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting owner's portion of the premium. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to

uch sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority, and the Common Area, shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Management Agreements. Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled by an affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the votes of each class of the Members of the Association who are voting in person or by proxy at a meeting at which a quorum, as defined in Article 4, Section 5, is present. In no event shall such management agreement be cancelled prior to the effecting, by the Association or its Board of Directors, of a new management agreement with a party or parties, which new management agreement will become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association, or its Board of Directors, to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be made with a responsible party or parties having experience adequate for the management of a project of this type.

ARTICLE 5

INSURANCE

Section 1. Townhome Insurance. The Association shall be required to obtain and maintain adequate insurance of all the Townhomes which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire or other hazards. Such insurance shall be sufficient to cover the full replacement value, or for necessary repair or reconstruction work. Such insurance shall be written in the manner designated by the Association for the benefit of the Association, the lot owners and unit mortgagees as their interest may appear.

The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support of separately owned townhomes which shall share common party walls, connected exterior roofs, and other parts of overall structure. Insurance obtained by the Board of Directors shall be written in the name of the Association as Trustee for the benefit of each townhome owner. Members of the Association shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liabilities of the carriers issuing insurance procured by the Association shall not be affected or diminished by reason of any such additional insurance carried by a member of the Association. Each lot owner shall provide in any mortgage obtained on any lot that any insurance proceeds shall be used pursuant to the authority of Section 254 of the New York State Real Property Law to repair or replace the townhome unit.

Section 2. Payment of Premiums. Premiums for insurance obtained by the Board of Directors, as provided hereinabove, shall be a part of the common assessment or expense after the first year of operation. During the first year of operation the premium shall be billed directly to the Townhouse unit owner.

Section 3. Repair or Replacement of Damaged or Destroyed Property. The Association shall be required to reconstruct or repair any townhome unit destroyed by fire or other casualty to any townhome dwelling unit, covered by insurance written in the name of the Association as trustee. Proceeds paid under such insurance shall be paid to the Board of Directors of the Association to the extent they do not exceed One Hundred Thousand Dollars (\$100,000). Proceeds exceeding that amount shall be paid to the Insurance Trustee. Bankers Trust Company of Western New York shall act as Trustee unless and until it shall be replaced by a bank or trust company located in the State of New York designated by the Board of Directors. All fees and disbursements of the Insurance Trustee shall be paid by the Association and shall constitute a common expense. The Board of Directors shall initiate the repair or rebuilding of the damaged or destroyed portions of the structure, and/or exterior of the unit, in a good and workmanlike manner in conformance with the original plan and specifications. The Board of Directors may advertise for sealed bids from any licensed contractors, and may then negotiate with said contractors. The contractor or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding. In the event the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or

destroyed portions in good and workmanlike manner, the Board of Directors shall levy a special assessment against the owners in whatever amount sufficient to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the Association and/or the mortgagee in such portions as shall be independently determined by those parties.

Section 4. Insurance Assessments. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all improvements constructed in the Common Area against loss or damage by any hazard in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard, and shall also obtain a broad form public liability policy covering the Common Area, and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be included in annual assessments payable monthly and subject to the rules thereof.

ARTICLE 6

MAINTENANCE OF TOWNHOMES

Section 1. Lot and Structure Exterior Maintenance. Each owner shall keep his own lot maintained in a reasonable manner, to include the cleaning and replacement of screens and windows and keeping the courtyard and driveway neat, and shall permit the Association to maintain the grounds, lawns, trees and shrubbery. The Association shall provide exterior maintenance upon all townhome dwelling units including, but not

necessarily limited to the following: exterior repair in the case of roofs, gutters, downspouts, exterior building surfaces, patio fences, trees, shrubs, grass, walks and other exterior improvements.

Section 2. Interior Maintenance. All fixtures and equipment installed commencing at a point where utility pipes, wires, conduits or systems enter the exterior walls, shall be maintained and kept in repair by the owner thereof. An owner shall not do any act or any work that will unnecessarily impair the structural soundness or integrity of another townhome dwelling structure, or impair any easement or do any act or allow any condition to exist which will adversely affect the other connected dwelling structure, or the owner thereof.

ARTICLE 7

PARTY WALLS AND ROOF REPAIRS

Section 1. General Rules of Law to Apply. Each vertical wall built as part of the original construction of a townhome dwelling structure which serves to divide each respective dwelling unit from the other attached unit between and through either side of which runs the dividing line between the lots, shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance of Party Walls.

(a) The cost of reasonable repair and maintenance of the portion of a party wall which physically comprises the common wall between two adjacent structural improvements shall be shared equally between the lot

owners who make use of such portion of the party wall; except, that the cost of repairing or maintaining so much of such common wall as is limited solely to the interior of a structural improvement shall be borne by the owner of such structural improvement wherein such interior repairs or maintenance is required.

(b) Where a party wall extends above the roof line, or beyond the exterior front or rear wall of an adjacent structure, the owner of the structure which so extends above the roof line or beyond the front or rear exterior walls of any adjacent structure, shall be deemed to have an easement for the support, use, maintenance, and repair of the entire party wall, including the roof and exterior finishing materials which face the exposed portion of said party wall and said lot owner shall be obligated to maintain the exterior of such extended portions of the party wall in the same manner as the exterior of the balance of said lot owner's structural improvements. If a party wall, or any extension thereof as above described, is destroyed or damaged by fire or other casualty, and to the extent such damage is not repaired out of proceeds of insurance, the lot owners making use of such party wall mutually agree and covenant to repair or rebuild the said wall, including all exteriors thereof, and the expense of such repair or restoration shall be borne between the said lot owners in accordance with the foregoing provisions of the preceding sub-paragraphs, and said wall shall be erected on the same spot where it now stands and shall be of the same size and of the same similar materials and of like quality. Nothing contained in this sub-paragraph, however, shall limit the right of any such lot owner to

.11 for a larger contribution from the adjacent lot owner under any rule of law regarding liability for negligent or willful acts or omissions.

(c) Notwithstanding any other provision of this Section, an owner, who by his negligent or willful act, causes that portion of the party wall physically used as a common wall between the adjacent structures to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(d) The right of any lot owner to contribution from any other lot owner under this Section shall be appurtenant to the land and shall pass to such lot owner's successors in title.

Section 3. Roofs. The cost of reasonable repair and maintenance of all roofs shall be shared equally by the owners of the premises. The cost of repairing the roof shall be included in the special assessment and be assessed under the terms and conditions of this Declaration. Nothing therein shall restrict the owners of each lot from making claim against any owner for any negligence which might cause damage to any roof.

ARTICLE 8

ARCHITECTURAL CONTROL

Section 1. No building, except the townhome dwelling constructed by Declarant, shall be constructed, erected or maintained upon the properties, nor shall any exterior color alteration, addition to, alteration of any kind be made to the townhome dwellings. Each owner may repair and replace the fence located on his Lot with a fence of the same design in the same location. No changes shall be made in material of the exterior of any dwelling structure or any of the materials of the roof,

windows, garage door, trim or paving walks or drive, until the plans and specifications showing the color, nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external color, design and location in relation to the surrounding structures and topography by the Board of Directors of the Association or by an architectural committee appointed by the Board. No clotheslines, awnings, plantings of trees or bushes, installations of screens and/or storm doors other than replacements of originals, no installation of exterior exposed airconditioning units shall be permitted except upon written approval by the Board of Directors.

In the event the Board or its designated committee fails to approve or disapprove each design or request by a lot owner within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

In the event that the need for maintenance or repairs is caused through the willful or negligent act of an owner, or the family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the maintenance assessment to which such lot is subject, as said fact is determined by the Board of Directors.

The Association shall have the right to enter upon the lot of each owner to perform such maintenance and repairs and to have its agents and employees enter upon the lot to perform such maintenance and repairs as are covered under this section of the Declaration.

Section 2. Construction of Buildings and Use Restrictions. The property is hereby restricted to residential dwellings for residential

e. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any portion of said property at any time as a residence either temporarily or permanently. The construction of more than (104) Townhome Dwellings is prohibited.

Section 3. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

Section 4. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain during the period of construction and sale of said Townhome Dwellings, upon such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of said Townhome Dwellings, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 5. No livestock of any kind be raised, bred or kept on any of said Lots, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose.

Section 6. No advertising signs (except one of not more than five square feet "for rent" or "for sale" sign per lot), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on said Property, nor shall the Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner

of any house or any resident thereof. No business activities of any kind whatsoever shall be conducted in any building or in any portion of said Property, provided, however, the foregoing covenants shall not apply to the business activities signs and billboards, or the construction and maintenance of buildings, if any, of Declarant, its agents and assigns during the construction and sale period, and of Sunnol Homeowners Association, Inc., a non-profit corporation, incorporated or to be incorporated under the laws of the State of New York, its successors, and assigns, in furtherance of its powers and purposes as hereinafter set forth.

Section 1. There are hereby created the following easements:

A) A pedestrian easement for the use and benefit of all members of the Association for pedestrian ingress and egress to and from all lots.

B) An easement for exclusive use of the driveways, and walkway and courtyard areas appurtenant to each townhome.

C) An easement for the benefit of the Monroe County Water Authority and the Association for the maintenance and repair of storm sewer lines to be located across the properties as shown on the Map. By virtue of these easements, it shall be expressly permissible for the Declarant, Association, municipal authority and/or providing utility company to erect and maintain all necessary equipment on the properties, and to affix and maintain all necessary equipment on the properties, and to affix and maintain electrical, gas, telephone, sewer, water, and drainage wires, circuits, conduits, and pipes through the foundations and walls of all the Townhome Dwellings located on the properties and/or under the

surface of the Common Area. An easement is further granted to all police, fire-protection, ambulance, and all similar persons, organizations, or entities to enter upon the Common Area, in the performance of their duties. Notwithstanding anything to the contrary contained in this Declaration, no utility wires, circuits, conduits, or pipes may be installed or relocated on the properties, except as initially laid out and approved by the Declarant or subsequently by the Association's Board of Directors. A specific easement dated _____ has been granted by the Declarant to Rochester Gas & Electric Corporation for the above stated purposes. The easement has been recorded in the Office of the County Clerk of Monroe County in Liber _____ of Deeds, at page _____. The easements provided for in this Article shall in no way affect any other recorded easement on the properties. Notwithstanding the above easements, the Declarant acknowledges that no municipal authority has any obligation to install service to the Townhome properties.

Section 2. Utility Easement Crossings . Easements for underground utility service may be crossed by driveways, walkways, and other easements. Such easements for the underground service shall be kept clear of all other improvements, including buildings, or other pavings other than crossing walkways or driveways, and neither the Declarant, the Association, nor any utility company using the easements shall be liable for any damage done by any of them or their assigns, agents, employees or servants to shrubbery, trees, flowers, or other improvements of any owner, located on the properties covered by said easements.

Section 3. Townhome Easements. Each Townhome Lot shall be subject to an easement for encroachments created by construction, settling, and overhangs of all structures and buildings designed or constructed by the Declarant. An easement for said encroachments, and for the maintenance of same, shall, and does, exist so long as said structure or buildings stand. In the event a Townhome Dwelling Structure is damaged or destroyed and then repaired or rebuilt, the Owners of the Townhome sharing a party wall with the damaged or destroyed Townhome, together with all adjacent Owners, agree that minor encroachments due to repair or reconstruction shall be permitted.

ARTICLE 10

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do thereafter.

Section 2. Severability. Invalidating of any one of these covenants or restrictions by judgment of court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they

shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be in form acceptable for recording in the office of the clerk of the County of Monroe.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members. Additional land upon which Sponsor has an exclusive option to purchase (Sections V and VI of the Summit Knolls Subdivision) may be annexed by the Sponsor-Declarant without the consent of the members prior to _____, 198 .

Section 5. Gender and Grammer. The singular wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make the provisions hereof apply either in corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this _____ day of _____, 1980.

SUMNOL REALTY CORP.
Declarant

By: _____

EXHIBIT 2

CERTIFICATE OF INCORPORATION

OF

SUMNOL HOMEOWNERS ASSOCIATION, INC.

Under Section 402 of the
Not-for-Profit Corporation Law

The undersigned, for the purpose of forming a corporation pursuant to the Not-for-Profit Corporation Law of the State of New York does hereby certify:

1. The name of the Corporation is SUMNOL HOMEOWNERS ASSOCIATION, INC.

2. The corporation has not been formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the Corporation is distributable to, or inures to the benefit of, its members, directors or officers except to the extent permitted under the Not-for-Profit Law.

3. The purposes for which this Corporation is formed are to:

(a) provide maintenance, preservation and architectural control of the residence lots and common area within that certain tract of property located at 48 South Estate Drive, in the Town of Webster, County of Monroe, State of New York and being the premises described in a certain Declaration of Covenants, Conditions and Restrictions; (hereinafter called the "Declaration")

(b) promote the health, safety and welfare of the residents within the above property and any additions thereto as may hereafter be brought within the jurisdiction of the Corporation;

(c) levy, collect and enforce payment by any lawful means, all charges or assessments, pursuant to the terms of the Declaration;

(d) pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation;

(e) acquire by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(f) borrow money and with the consent of two-thirds (2/3) of the members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(g) dedicate, sell, or transfer all or any part of the common area to any public agency, authority or utility, for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members agreeing to such dedication, sale or transfer;

(h) participate in mergers and consolidations with other not-for-profit corporations, organized for the same purposes or annex additional residential property and common area, provided that any such merger or consolidation shall have the consent of the two-thirds (2/3) of their members;

(i) have and exercise any and all powers, rights and privileges, which a corporation organized under the Not-for-Profit Law of the State of New York, by law, may now or hereafter have or exercise.

4. The Corporation is a Corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. The Corporation is a Type "A" Corporation as defined by Section 201 of the Not-for-Profit Corporation Law.

5. The office of the Corporation is to be located in the Town of Webster, County of Monroe, State of New York.

6. The territory in which the Corporation's activities are to be principally conducted is the Town of Webster, County of Monroe, State of New York.

7. The post office address to which the Secretary of State shall mail a copy of any notice required by law is 25 East Main Street, Rochester, New York 14614.

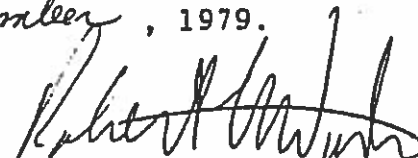
8. The Corporation may be dissolved with the consent given in writing and signed by not less than two-thirds (2/3) of each class of members, which may exist at the time of such dissolution. Upon dissolution of the Corporation, other than incident to merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency, to be used for purposes similar to those which the Corporation was created, or for the general welfare of the residents of the town in which the property is located. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to similar purposes.

9. Amendment to this Certificate of Incorporation shall require the consent of two-thirds (2/3) of the entire membership.

10. No approvals or consents as required by the Not-for-Profit Corporation Law need to be endorsed upon this Certificate of Incorporation prior to its delivery to the Department of State.

11. The incorporator of this Corporation is a natural person at least eighteen (18) years of age.

IN WITNESS WHEREOF, I have made, subscribed and acknowledged this Certificate this 1ST day of November, 1979.



Robert M. Vigdor
485 Eastbrook Lane
Rochester, New York 14610

STATE OF NEW YORK)
) SS:
COUNTY OF MONROE)

On this *1st* day of *November*, 1979, before me, the subscriber, personally appeared ROBERT M. VIGDOR, to me known and known to me to be the same person described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Hettler S. Coors

Notary Public

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**BY-LAWS
OF
SUMNOL HOMEOWNERS ASSOCIATION, INC.**

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ARTICLE I
NAME AND LOCATION

Section 1.01 Name and Location. The name of the corporation is SUMNOL HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located in the Town of Webster, County of Monroe and State of New York.

ARTICLE II
DEFINITIONS

As used in these By-Laws, the following terms shall have the definitions ascribed to them below:

Section 2.01 Association. Sumnol Homeowners Association, Inc., a New York not-for-profit corporation.

Section 2.02 Declaration. The document entitled "Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions" as it may from time to time be supplemented or amended.

Section 2.03 Lot. Any portion of the Properties identified as a separate parcel on the tax records of the Town of Webster or shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as defined in the Declaration.

Section 2.04 Member. Every person or entity who is a record owner of a fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract vendors. No person, however, shall be a member of the Association solely on account of ownership of an interest in a Lot solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot subject to assessment by the Association.

Section 2.05 Properties. All property within Summit Knolls, Subdivision, Phase IV, and subject to the lien of the Declaration.

Section 2.06 Home. A single family dwelling on the Properties.

ARTICLE III
MEMBERS

Section 3.01 Membership in the Association. The Members of the Association shall be the Owners of Lots within the Properties, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. The Association shall have one class of Membership. Class A members shall be all Owners of Lots who shall have full voting rights.

ARTICLE IV
MEETINGS OF MEMBERS; VOTING

Section 4.01 Annual Meeting. There shall be an Annual Meeting of the Members in March of each year, or at such other date, and at a time and place convenient to the Members as shall be designated by the Board of Directors, which meeting shall be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the date fixed for the annual Meeting shall be a legal holiday, the meeting shall be held on the first day following, which is not a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 4.02 Special Meetings. Special Meetings of the Members may be called at any time by the President or the Board of Directors, and shall be called by the Secretary of the Association at the request in writing of Members of the Association holding not less than the twenty percent (20%) of the votes entitled to be cast at the meeting.

Section 4.03 Notice of Meetings. Not less than ten (10) days or more than fifty (50) days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member 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 calling the meeting and the purpose for which the meeting is called. Such notice shall be delivered either by mail, facsimile or electronic mail or by presenting it to the Member personally, or by leaving it at such Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the Member at his or her post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person without objection to lack of notice prior to the conclusion of the meeting, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, 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 Voting Rights. The Class A membership shall have full voting rights, and each Member shall have one vote, regardless of the number of Lots owned.

Section 4.05 Quorum and Vote. The presence in person or by proxy of Members having a majority of the total votes of the Membership entitled to vote shall constitute a quorum at any meeting. However, if a meeting cannot be held because a quorum is not present, the majority of the Members present, 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 later, until a quorum shall be present in person or by proxy, with the quorum required for each reconvened meeting being one-half (1/2) of the quorum required for the previous meeting, but never less than one-tenth of the total votes of the Membership entitled to vote. Directors shall be elected by the affirmative vote of Members entitled to vote and casting a plurality of the vote cast at a meeting of Members. With respect to all acts other than the election of Directors, the act of Members

casting a majority of the votes cast at a meeting shall be the act of the Members 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 4.06 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 Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of elections, registration of Members for voting purposes and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 4.07 Corporate Members. Any votes of a corporate member may be cast by an appropriate officer of such corporation.

Section 4.08 Joint or Common Ownership. Any one (1) joint or common fee owner of a Lot shall be entitled to cast the vote with respect to the Lot so owned, but all such joint or common owners shall together cast only one (1) vote for each Lot conferring voting rights. If the owners are unable to determine how the vote shall be cast, no vote shall be cast.

Section 4.09 Absentee Ballots. On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member 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 Member intends to vote and that the Member votes for or against the same. Members unable to attend a meeting at which Directors of the Association are to be elected, may vote by a proxy which shall be in writing and shall be filed with the Secretary of the Association prior to the meeting.

Section 4.10 Waiver and Consent. Wherever the vote of the membership 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 membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing or by email to such action being taken.

ARTICLE V **BOARD OF DIRECTORS**

Section 5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5).

Section 5.02 Nominations. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. Nominations also may be made from the floor at the Annual Meeting of the Association. The members of the Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each

Annual Meeting of the Members and shall serve only to make the nominations for Directors to be elected at that meeting.

The Nominating Committee shall make as many nominations for election of the Board of Directors as it shall determine, in its sole discretion, but not less than the number of vacancies that are to be filled and such nomination may be made from Members of the Association.

Section 5.03 Election. The Members shall elect five (5) Directors with staggered terms. At each Annual Meeting, the Members shall replace those Directors whose terms have expired and elect such successor Directors for a term of three (3) years. Voting shall be by secret written ballot which shall:

- a. Set forth the number of vacancies to be filled;
- b. Set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- c. 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 Vacancies. Any vacancy occurring in the Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors (although less than a quorum) or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose vacancy such person was elected to fill. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the entire Board of Directors and any Director so elected shall hold office until the next meeting of Members or until a successor is elected and qualifies.

Section 5.05 Removal. At any meeting of Members, duly called at which a quorum is present, the Members may, by the affirmative vote of not less than two-thirds (2/3) of the Members entitled to vote, remove any Director from office with or without cause and may by plurality vote elect the successor to fill any resulting vacancy for the unexpired term or terms of the removed Director. 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 shall be absent from three (3) consecutive meetings.

Section 5.06 Compensation. Directors shall not receive any compensation or salary for their services. Any Director may be reimbursed for his actual expenses incurred in the performance of his duties. A Director who serves the Association in any capacity other than as a Director or officer, however, may receive compensation therefor.

Section 5.07 Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice 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. Should such meeting date

fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday. A Board member who is not physically present at a meeting may participate by means of a conference telephone call or electronic video screen communication.

Section 5.08 Special Meetings. Special Meetings of the Board of Directors may be called at any time at the request of the President or any three (3) 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 writing signed by such Director before or after the time of the Special Meeting stated therein, or by email transmission, waive notice of any Special Meeting. The attendance of a Director at any Special Meeting without objection to lack or deficiency of notice prior to the conclusion of such 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 5.09 Quorum and Voting. At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, except as otherwise required by law, by the Certificate of Incorporation of the Association or by these By-Laws. Except in such cases, a vote of a majority of Directors present at a duly constituted meeting shall be sufficient to pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by majority vote 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 which might have been transacted as originally called.

Section 5.10 Informal Action by Directors. Any action required or permitted to be taken by a meeting of the Board of Directors or of any committee thereof may be taken without a meeting, provided a written or electronic consent to such action is signed by all members of the Board of Directors or of such committee, as the case may be. Such written consent or electronic consent shall be filed with the minutes of proceedings of the Board or committee.

Section 5.11 Powers of the Board. The Board of Directors may exercise all the powers of the Association, except such as are conferred upon or reserved to the Members by statute or by the Certificate of Incorporation or these By-Laws. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to, the following:

- a. To determine, levy and collect the assessments and common charges as provided for in the Declaration.
- b. To collect, use and expend the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association, as permitted by the Declaration.
- c. To procure and maintain adequate liability insurance covering the Homes, the Association, its Directors, Officers, agents and employees and to procure and

maintain adequate hazard insurance on such of the Association's real and personal properties and the Homes as it deems appropriate.

d. To repair, restore or alter the properties of the Association or such other improvements for which the Association may now or hereafter have such responsibility under the Declaration, as amended, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

e. To promulgate rules and regulations relating to the use, operation and maintenance of the Properties for the safety and convenience of the users thereof or to enhance the preservation and use of facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members and to establish and enforce fines and penalties for infractions thereof. Fines may be in the amount of \$100 per violation, but with each day of a continuing violation after written notice to the Owner being a separate violation. Such fines may be collected as if they were Maintenance Assessments owed by the Member against whom the fine was levied. The amount of fines may be amended from time to time by the Board.

f. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the provisions of the Declaration or of any rules or regulations of the Association.

g. To pay all expenses incurred by the Association and all taxes owing by the Association.

h. To declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors.

i. To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and such other records as it deems appropriate.

j. To issue, or cause to be issued, upon request by any person, an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Lot.

k. To grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration.

l. To dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall, however, require the consent of two-thirds (2/3) of the total votes of all Members at any meeting duly called and held or who shall vote upon written ballot which shall be sent to every Member not less than 30 days nor more than 60 days in advance of the canvass thereof. In addition, no such

conveyance shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent by certified mail, return receipt requested, to all lending institution first mortgagees on the records of the Association not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance. If a lending institution does not respond, it shall be presumed that they approve of the conveyance.

m. To enter into agreements, reciprocal or otherwise, with other homeowners and residents associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than 10 days nor more than 60 days in advance of the vote on the proposed agreement.

n. Borrowing money on behalf of the Association when required in connection with the operation and maintenance of the Association Property or the Homes provided, however, that (i) the consent of 2/3 of all voting Members, obtained at a meeting duly called and held for such purpose, shall be required for the borrowing of any sum and (ii) no lien to secure repayment of any sum borrowed may be created on any Lot without the consent of the Lot Owner.

o. Employment of a managing agent to perform such duties as the Board may authorize.

p. To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration.

Section 5.12 Duties of the Board. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and to regularly present a written report thereon in compliance with New York statutes to the Members at the annual Meeting of the Members, or at any Special Meeting to present a written report only when same is requested in writing by at least one-fourth (1/4) of the Members who are entitled to vote.

b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

c. As more fully provided in the Declaration now or as hereafter amended or supplemented, to:

(1) Fix the amount of Special Assessments and Maintenance Assessments and other assessments to be assessed and levied against each Lot at the time or times and in the manner provided in the Declaration.

(2) Send written notice of each assessment to every owner of a Lot subject thereto at the time and in the manner provided in the Declaration.

(3) Take reasonable action consistent with the Declaration to collect assessments due the Association and not timely paid, and to bring an action at law against the Member personally obligated to pay the same.

d. Issue, or cause an appropriate officer to issue, upon demand by any person, a Certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these Certificates. If a Certificate states an assessment has been paid, such Certificate shall be conclusive evidence of such payment.

e. Procure and maintain adequate liability and hazard insurance for the Association Property, and for the Homes.

f. Cause the Association Property, and on the default of the Lot Owner, the exteriors of the Homes to be maintained.

g. Cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate.

h. Prepare annual financial statements of the Association which are to be mailed or e-mailed to each Member by June 15th of each year.

Section 5.13 Performance of Duties: Conflict of Interests. The Directors and Officers of the Association may freely make contracts, enter transactions or otherwise act for and in behalf of the Association relating to or incidental to its operations, notwithstanding the fact that they may also be acting as individuals or as Directors of the Association and as agents for other persons or business concerns or may be interested therein as stockholders of said corporations or business concerns or otherwise, provided, however, that all such dealings shall at all times be at arm's length for and in the best interests of the Association and otherwise lawful. The Directors and Officers shall comply with the Association's conflict of interest policy adopted pursuant to the NYS Not- For- Profit Corporation Law.

ARTICLE VI **OFFICERS**

Section 6.01 Officers. The officers of the Association shall be the President, one (1) or more Vice Presidents (as determined by the Board of Directors), the Secretary and the Treasurer and shall be appointed by the Board of Directors. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority to perform the duties

prescribed from time to time by the Board of Directors. Two (2) or more offices may not be held by the same person.

Section 6.02 Election. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

Section 6.03 Term and Vacancies. The officers of the Association shall be elected annually by the Board of Directors and each shall hold offices 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 Resignation and Removal. Any officer may be removed by the Board of Directors, with or without cause, whenever, in the judgment of the Board, the best interests of the Association will be served thereby. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

Section 6.07 Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall record the votes and keep the minutes of all meetings, shall have charge of the seal and corporate records of the Association, and shall perform such other duties as are assigned to him or her by the President or the Board. Any Assistant Secretary shall be capable of performing all of the duties of the Secretary.

Section 6.08 Treasurer. The Treasurer shall have the duty to oversee the management and proper safekeeping of all moneys and securities of the Association and shall keep or cause to be kept regular books and records. He or she shall perform all other duties that are assigned by the President, the Board or these By-Laws.

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

Section 6.10 Compensation. No executive officers of the Association shall receive any stated salary for their services, provided that nothing herein contained shall preclude any

executive officer from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE VII COMMITTEES

Section 7.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one (1) 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 these By-Laws or a plan of merger or consolidation.

Section 7.02 Committees of the Association. The committees of the Association may be the Architectural Standards Committee, the Nominating 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 members and shall include a member of the Board of Directors, except that the Architectural Standards Committee shall consist of only Board members. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration. All decisions of the committees of the Association shall be subject to the final approval of the Board.

Section 7.03 Rules. 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.

ARTICLE VIII FINANCE

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 (1) 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 twelve (12) calendar months, ending December 31st 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. Such report shall be submitted at the Annual Meeting of the Members and filed within 20 days thereafter at the principal office of the Association.

ARTICLE IX
BOOKS AND RECORDS

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

ARTICLE X
CORPORATE SEAL

Section 10.01 Corporate Seal. 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 altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of a majority of Members entitled to vote present in person or by proxy.

Section 11.02 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.

ARTICLE XII
INDEMNIFICATION

Section 12.01 Indemnification. To the extent permitted by law, the Association shall indemnify and hold harmless any person made a party to any proceeding by reason of the fact that such person is or was a Director or officer of the Association against any loss or expense incurred by said person by reason of such proceeding, including the settlement thereof, except in relation to matters which such person is adjudicated to be liable for gross misconduct in the performance of that person's duties.

SUMNOL HOMEOWNERS ASSOCIATION, INC.

The undersigned, as Secretary of the Sumnol Homeowners Association, Inc., hereby certifies that at a meeting of Owners on November 14, 2017, duly called and held, at which a quorum was present, in person or by proxy, the above By-Laws were approved by a majority of the Members in attendance. Signature pages are on file in the Association office.

Name: JACK MORRALL Title: Secretary

Signature: 