

ERIE STATION HOMEOWNERS ASSOCIATION, INC.
ASSOCIATION BY-LAWS AND RULES

BY-LAWS
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ERIE STATION HOMEOWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

		<u>PAGE</u>
ARTICLE I	NAME AND LOCATION	1
ARTICLE II	DEFINITIONS	1
ARTICLE III	MEETING OF MEMBERS	2
ARTICLE IV	BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE	3
ARTICLE V	NOMINATION AND ELECTION OF DIRECTORS	4
ARTICLE VI	MEETINGS OF DIRECTORS	4
ARTICLE VII	POWERS AND DUTIES OF THE BOARD OF DIRECTORS	4
ARTICLE VIII	OFFICERS AND THEIR DUTIES	6
ARTICLE IX	FISCAL MANAGEMENT	8
ARTICLE X	INDEMNIFICATION	9
ARTICLE XI	COMMITTEES	9
ARTICLE XII	TENANTS	9
ARTICLE XIII	BOOKS AND RECORDS	9
ARTICLE XIV	ASSESSMENTS	10
ARTICLE XV	CORPORATE SEAL	10
ARTICLE XVI	AMENDMENTS	10
ARTICLE XVII	CONSTRUCTION AND INTERPRETATION	10

BY-LAWS OF
ERIE STATION HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. Name and Location. The name of the corporation is **ERIE STATION HOMEOWNERS ASSOCIATION, INC.** The principal office of the corporation shall be located at 301 Exchange Boulevard, Suite 200, Rochester, NY 14608, but meetings of Members and directors may be held at such places within the State of New York as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the **ERIE STATION HOMEOWNERS ASSOCIATION, INC.**, its successors and assigns.

Section 2. "Owner" shall mean and refer to the owner, whether now or hereafter owned, whether one or more persons or entities, of a fee simple title to any lot which is a part of the "Property" (as hereinafter defined), including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, unless or until such secured parties have acquired title pursuant to a foreclosure, or any proceedings in lieu of foreclosure.

Section 3. "Member" shall mean and refer to those persons entitled to Membership as provided in the Declaration. Membership shall be appurtenant to and may not be separated from lot ownership.

Section 4. "Common Area" shall mean all real property owned by the Association for common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon the filed subdivision map of the Property, with the exception of the Common Areas, which is or will be, improved by dwelling structures.

Section 6. "Unit" shall mean and refer to the structure built on any Lot.

Section 7. "Maps" shall mean and refer to any and all subdivision maps of the Property recorded or filed, from time to time, in the Monroe County Clerk's Office.

Section 8. "Declarant" shall mean and refer to Erie Station Properties, LLC, its successors and assigns.

Section 9. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Monroe County Clerk's Office.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the Members shall be held no later than three (3) months after the conveyance of the first Lot under the approved Offering Plan, and each subsequent regular annual meeting of the Members shall be held during the same month as the first annual meeting, at a date and time to be fixed by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Waiver of Notice. Notice of Meeting need not be given to any Member who submits a signed waiver of notice thereof whether before, during or after a meeting, nor to any Member who attends the meeting without protesting the lack of notice prior to the conclusion thereof.

Section 5. Quorum. The presence at the meeting of Members entitled to cast or of proxies entitled to cast one-half (1/2) of the total number of votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If the required quorum is not present at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum of such subsequent meeting shall be two-thirds (2/3) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Voting. Each Member of the Association shall be entitled to one vote for each Unit owned by such Member. In the event a Unit is owned jointly by one or more persons, they shall jointly be considered a Member and shall share in and be entitled to one vote.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of that Member's Lot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors, who need not be Members of the Association.

Section 2. Initial Board of Directors. Until the first annual meeting, the names and addresses of the directors shall be as follows:

Christopher A. DiMarzo
301 Exchange Boulevard, Suite 200
Rochester, NY 14608

Paul C. Foti
301 Exchange Boulevard, Suite 200
Rochester, NY 14608

Donald J. Riley
301 Exchange Boulevard, Suite 200
Rochester, NY 14608

Section 3. Term of Office. Members shall initially elect three (3) Directors at the first annual meeting. The Members shall elect one director for a term of one (1) year, one director for a term of two (2) years and one director for a term of three (3) years, and at each annual meeting thereafter, the Members shall elect one director for a term of three (3) years.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. 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. Compensation. No director shall receive compensation for any service he may render to the Association. The Board may, however, by resolution, contract for and compensate any director rendering unusual, exceptional or professional services to the Association in an amount appropriate to the value of such services. Any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting. Such nominations may be made from among Members.

Section 2. 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.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall be held bi-monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all of the Members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall exercise all the powers and duties permitted the governing body of the Association, including those existing under the Not-for-Profit Corporation Law of New York State. Such powers and duties shall be exercised in accordance with the provisions of the Declaration, and shall include but shall not be limited to the following powers and duties:

A. To make and collect assessments, including special assessments, against Members to defray the costs of the Association.

B. To use the proceeds of assessments in the exercise of its powers and duties.

C. To provide for maintenance, repair, replacement and operation of all Common Areas for the enjoyment of the Unit Owners.

D. To assure the reconstruction of improvements after casualty and the further improvement of the Property.

E. To make and amend regulations respecting the use of the Common Areas, Lots and Units.

F. To enforce by legal means the provisions of the Declaration, By-Laws and Regulations for the use of the Property.

G. To procure and maintain adequate liability and hazard insurance on the Property. The Board shall, on an annual basis, review the amount of insurance coverage in order to assure that the Association and the owners are fully protected.

H. To employ personnel for reasonable compensation to perform, or to retain and/or contract for, the services required for proper administration of the purposes of the Association.

I. To contract for management of the Association and to delegate to such contractor the powers and duties of the Board of Directors except such as are specifically required by the Association's Certificate of Incorporation or By-Laws to have approval of the Board of Directors.

J. To suspend the right to the use of the Common Areas except for ingress and egress over the Member's lot, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended over a notice and hearing for a period not to exceed sixty (60) days for an infraction of published rules and regulations.

K. 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 regular meetings of the Board of Directors.

L. To establish a capital reserve fund for repair and replacement of those deteriorating assets for which the Association is responsible.

M. To approve the annual budget as prepared by the Treasurer.

Section 2. Duties. It shall be the duty of the Board of Directors to:

A. Cause to be kept a complete record of all of its acts and Association affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement 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, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after their due date, or to bring an action at law against the Owner 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. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

F. To assure the maintenance and repair of Common Areas;

G. To cause a financial statement for the Association to be prepared and certified by the Association's independent public accountant following the end of the fiscal year.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Association shall be a president and vice president, who shall, at all times, be Members of the Board of Directors; a secretary; a treasurer; and such other officers as the Board may, from time to time by resolution, create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members of the Association. Election shall be by a majority vote.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless that officer shall sooner resign or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified thereon, and unless otherwise specified thereon, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers shall be as follows, or as may later be established by written resolution of the Board of Directors:

A. **President:** The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; shall sign, when appropriate, all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes.

B. **Vice President:** The vice president shall act in the place of the president in the event of the president's absence, inability or refusal to act; and shall exercise and discharge such other duties as may be required of such officer by the Board.

C. **Secretary:** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; and keep appropriate current records showing the Members of the Association, together with their addresses.

D. **Treasurer:** The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and disburse such funds as directed by resolution of the Board; co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; 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.

E. The compensation, if any, of all officers and employees of the Association shall be fixed by the Board of Directors. However, a Member of the Board shall not be entitled to compensation for his services as such, but he may be reimbursed for any out-of-pocket expenses incurred on behalf of the Association. This provision shall not preclude the Board of Directors from employing a Director as an officer or employee of the Association.

ARTICLE IX

FISCAL MANAGEMENT

The provisions for fiscal management of the Association as set forth in the Declaration shall be supplemented by the provisions which follow:

1. Assessment Roll. The assessment roll shall be maintained in a set of books of account in which there shall be an account for each Lot. Such an account shall designate the name and address of the Owner or Owners, the amount of each assessment against the owners, the dates and amounts in which the assessments came due, the amounts paid upon the account and the balance due upon assessments.

2. Budget. The Board of Directors shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Association in the manner provided for in the Declaration.

3. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall only be by checks signed by such persons as are authorized by the Board.

4. Audit. An audit of the accounts of the Association including a summary of receipts and expenditures, shall be made annually at the end of each fiscal year by a certified public accountant selected by the Board, and a copy of the report, including the summary of receipts and expenditures for the year, shall be furnished to each Member.

5. Fidelity Insurance. Fidelity insurance shall be required by the Board of Directors for all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such insurance shall be determined by the Board of Directors, but shall be at least in an amount equal to the amount of the total annual assessments against Members. The premium on such insurance shall be a common expense.

ARTICLE X

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.

ARTICLE XI

COMMITTEES

The Board of Directors may appoint an Architectural Committee, as provided in the Declaration. In addition, the Board may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XII

TENANTS

Any lease of a Unit shall be subject to and shall require full compliance by the tenant with the Declaration, these By-Laws, and the rules and regulations of the Association. Should a tenant be in violation thereof at any time, the Association may send the Owner of the Unit which said tenant occupies written notice of such violation by certified or registered mail, return receipt requested, at the Owner's address as set forth in the books and records of the Association. If the violation is not cured or eviction proceedings commenced against the tenant by the Owner at the Owner's expense within ten (10) days after the Owner has received notice of such violation, the Association may pursue any remedies which it may have.

ARTICLE XIII

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, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. 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 such date at a rate of one and one-half per cent (1½ %) per month 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 the interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. In addition, the Association has the right to levy a late charge on delinquent accounts five (5) days after the assessment is due.

ARTICLE XV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: ERIE STATION HOMEOWNERS ASSOCIATION, INC., CORPORATE SEAL.

ARTICLE XVI

AMENDMENTS

The Board shall have the power to adopt, amend or repeal the By-Laws of the Association by two-thirds vote entire Board at any meeting of the Board.

ARTICLE XVII

CONSTRUCTION AND INTERPRETATION

Section 1. The Association shall have the right to construe and interpret the provisions of these By-Laws and in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefited or bound by the provisions hereof.

Section 2. Any conflict in construction or interpretation between the Association and any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association. The Association may adopt and promulgate reasonable Rules and Regulations regarding the administration, interpretation and enforcement of the provisions of the Declaration and these By-Laws. In so adopting and promulgating such Rules and Regulations, and in making any finding, determination, ruling, or order, or in carrying out any directive contained herein relating to the issuance of permits, authorizations,

approvals, rules or regulations, the Association shall take into consideration the best interests of the owners and residents of the Property to the end that the Property shall be preserved and maintained as a high quality community.

Section 3. In the case of any conflict between the Certificate of Incorporation of the Association 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.

April, 2010

ERIE STATION HOMEOWNERS ASSOCIATION, INC.