

EXHIBIT A
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

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EXHIBIT A
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this _____ day of _____, 198__ by Villagewood Manor Associates, a New York partnership, having an office at 115 Willowick Drive, Fairport, New York 14450, hereinafter referred to as "Declarant".

WHEREAS, Declarant has heretofore acquired the fee simple interest in the land described in Schedule "A" annexed hereto and made a part hereof, said land in its entirety being hereinafter referred to as the "Properties";

WHEREAS, Declarant has subdivided the Properties and desires to subject the same to those certain covenants, easements, restrictions, charges and liens (hereinafter referred to collectively as "Restrictions") as hereinafter set forth;

WHEREAS, VILLAGEWOOD MANOR HOMEOWNERS ASSOCIATION, INC., is a New York Not-for-Profit Corporation formed for the purposes described in its Certificate and herein;

NOW, THEREFORE, Declarant hereby declares that all of the Properties, together with any and all improvements thereon and appurtenances thereunto, shall be held, sold and conveyed subject to the following covenants, easements, restrictions and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, burden and bind the Properties for and during the period of time specified hereafter and all parties having any right, title or interest in the Properties or any part thereof, their heirs, executors, adminis-

trators, successors, and assigns forever, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1.01. "Association" shall mean and refer to the Villagewood Manor Homeowners Association, Inc.

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

1.03. "Properties" shall mean and refer to all real property subject to this Declaration.

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

1.05. "Lot" shall mean and refer to each plot of land shown upon the recorded subdivision or resubdivision map of the Properties approved for development with a Townhome.

1.06. "Declarant" shall mean and refer to Villagewood Manor Associates, a New York partnership, its successors and assigns.

1.07. "Townhome" shall mean and refer to the duplex home constructed upon each Lot, subject to this Declaration.

1.08. "Unit" shall mean and refer to half of a duplex home and comprising a dwelling unit.

1.09. "Restrictions" and "Declaration" shall mean and refer to the provisions of this Declaration and any amendments thereto and the Bylaws of the Association recorded concurrently with this Declaration and any amendments thereto.

ARTICLE II

THE PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the Town of Perinton, County of Monroe, State of New York, and is more particularly described in Schedule A attached hereto and incorporated by reference herein, all of which property shall be hereinafter referred to as the "Properties".

ARTICLE III

VILLAGWOOD MANOR HOMEOWNER ASSOCIATION, INC.

3.01. Formation of Villagewood Manor Homeowner Association, Inc. Declarant has formed Villagewood Manor Homeowner Association, Inc. pursuant to the Not-for-Profit Corporation Law of New York, to own, operate and maintain the Common Area, enforce the covenants, conditions and restrictions set forth in this Declaration and to have such other rights, obligations, duties and functions as are set forth in the Certificate of Incorporation, this Declaration and the Association's Bylaws, as the same may be amended from time to time. Subject to the limitations provided in the Certificate of Incorporation, this

Declaration and the Association's Bylaws, the Association shall have all the powers and be subject to the limitations of the Not-for-Profit Corporation Law of New York, as amended.

3.02. Membership. The Association shall have as members only Owners. All Owners shall, upon becoming such, be deemed automatically to have become members and there shall be no other qualification for membership. Membership shall be appurtenant to, and shall not be separated from the ownership of any of the interests described in the definition of the word "Owner", found in Article I of this Declaration.

3.03. Voting Rights. Each Owner, including Declarant, shall be entitled to one (1) vote for each Lot owned. Meetings of the membership and voting regulations shall be set forth in the Association's Bylaws.

3.04. Board of Directors. The nomination and election of Directors shall be governed by the Association's Bylaws. The powers and duties of the Directors shall be set forth in the Association's Bylaws.

3.05. Officers. The nomination and election of officers shall be governed by the Association's Bylaws.

3.06. Declarant's Written Consent Necessary for Certain Actions Taken by Board of Directors. Notwithstanding anything to the contrary contained in this Declaration, so long as the Declarant or its designee shall continue to own 10% or more of the Lots, the Board of Directors may not, without the Declar-

ant's written consent, (i) make any addition, alteration, or improvement to the Common Area, (ii) assess any amount for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the amount of reserves in the initial budget of estimated expenses bears to the total amount of the relevant initial budget of estimated expenses or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Lot, or (v) reduce the quantity or quality of services or maintenance of the Common Area. This Section shall not be amended without the written consent of Declarant.

ARTICLE IV

PROPERTY RIGHTS

4.01. Common Area. Declarant shall convey to the Association, subsequent to the recordation of this Declaration, and subject to the provisions of this Declaration, certain parcels of land within the Properties for the common use and enjoyment of the Owners, their tenants, licensees, guests and invitees, which parcels of land shall be referred to as "Common Area".

4.02. Owner's Easement of Enjoyment. Every Owner, his tenant, licensee, guest and invitee shall have a right and easement of enjoyment through, in and to the Common Area which

shall be appurtenant to and shall pass with title to every Lot, subject nevertheless to the right of the Association:

A. To adopt and publish rules and regulations governing the use of the Common Area, and facilities, and the personal conduct of the members, their tenants, licensees, guests and invitees and to establish penalties for infractions thereof;

B. To suspend the voting rights of an Owner for any period during which any assessment remains unpaid; and for a period not to exceed 30 days for any infraction of its published rules and regulations; however there shall be no right of the Association to suspend the right of an Owner to ingress or egress to his Lot;

C. To grant easements or rights of way to any public agency, authority or utility corporation for such purposes and subject to such conditions as may be approved by the Board of Directors, with or without consideration;

D. To charge reasonable admission and other fees for the use of the Common Area.

4.03. Declarant's Rights. With respect to the Common Area, Declarant shall have the right until the marketing and sale of all Townhomes is completed:

A. To grant and reserve easements and rights of way for the installation and maintenance of utility lines, wires, pipes and conduits; and

B. To operate a sales center in the administration office located on the Common Area at 115 Willowick Drive and

to have prospective purchasers and others visit such sales center and use other portions of the Common Area, including, but not necessarily limited to, the roads and parking spaces, without charge.

This section 4.03 shall not be amended without the written consent of Declarant.

4.04. Maintenance of the Common Area. In order to preserve and enhance the property values and amenities of the Properties, the Association shall at all times maintain the facilities in good repair and condition and shall operate such facilities in accordance with high standards.

ARTICLE V

ANNUAL AND SPECIAL ASSESSMENTS

5.01. 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 therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or common charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The covenant in this Section shall not constitute a guarantee, or promise of any kind by Declarant to pay any assessment, or any other obligation of any Owners, other than Declarant. The annual and special assessments, together with interest, costs, and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the Lot

against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

5.02. Purpose of Assessments. Assessments levied by the Association shall be used exclusively to operate, maintain, repair, improve, construct, reconstruct and preserve, on a non-profit basis, the Common Area owned by the Association, exclusively for the benefit of its members, their guests, tenants, licensees and invitees; to maintain, replace and preserve, on a non-profit basis the landscaped areas of the Lots, for the purpose of preserving the appearance and configuration of said Lots; and for snow and refuse removal and insurance. In the event that the need for maintenance or repair is caused through the willful act of an Owner, his family, or tenants, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot Owner is subject.

5.03. Date of Commencement and Notice of Assessments. The Assessments provided for herein shall commence on the day on which the first Lot is conveyed. The first Assessments shall be adjusted according to the number of months remaining in the fiscal year and such Assessments shall thereafter be on a full

year basis. The Board of Directors of the Association shall fix the amount of the Assessment against each Lot at least thirty (30) days in advance of each annual assessment period. The Assessments shall be due and payable monthly unless the Board of Directors establishes other periods for payment. Separate due dates may be established by the Board for partial annual Assessments as long as said Assessments are established at least thirty (30) days before due. Written notice of the annual Assessments shall be sent to every Owner subject thereto.

5.04. 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, and the Lots, or any of them, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members, present in person or by proxy, at a meeting duly called for this purpose.

5.05. Notice and Quorum for Any Action Authorized Under Section 5.04. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.04 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The presence of Members, in person or by proxy, entitled to cast two-thirds (2/3) of all the votes of the membership shall

constitute a quorum.

5.06. Uniform Equal Rate of Assessment. Both annual and special assessments must be fixed at a uniform equal rate for all Lots and may be collected on a monthly basis.

5.07. Effect of Nonpayment of Assessments and 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 legal 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 such Owner's Lot, 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 Association, 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 liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of 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 Owners. The Association, acting on behalf of the

Owners shall have the power to bid for the interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. 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, or by renunciation of membership in the Association. An Owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, deed in lieu of foreclosure.

5.08. Subordination of the Association Lien to First Mortgages. The lien of the Association's assessments provided for herein shall be subordinate only to the lien of a first mortgage, or any mortgage taken or acquired by the Federal Housing Administration, the Veterans Administration or the Federal Home Loan Mortgage Corporation or Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of any mortgage, given as above provided, shall extinguish the lien of such assessments as to payments which became due prior to the foreclosure sale and transfer. No foreclosure sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

5.09. Exempt Property. All properties dedicated to, and accepted by, a local public municipality, utility or authority, and the Common Area, shall be exempt from the assessments created herein.

5.10. Reserves and Surplus. The Association's Board may establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary to be desirable for the greater financial security of the Association and the effectuation of its purposes. The Association shall not be obligated to spend in any fiscal year all the sums collected in such year, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply any such surplus to the reduction of the amount of the annual assessment in the succeeding year, but may carry forward the same from year to year.

5.11. Contractual Authority. The Association shall be entitled to contract with any corporation, firm or other entity for the performance of the various duties imposed on the Association hereunder and the performance by any such entity shall be deemed the performance of the Association hereunder.

ARTICLE VI

INSURANCE

6.01. Insurance to be Carried. The Board of Directors of the Association shall obtain and maintain, to the extent reasonably obtainable and to the extent determined by the Board of Directors to be appropriate or relevant: (1) fire and casualty insurance, (2) liability insurance, (3) directors' and officers' liability insurance, and (4) fidelity bond.

The Board of Directors may also obtain such other

insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

To the extent reasonably obtainable and to the extent determined by the Board of Directors to be appropriate or relevant coverages shall be as follows:

A. Fire and Casualty. Coverage shall be for the full replacement value of the Townhomes and other improvements, excluding the land, foundations, the personal property of Owners and occupants, and any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, built-ins and wall-coverings) made by present or future Owners or occupants. The policy shall contain the standard mortgagee clause in favor of the mortgagee of a Townhome and shall provide that any loss shall be payable to the mortgagee as its interest may appear. The adjustment of loss shall be made by the Owner or his first mortgagee. A certificate evidencing proof of insurance coverage shall be provided the Owner and on request his first mortgagee. Duplicate originals of the existing policy shall be provided on request. The policy shall provide that it may not be cancelled or substantially modified without at least ten days prior written notice to all of the insureds, including all mortgagees reported to the insurance carrier or its agent.

B. Liability. The liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Owners, but not the liability of Owners

arising from occurrences within such Owner's Unit or on such Owner's Lot.

Until the first meeting of the Board of Directors elected by the Owners, this public liability insurance shall be in a combined single limit of \$1,000,000. covering all claims for bodily injury and property damage.

C. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a director or officer of the Association. This coverage provides for funds to be available to defend suits against officers and directors of the Association and to pay any claims which may result. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Directors. The policy shall not provide for "participation" by the Association or by the officers or directors of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the directors' and officers' liability coverage shall be in the amount of \$250,000.00.

D. Fidelity Bond. The fidelity bond shall cover all directors, officers and employees of the Association and of the Association's managing agent, if any, who handle Association funds. The bond shall be in an amount not less than 50% of the Association's annual budget but in no event less than the amount of funds, including reserves, owned by or under the control of the Association.

The insurance to be carried by the Association as above provided shall be paid by the Association as a common charge.

The Board of Directors may, at its option, elect to have any insurance which it obtains, paid for directly by the Owners rather than from assessments paid to the Association. However, should any Owner fail to pay such Owner's portion of such insurance premium, the Board of Directors may elect to pay such amount on behalf of such Owner in which event such amount so advanced shall be a charge and continuing lien upon the Lot of such Owner and shall also be the personal obligation of such Owner. Such amount shall bear interest and shall be collectible in the same manner as a delinquent assessment as set forth in Section 5.07 of this Declaration.

6.02. Insurance Carried by Owners. Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation with respect to the Association and the Members, their tenants, guests and invitees and further provided that the liability of the carriers issuing insurance procured by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by the Owner.

ARTICLE VII

ARCHITECTURAL CONTROLS

7.01. Control by Association. After transfer of title by the Declarant to any Lot, the control over any change

in use or any additions, modifications or alterations to any exterior improvement on said Lot or other portion of the Properties shall be the responsibility of the Association, acting through the Architectural Standards Committee as provided in Section 7.02 below.

7.02. Composition and Function of Architectural Standards Committee. The Architectural Standards Committee (the "Architectural Committee") shall be a permanent committee of the Association and shall approve all proposed additions, modifications or alterations to any improvements or any proposed change in the use of a Lot or any other portion of the Properties after transfer of title to such Lot or other portion of the Properties. The Architectural Committee may also assist and advise the Board of Directors of the Association in enforcing the Declaration and in advertising and publishing rules, regulations and guidelines, and may from time to time perform such other duties or functions as may be assigned to it by the Board of Directors. The Architectural Committee shall be composed of three or more persons (as determined by the Board of Directors of the Association) for terms of two years, but shall be subject to removal, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors.

7.03. Submission of Plans to Architectural Committee. After transfer of title to any Lot or other portion of the Properties by the Declarant no exterior addition, modification

or alteration, including exterior color selections shall be made on or to such Lot or other portion of the Properties or the improvements located thereon, unless and until a plan or plans therefore, in such form and detail as the Architectural Committee requires, have been submitted to, and reviewed and approved by the Architectural Committee. The Architectural Committee may charge and collect a reasonable fee for the examination of plans submitted for approval.

7.04. Basis for Disapproval of Plans by Architectural Committee. The Architectural Committee may disapprove any plans submitted pursuant to Section 7.03 above for any of the following reasons:

- a. failure of such plans to comply with any protective covenants, conditions and restrictions contained in the Declaration and which benefit or encumber the Lot or other portion of the Properties;
- b. failure to include information in such plans as requested;
- c. objection to the site plan, exterior design, appearance or materials of any proposed improvements, including without limitation, colors or color scheme, finish, proportion, style of architecture, proposed parking;
- d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses in the vicinity;
- e. failure of proposed improvements to comply with any zoning, building, health, or other governmental laws, codes, ordinances, rules and regulations;
- f. any other matter which in the judgment and sole discretion of the Architectural Committee would render the proposed improvements, use or uses inharmonious or incompatible with the general plan of improvement of the Properties or portion thereof or with improvements or uses in the vicinity.

7.05. Approval of Architectural Committee. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 7.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record (together with such qualifications or conditions, if any), and, if requested by the applicant, shall provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any Lot or portion of the Properties and such approval may not be revoked or rescinded thereafter provided (i) that the improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Lot or portion of the Properties, and (ii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Properties shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or portion of the Properties.

7.06. Written Notification of Disapproval. In a case where the Architectural Committee disapproves any plans submitted hereunder, the Architectural Committee shall so notify the applicant in writing together with a statement of the grounds upon which such action was based as set forth in Section 7.04. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

7.07. Failure of Committee to Act. If any applicant has not received notice of the Architectural Committee approving or disapproving any plans within 35 days after submission thereof, said applicant may notify the Committee in writing of that fact. Such notice shall be sent by certified mail, return receipt requested. The plans shall be deemed approved by the Committee not later than the later of:

- a. 15 days after the date of receipt of such second notice, if such second notice is given;
- b. 70 days after the date the plans were originally submitted.

7.08. Committee's Right to Promulgate Rules and Regulations. The Architectural Committee may from time to time promulgate rules and regulations governing the form and content of plans to be submitted for approval or with respect to the approval or disapproval of certain types of alterations, additions or modifications to improvements, or uses; provided, however, that no such rule or regulation shall be deemed to

bind the Architectural Committee to approve or disapprove any plans submitted for approval, or to waive the exercise of the Committee's discretion as to such plans, and provided further that no such rule or regulation shall be inconsistent with the provisions of the Declaration or any applicable governmental law, code, ordinance, rule or regulation.

7.09. Delegation of Functions. The Architectural Committee may authorize its staff, subcommittees, or individual members of the Architectural Committee to perform any or all of the functions of the Committee as long as the number and identity of such staff or members, the functions and scope of authority have been established by a resolution of the entire Architectural Committee. The approval or disapproval of plans by the staff member, individual member or subcommittee will be subject, however, to the reasonable review of the Architectural Committee, in accordance with procedures to be established by the Committee.

7.10. Liability of Architectural Committee. No action taken by the Architectural Committee or any member, subcommittee, employee or agent hereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulations, codes or ordinances, or with respect to the physical or other condition of any Lot or other portion of the Properties. Neither the Association nor the Architectural Committee, nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval or to any Owner,

member or any other person, in connection with any submission of plans, or the approval or disapproval thereof, including without limitation, mistakes in judgment, negligence or nonfeasance. Every person or other entity submitting plans to the Architectural Committee agrees, by submission of such plans, that no action or suit will be brought against the Association or the Architectural Committee (or any member, subcommittee, employee or agent thereof) in connection with such submission.

7.11. Architectural Committee Certificate. Upon written request of any Owner, lessee or occupant (or any prospective Owner, lessee, mortgagee, or title insurer) of a Lot or other portion of the Properties, title to which has been previously transferred from the Declarant, the Architectural Committee shall, within a reasonable period of time, issue and furnish to the person or entity making the request a certificate in writing ("Architectural Committee Certificate") signed by a member of the Architectural Committee stating, as of the date of such Certificate, whether or not the Lot or other portion of the Properties, or any improvements thereon, violates any of the provisions of the Declaration pertaining to exterior appearance, design or maintenance and describing such violations, if any. A reasonable charge, as determined by the Architectural Committee, may be imposed for issuance of such Architectural Committee Certificate. Any such Architectural Committee Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Asso-

ciation and the party to whom such Certificate was issued.

ARTICLE VIII

GENERAL COVENANTS; USE RESTRICTIONS

8.01. Each Lot, improved with a Townhome, shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

8.02. No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Properties (which includes the Lots) except that Owners may extend and supplement landscape plantings, (a) in the immediate area of their entry, (b) in planting beds along entry paths, and (c) within unsodded areas within their Lot lines, provided, (1) all such supplemental plantings be forever maintained by the Owner, (2) such supplemental landscape plantings are compatible with any landscape plan adopted by the Association. The Association's Board of Directors or their designated Committee may adopt such rules and regulations to govern and enforce the provisions of this Section, which rules and regulations may include the right of the Association to maintain any supplemental landscape plantings upon the failure of the Owner to so do, or eliminate the plantings and resod the same and to impose against such Owner an assessment for the expense incurred. It is expressly acknowledged and agreed by all parties

concerned that this Section is for the mutual benefit of all Owners of Lots.

8.03. No modification of any kind to the exterior of the Townhomes, either to the structure or the appearance thereof, including, but not limited to, the walls, roof, windows and doors, the color of exterior walls, roof, windows, doors and trim, awnings, mechanical devices, flags, storage structures or bunting shall be made without first obtaining the approval of the Association's Architectural Committee.

8.04. Each Owner shall maintain, clean and keep free from unsightly objects, the entry, portico, patio or deck and yard of his Townhome.

8.05. There shall be no sports activities, in the Common Area, except as designated by the Association's Board of Directors.

8.06. The garage, if any, of any Townhome shall be used only for parking motor vehicles and for general storage and shall not be used for human habitation.

8.07. No animals, livestock, horses, goats, pigs, cattle, sheep or poultry of any kind shall be raised, bred or kept on any of said Lots, except that subject to such rules and regulations as may be adopted from time to time, dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose.

8.08. No advertising signs (except one of not more than five square feet "for rent" or "for sale" sign per parcel),

billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the Properties, nor shall the Properties be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Townhome or any resident thereof. No business activities of any kind whatever shall be conducted in any building or in any portion of said Properties; 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 sale period, and of the Association in furtherance of its powers and purposes as herein set forth.

8.09. No Lots shall be subdivided into smaller lots or parcels, but lots may be resubdivided into lots of equal or increased frontage or size, and the restrictions herein contained shall apply to lots in any such resubdivision as if such resubdivision had been the original subdivision. Declarant reserves the right, if still in title to the lots to be resubdivided, to reduce the size of any lot and add the same to an adjoining lot provided the reduced lot shall either conform to the zoning requirement size or a variance has been obtained permitting such reduced size.

8.10. No commercial trade or business shall be conducted on the premises herein, nor anything be done thereon which may be or become a nuisance to the neighborhood. Nor shall any house trailer, camping trailer, or mobile home be

parked or stored on the Properties.

8.11. Easements are hereby expressly reserved to the Association in, on, and over the "easement area", as hereinafter defined, for the following purposes:

(a) For snow removal purposes, including, without restriction, the right to plow, push or pile snow, taken from the R.O.W. of the private drives of the Subdivision, on to the easement area.

(b) For slope control purposes, including the right to grade and plant slopes and to prevent the doing of any activity which might interfere with slope ratios approved by the Association's Board of Directors, or which might create erosion or sliding problems, or change, obstruct or retard drainage flow.

The Association, by its managing agent or authorized representative shall have the right to enter upon all parts of the easement area for any of the purposes for which said easements and rights-of-way are reserved.

The term "easement area", as used herein, shall mean and refer (i) to those areas shown on the recorded subdivision plat relating thereto; or (ii) if no easements are shown on any such plat, to a strip of land on both sides of the private drives of the Subdivision ten feet (10') in width.

8.12. The party wall separating the structures constructed upon Lots 52 and 53 shall be repaired and maintained by

the Owners thereof. The rights of support, quiet enjoyment, entry to repair or restore and contribution for the cost of same shall be governed by the law of the State of New York and shall bind the heirs, successors and assigns of each Owner.

8.13. The Board of Directors may, from time to time, adopt additional rules and regulations governing the use of the Common Area and the conduct of all residents and guests on the Properties. No action shall be taken by the Association or its Board which in any manner would discriminate against any Owner or Owners in favor of the other Owners. Rules and regulations proposed for the Association's swimming pool are annexed as Schedule B.

ARTICLE IX

ZONING AND SPECIFIC RESTRICTIONS

9.01. These Restrictions shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions of record. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, restrictions of record, or these Restrictions shall be taken to govern and control.

ARTICLE X

GENERAL PROVISIONS

10.01. 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 so thereafter.

10.02. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions which shall remain in full force and effect.

10.03. 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 seventy-five percent (75%) of the Owners, and thereafter by an instrument signed by not less than sixty-six percent (66%) of the Owners. An amendment shall become effective only when recorded in the Monroe County Clerk's Office.

10.04. Annexation of Additional Property. Annexation of additional property shall require the assent of three-fourths (3/4) of the Owners, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance

of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of the Owners shall constitute a quorum.

10.05. Gender and Grammar. The singular whenever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make the provisions hereof apply either to 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 the day and year first above written.

Villagewood Manor Associates

by _____
Declarant

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

On this _____ day of _____, 19____, before me personally came _____, who, being by me duly sworn, did depose and say that he resides in the County of _____, State of New York and that he is a partner of the partnership which executed the foregoing instrument.

Notary

VILLAGWOOD MANOR

(Declaration, Schedule A)

All that tract or parcel of land being part of Lot 34, Township 12, Range 4, Town of Perinton, County of Monroe, State of New York and more particularly described as follows:

Beginning at a point in the centerline of Ayrault Road (66 feet wide) said point being distant Westerly 252.05 feet from the intersection of the centerlines of Ayrault Road and Hogan Road; thence

1. Westerly, along the centerline of Ayrault Road a distance of 448.13 feet; thence
2. Southerly, forming an interior angle of $90^{\circ}14'00''$ with the last described course a distance of 183.00 feet; thence
3. Westerly, forming an interior angle of $269^{\circ}46'00''$ with the last described course a distance of 208.79 feet; thence
4. Southerly, forming an interior angle of $89^{\circ}46'22''$ with the last described course a distance of 1314.83 feet; thence
5. Easterly, forming an interior angle of $90^{\circ}28'44''$ with the last described course a distance of 684.10 feet; thence
6. Northerly, forming an interior angle of $88^{\circ}32'27''$ with the last described course a distance of 1501.17 feet to the centerline of Ayrault Road being the point or place of beginning. Said described parcel of land containing 22.22 acres of land more or less.

Subject to all easements and restrictions of record.

Also all that tract or parcel of land being part of Lot 34, Township 12, Range 4, Town of Perinton, County of Monroe, State of New York and more particularly described as follows:

Beginning at a point in the centerline of Ayrault Road (66 feet wide) said point being distant Westerly 1406.11 feet from the intersection of the centerlines of Ayrault Road and Hogan Road; thence

1. Westerly, along the centerline of Ayrault Road a distance of 147.17 feet; thence
2. Southerly, forming an interior angle of $89^{\circ}26'33''$ with the last described course a distance of 1495.11 feet; thence

3. Easterly, forming an interior angle of $90^{\circ}48'33''$ with the last described course a distance of 524.67 feet; thence
4. Northerly, forming an interior angle of $89^{\circ}31'16''$ with the last described course a distance of 55.37 feet to a point on a curve; thence
5. Northwesterly, along a curve to the right having a radius of 3854.72 feet, a distance of 728.71 feet to a point of tangency; thence
6. Continuing Northwesterly, along the tangent to a curve, a distance of 444.90 feet; thence
7. Westerly, forming an interior angle of $98^{\circ}48'14''$ with the last described course a distance of 138.00 feet; thence
8. Northerly, forming an interior angle of $269^{\circ}26'33''$ a distance of 297.00 feet to the centerline of Ayrault Road being the point or place of beginning. Said described parcel of land containing 11.82 acres of land, more or less.

Subject to all easements and restrictions of record.

VILLAGEWOOD MANOR

(DECLARATION SCHEDULE B)

SWIMMING POOL RULES AND REGULATIONS

1. The swimming pool and swimming pool area are for the use of the Villagewood Manor residents and their invited guests.
2. All guests 18 years of age or under must be accompanied by a resident at all times.
3. All guests over 18, when not accompanied by a resident, must present a guest card. Guest cards may be obtained from the manager by the residents.
4. Except by prior arrangement with the lifeguard, the number of guests in one group in the pool at any one time will not exceed four (4).
5. No groups of guests over four will be allowed on Saturday and Sunday.
6. Every Tuesday from 1 P.M. to 8 P.M. the pool will be open only to persons over 18 years of age.
7. Residents are reminded that they are responsible for the conduct of their guests at all times.
8. Residents will sign the register for themselves and their guests when entering the pool area for swimming.
9. Swimming pool hours will be from 12 Noon to 8:00 P.M. weekdays, 11:00 A.M. to 8:00 P.M., weekends and Holidays weather permitting.

10. The lifeguard is in charge of bathing and safe conduct in the swimming pool area. Please respect his judgment and authority in enforcing safety and sanitation regulations.

11. Any person having any apparent skin disease, sore or inflamed eyes, cough, cold, nasal or ear discharges, or any communicable disease shall be excluded from the pool.

12. All persons are positively forbidden to enter the pool when the "POOL CLOSED" sign is exhibited.

13. The lifeguards are not to be used as baby-sitters. Only children, eight years of age or older, or children under eight years of age, who can swim the length of the pool and back 12 times, can use the facilities without the accompaniment of an adult, unless attending a swimming class.

14. Children who are not potty-trained, must wear a diaper covered by plastic pants with good elastic around the legs and waist.

15. All children, under 16 years of age, will be asked to leave the pool 15 minutes every hour or as the lifeguard instructs. This is extremely important as a health measure.

16. No food, glassware, china, flatware or breakable items of any kind will be permitted in the fenced-in pool area. Non-alcoholic drinks in unbreakable containers will be permitted.

17. The deck furniture is not to be removed from the deck area and no lawn furniture is to be taken to the deck. The use of suntan oil or lotion is strictly prohibited while swimming. Lotions may be used only if the chairs or lounges are covered with a large towel. Suntan products leave a greasy film in the pool and when in contact with vinyl on the chairs and lounges, causes discoloration and cracking.

18. There will be NO running or roughhousing within the pool area. No diving from the sides at the shallow end: ball playing, floating rafts, or inflated toys, with the exception of swimming aids, only.

19. All persons must tie back shoulder length hair. Loose hair clogs the filter and prevents the mechanism from functioning properly.

20. No unauthorized persons will be allowed in the pump house or pool office.

21. All individuals will take a shower in their townhouse or in facilities provided for that purpose before entering the swimming pool and will provide their own towels.

22. Attire will conform to conventional swimming suits.

23. It is requested that all individuals cooperate in maintaining maximum cleanliness and tidiness in the swimming pool area.

24. Neither tobacco nor beverages, will be taken within

8 feet of the swimming pool.

25. No pets are allowed in the swimming pool area.

26. Each resident shall be responsible for any damage caused to the swimming pool or its facilities or equipment by the said resident or any of the resident's family, or guests.

27. The Board of Directors may modify or delete any of the foregoing rules, or adopt additional rules and regulations governing the use of the swimming pool and area.

EXHIBIT B

CERTIFICATE OF INCORPORATION

OF

VILLAGEWOOD MANOR HOMEOWNERS ASSOCIATION, INC.

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

The undersigned, being over the age of eighteen (18) years, for the purpose of forming a Not-for-Profit Corporation under Section 402 of the Not-for-Profit Corporation Law, does hereby certify as follows:

FIRST: The name of the corporation shall be Villagewood Manor Homeowners Association, Inc.

SECOND: The corporation is not organized for pecuniary profit or financial gain and no part of its assets, income or profit shall inure to the benefit of any member, officer, or director.

THIRD: The purposes for which the corporation is to be formed are:

a. To own, operate, maintain, preserve, on a non-profit basis, common areas of the Villagewood Manor Subdivision, Sections 1 and 2, Town of Perinton, Monroe County, as such common areas may be created, from time to time, pursuant to any declaration of covenants, conditions and restrictions, exclusively for the benefit of its members.

b. To maintain and preserve the resident lots of Villagewood Manor Subdivision, Sections 1 and 2, on a non-profit basis, as such lots may be created, from time to time, pursuant to any declaration of covenants, conditions and restrictions, exclusively for the benefit of its members.

c. No part of the revenues of the corporation shall inure to the benefit of any member, director, or officer of the corporation, or any

private individual, firm or corporation, except as permitted by the Not-for-Profit Corporation Law of the State of New York, as amended.

FOURTH: As a means of accomplishing the foregoing purposes, the corporation shall have the following powers:

a. To perform all of the duties and obligations of the corporation as may be set forth in any declaration of covenants, conditions and restrictions, and any amendment thereto ("Declaration"), applicable to the corporation, which shall be filed with the Secretary of the corporation and recorded in the Monroe County Clerk's office.

b. To fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all other expenses incident to the conduct of the affairs of the corporation, including licenses, taxes or governmental charges levied or imposed against the property of the corporation.

c. To acquire, by gift, purchase or otherwise, own, hold, improve, 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.

d. To borrow money and to pledge, mortgage or hypothecate any of its real or personal property as security for money borrowed or debts incurred.

e. To dedicate, sell or transfer all or any part of the common area or common facilities 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, sale or transfer shall be effective unless first approved by two-thirds of the members.

f. In general, and subject to such limitations and conditions

as are or may be prescribed by law, to exercise such powers which now are or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the purpose of the corporation.

FIFTH: The proposed corporation shall be a Type A corporation under Section 201 of the Not-for-Profit Corporation Law.

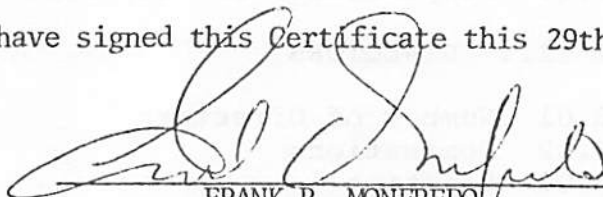
SIXTH: The principal office of the corporation is to be located in the Town of Perinton, County of Monroe, State of New York.

SEVENTH: The territory in which the activities of the corporation will be principally conducted is the Town of Perinton, County of Monroe, State of New York.

EIGHTH: The Secretary of State is hereby designated as the agent of the corporation upon whom process against it may be served, the post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon it is 115 Willowick Drive, Fairport, New York 14450.

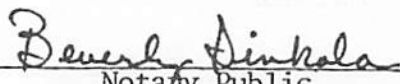
NINTH: No consent or approval of the foregoing Certificate of Incorporation is required by law.

IN WITNESS WHEREOF, I have signed this Certificate this 29th day of June, 1982.


FRANK R. MONFREDO
31 East Main Street
Rochester, New York 14614

STATE OF NEW YORK)
COUNTY OF MONROE) ss.

On this 29th day of June, 1982, before me personally came Frank R. Monfredo, to me known and known to me to be the person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.


Notary Public

BEVERLY SINKOLA
NOTARY PUBLIC, State of N.Y. Monroe Co.
My Commission Expires March 30, 1984

EXHIBIT C

BYLAWS

VILLAGEWOOD MANOR HOMEOWNERS ASSOCIATION, INC.

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EXHIBIT C

BYLAWS

VILLAGWOOD MANOR HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. PURPOSE, OFFICE AND DEFINITIONS

1.01. Purpose. Villagewood Manor Homeowners Association, Inc., (the Association), has been formed for the purpose of organizing and operating a civic organization exclusively for the promotion of the common good, social welfare, and benefit of its members, their tenants, guests and invitees.

1.02. Office. The principal office of the Association shall be located on the Properties in the Town of Perinton, County of Monroe, State of New York.

1.03 Definitions. The definitions set forth in the Declaration of Covenants, Conditions and Restrictions are incorporated in these ByLaws as though set forth at length.

ARTICLE II. MEMBERS

2.01. Membership. Each person, firm or corporation who is the record Owner of any Townhome, which is subject to the Declaration of Covenants, Conditions and Restrictions, shall be a member of the Association and subject to its Bylaws, and the Rules and Regulations.

2.02. Assessments. As more fully provided for in the Declaration, each member shall be obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon his Lot. Any assessment which is not paid within 30 days after its due date, shall bear interest from

the date of delinquency at the highest interest rate permitted by law and the Association may bring an action against the member to pay the assessment, or foreclose any lien against his residential Lot, and will be entitled to collect interest, costs and reasonable attorney's fees of any such action. No member shall waive or otherwise relieve himself from liability for any assessment by non-use of his Lot, the Common Area or any other facilities of the Association.

2.03. Annual Meetings. The annual meeting of the members of the Association shall be held at the principal office of the Association on the last Tuesday in April of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding weekday not a legal holiday, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

2.04. Notice of Annual Meetings. Notice of the time, place, and purpose of the annual meeting shall be served, either personally or by mail, not less than ten or more than forty days before the meeting upon each person who appears upon the books of the Association as a member and, if mailed, such notice shall be directed to the member at his address as it appears on the books of the Association, unless he shall have filed with the Secretary of the Association a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

2.05. Special Meetings. Special meetings of the members, other than those regulated by statute, may be called at

any time by the President or by two directors, and must be called by the President on receipt of the written request of one-third of the members of the Association.

2.06. Notice of Special Meetings. Notice of a special meeting stating the time, place and purpose thereof shall be served personally or by mail upon each person who appears on the books of the Association as a member not less than five nor more than forty days before such meeting and, if mailed, such notice shall be directed to each member at his address as it appears on the books or records of the Association, unless he shall have filed with the Secretary of the Association a written request that notices intended for him shall be mailed to some other address, in which case it shall be mailed to the address designated in such request.

2.07. Quorum. At any meeting of members of the Association, the presence, in person or by proxy, of members holding one-third of the votes of all members shall be necessary to constitute a quorum for all purposes except as otherwise provided by the Declaration, Bylaws or law. The vote of the majority of the votes cast by the members present at any meeting at which there is a quorum shall be the act of the full membership except as may be otherwise specifically provided by statute, the Declaration or by these Bylaws.

2.08. Voting. At every meeting of members, each member shall be entitled to vote in person, or by proxy duly appointed by instrument in writing which is subscribed by such member and

bears date not more than eleven months prior to such meeting, unless such instrument provides for a longer period. The vote for directors and, upon the demand of any member, the vote upon any question before the meeting, shall be by ballot.

2.09 Voting Rights. Each member shall have one (1) vote for each Lot owned. Until the first annual meeting, Declarant (Sponsor) shall designate the members of the Association's Board of Directors. After the first annual meeting, Declarant shall not cast votes to elect any members to the Board of Directors, however, after the first annual meeting and so long as Declarant shall own ten percent (10%) or more of the Lots, Declarant shall be entitled to designate a member of the Board of Directors. Any member who is in violation of the Declaration, as determined by the Board of Directors of the Association, shall not be entitled to vote during any period in which such violation continues. Any member who fails to pay any dues, maintenance assessment or special assessment established by the Association, shall not be entitled to vote during any period in which any such assessments are due and unpaid.

2.10. 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 Bylaws, 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 the right to vote, the appointment and duties of inspectors of election, registration of members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

2.11. Corporate, Joint or Common Ownership. The vote of a corporate member may be cast by an officer of the corporation. Any one joint or common owner of a Lot shall be entitled to cast the vote with respect to the Lot so owned, however, if joint or common owners can not agree on how to cast their vote, their vote shall not be counted.

2.12. Waiver of Notice. Whenever under the provisions of any law or under the provisions of the Certificate of Incorporation or Bylaws of this Association, the Association or the Board of Directors or any committee thereof is authorized to take any action after notice to the members of the Association or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of any period of time, if at any time before or after such action is completed, such requirements be waived in writing by the person or persons entitled to such notice or entitled to participate in the action to be taken or by his attorney-in-fact thereunto authorized.

2.13. Inspectors of Election. If requested by any member, the President shall at the Annual Meeting appoint two persons, who need not be members, to serve as inspectors of election.

2.14. Removal of Directors or Officers. Any director or officer may be removed from office by the majority of the votes cast by the members present, either in person or by proxy, at any regular or special meeting called for that purpose, for conduct detrimental to the interests of the Association, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. Any such officer or director proposed to be removed shall be entitled to at least five days notice in writing by mail of the meeting at which such removal is to be voted upon and shall be entitled to appear before and be heard at such meeting.

2.15. Compensation and Expenses. Members shall not receive any salary nor payment for their services as Director, officer or member of any Committee. The Board of Directors shall have power in its discretion to contract for and to pay to members rendering unusual or special services to the Association special compensation appropriate to the value of such services.

ARTICLE III. DIRECTORS

3.01. 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) except that an initial Board of three (3) Directors shall be designated by the Declarant to serve until the first annual meeting of the Association.

3.02. 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 may also 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 sixty (60) 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 in its sole discretion, determine, but not less than the number of vacancies that are to be filled and such nomination may be made from members and non-members of the Association.

3.03. Election. At the first annual meeting, five directors will be elected, three for a term of two (2) years, and two for a term of one (1) year. At each annual meeting thereafter, the members shall replace those directors whose terms have expired and elect such successor directors for a term of two (2) years, except that so long as Declarant shall own ten percent (10%) or more of the Lots, any director designated by Declarant shall serve for a term of only one (1) year. The directors need not be members of the Association and shall be chosen by ballot at the annual meeting by a majority of the votes of the members, voting either in person or by proxy. Until the first annual meeting, the members of the Board of Directors shall be designated by Declarant and hold office until the election of directors at the first annual meeting. Declarant may cast a majority of the votes for the election of directors at the first annual meeting.

3.04. Resignation. Any director may resign at any time by giving written notice of such resignation to the Board of Directors.

3.05. Vacancies. Any vacancy in the Board of Directors occurring during the year, may be filled for the unexpired portion of the term by affirmative vote of a majority of the directors then serving, although less than a quorum. Any director so elected by the Board of Directors shall hold office until the next succeeding annual meeting of the members of the Association or until the election of his successor.

3.06. Organizational Meeting. Immediately after each annual election the newly elected directors shall meet at the principal office of the Association for the purpose of organization, the election of officers and the transaction of other business, and if a quorum of the directors be then present, no prior notice of such meeting shall be required to be given. The place and time of such first meeting may, however, be fixed by written consent of all the directors.

3.07. Special Meetings. Special meetings of the Board of Directors may be called by the President and must be called by the President on the written request of any member of the Board.

3.08. Notice of Meetings. Notice to all directors' meetings, except as herein otherwise provided, shall be given by mailing the same at least three days, or by telegraphing the same at least one day, before the meeting to the usual business

or residence address of the director, but such notice may be waived by any director. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined by the Board. Any business may be transacted at any properly noticed directors meeting or at any meeting at which every director shall be present, even though without notice or waiver thereof.

3.09. Chairman. At all meetings of the Board of Directors, the President, or in his absence the Vice-President, shall preside.

3.10. Quorum. At all meetings of the Board of Directors, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, these Bylaws or the Declaration.

3.11. Contracts and Services. The directors and officers of the Association may not be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Association.

3.12. Compensation. Directors shall not receive any compensation for their services. The Board of Directors shall have the power in its discretion to contract for and to pay, to directors rendering unusual or exceptional services to

the Association, special compensation appropriate to the value of such services.

3.13. Powers. All the Association powers, except such as are conferred upon or reserved to the members by statute, these Bylaws or the certificate of incorporation, shall be and are hereby vested in and shall be exercised by the Board of Directors. Such powers shall include, but shall not be limited to, the following:

A. To adopt and publish rules and regulations governing the use of the Common Areas, and facilities, and the personal conduct of the members and their tenants, guests and invitees and to establish penalties for infractions thereof.

B. To suspend a member of his voting rights during any period in which he shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for an infraction of the published rules and regulations, for a period not to exceed thirty (30) days.

C. To authorize the officers to enter into management agreements with third parties in order to facilitate the efficient operation of the facilities of the Association. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the facilities, and all improvements included therein, designated as Common Areas, and the receipt and disbursement of such funds as may be authorized by the Board of Directors. The

Term of these management agreements shall be determined by the Board to be in the best interests of the Association.

D. 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.

3.12. Duties.

A. The Board of Directors, pursuant to Section 519 of the Not-for-Profit Corporation Law, shall present at the annual meeting of members, and file with the records of the Association, a report verified by the President and Treasurer, or by a majority of the directors, or shall present at the annual meeting of members a report, reported upon by an independent accountant selected by the Board, showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the Association as of the end of the fiscal year immediately preceding the annual meeting.

(2) The principal changes in assets and liabilities, including trust funds, during the fiscal year immediately preceding the date of the report.

(3) The revenue or receipts of the Association, for both general and restricted purposes, for the fiscal year immediately preceding the date of the report.

(4) The expenses or disbursements of the Association, for both general and restricted purposes, during

the fiscal year immediately preceding the date of the report.

(5) The members of the Association as of the date of the report, and the place where the names and places of residence of the current members may be found.

B. It shall also be the duty of the Board of Directors:

(1) As more fully provided in the Declaration to:

(a) Determine, levy and collect the assessments and common charges;

(b) Send written notice of every assessment to the Lot Owners at least thirty days in advance of the assessment period; and

(c) 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.

(2) To issue or cause to be issued upon demand of any person, a certificate setting forth the status of payment of assessments for any Lot. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(3) To procure and maintain adequate liability insurance, to procure adequate hazard insurance on property owned by the Association and the Townhomes as it deems appropriate.

(4) To cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate.

(5) To use and expend the assessments and charges collected for the maintenance, care, preservation and operation of the Properties as permitted by the Declaration.

(6) To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association.

(7) To pay all taxes owing by the Association.

(8) To repair, restore or alter the properties of the Association after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(9) To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the members by statute or other provisions of these Bylaws, the Certificate of Incorporation or the Declaration.

ARTICLE IV. OFFICERS

4.01. Number. The officers of the Association shall be the President, Vice-President, Secretary, Treasurer, and such other officers with such powers and duties not inconsistent with these Bylaws as may be appointed and determined by the

Board of Directors. Any two offices, except those of President and Secretary, may be held by the same person.

4.02. Election, Term of Office, and Qualifications.

The President shall be elected annually by the Board of Directors from among their number, and the other officers shall be elected annually by the Board of Directors from among such persons as the Board of Directors may see fit, at the first meeting of the Board of Directors after the annual meeting of the members of the Association.

4.03. Vacancies. In case any office of the Association becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the directors then in office, although less than a quorum, may elect an officer to fill such vacancy. The officer so elected shall hold office and serve until the first meeting of the Board of Directors after the annual meeting of members next succeeding and until the election of his successor.

4.04. President. The President shall preside at all meetings of members and of the Board of Directors. He shall have and exercise general charge and supervision of the affairs of the Association and shall do and perform such other duties as may be assigned to him by the Board of Directors. In the absence of the President, the Vice-President shall exercise the foregoing duties.

4.05. Secretary. The Secretary shall have charge of such books, documents, and papers as the Board of Directors

may determine and shall have the custody of the corporate seal. He shall attend and keep the minutes of all the meetings of the Board of Directors and members of the Association. He shall keep a record containing the names, alphabetically arranged, of all persons who are members of the Association, showing their place of residence, and such book shall be open for inspection as prescribed by law. He may sign with the President, in the name and on behalf of the Association, any contracts or agreements authorized by the Board of Directors, he may affix the seal of the Association. He shall, in general, perform all the duties incident to the office of the Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned to him by the Board of Directors.

4.06. Treasurer. The Treasurer shall have the custody of all funds, property and securities of the Association, subject to such regulations as may be imposed by the Board of Directors. He may be required to give bond for the faithful performance of his duties, in such sum and with such sureties as the Board of Directors may require. When necessary or proper, he may endorse on behalf of the Association, for collection, checks, notes and other obligations, and he shall deposit the same to the credit of the Association at such bank or banks or depository as the Board of Directors may designate. He shall sign all receipts and vouchers and, together with such officer or officers, if any, as shall be designated by the Board of Directors, he shall sign all checks and drafts issued by the

Association, except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these Bylaws to some other officer or agent of the Association. He shall make such payments as may be necessary or proper to be made on behalf of the Association. He shall enter regularly, on the books of the Association to be kept by him for the purpose, full and accurate account of all funds and obligations received and paid or incurred by him for or on account of the Association, and shall exhibit such books at all reasonable times to any director or member on application at the offices of the Association. He shall, in general, perform all the duties incident to the office of the Treasurer, subject to the control of the Board of Directors. He shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

4.07. Compensation. The officers shall not receive any compensation for their services. The Board of Directors shall have the power in its discretion to contract for and to pay, to officers rendering unusual or exceptional services to the Association, special compensation appropriate to the value of such services.

4.08. Removal. Any officer may be removed from office by the majority vote of all the directors, at any regular or

special meeting called for that purpose, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interest of the Association, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. Any officer proposed to be removed shall be entitled to at least five days notice, in writing by mail, of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

ARTICLE V. COMMITTEES

5.01. Committees. The committees of the Association shall 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. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration.

5.02. 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.

5.03. Compensation. The members of any committee shall not receive any compensation for their services. The Board of Directors shall have the power in its discretion to contract for

and to pay to any member of a committee, rendering unusual or exceptional services to the Association, special compensation appropriate to the value of such services.

ARTICLE VI. FISCAL YEAR

The fiscal year of the Association shall commence on January 1st of each year and end on December 31st.

ARTICLE VII. PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No member, director, officer, or employee of, or person connected with, the Association, or other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Association; provided, however, that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Association in effecting any of its purposes, or the distribution of cash or property to any such person as shall be entitled to share in the distribution of any of the Association assets upon the dissolution of the Association.

ARTICLE VIII. EXEMPT ACTIVITIES

Notwithstanding any other provision of these Bylaws, no member, director, officer, employee or representative of this Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or

carried on by an organization exempt under Section 501(c)(4) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE IX. INDEMNIFICATION

To the extent permitted by law, the Association shall indemnify and defend any person made a party to any proceeding, by reason of the fact that he is or was a director or officer of the Association, against any loss and expense incurred by him by reason of such proceeding, including the settlement thereof, except in relation to matters as to which such person is adjudicated to be liable for gross misconduct in the performance of his duties. The foregoing right of indemnification shall be in addition to, and not be exclusive of, all rights to which such director or officer may otherwise be entitled.

ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall be at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Certificate of Incorporation and the Bylaws 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. The Association may have a corporate seal.

ARTICLE XI. AMENDMENT

Subject to the restrictions contained herein, these Bylaws may be altered or amended at any meeting of members of the Association by any affirmative vote of two-thirds of all votes cast by the members, represented either in person or by proxy, provided that the proposed action is inserted in the notice of such meeting.

ARTICLE XII. DISSOLUTION

Subject to the restrictions contained herein, the Association may be dissolved by action of the members at any meeting of members of the Association by an affirmative vote of eighty percent (80%) of all votes held by the members, cast in person or by proxy, provided that the proposed action is inserted in the notice of such meeting.