

BY-LAW AMENDMENT

Page C-19

7/15/96

Any variance to existing rules must have written Board approval. Rules #2, 3, 8, 9, 12, 13, 16, 17 and 20 are subject to a \$100/month fine if still violated after the following Board procedures:

- Notify the owner of the violation. Inform of the need to submit a variance request or to correct the violation.
- Visit the owner (Board member and Property Manager) to explain concerns & consequences, or resolve.
- Inform the owner to seek a Board hearing before a fine is levied.
- Impose monthly fine until violation is corrected. Unpaid fine is subject to interest and lien.

Please add this page to your Offering Plan.

EXHIBIT C
BYLAWS
OF
THE DRUMLINS HOMEOWNERS' ASSOCIATION

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BYLAWS OF
THE DRUMLINS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I - IDENTITY

These are the Bylaws of The Drumlins Homeowners' Association, Inc.

These Bylaws provide the method by which The Drumlins Homeowners' Association, Inc., a homeowners' association in the Town of Victor, Ontario County, New York, organized under the Not-For-Profit Corporation Law, shall be governed.

The office of the Association shall be at the residence of the then current President of the Association or at the office of Ontario Heights Development, Inc. (herein the "Declarant") at 7201 Rawson Road, Victor, New York, 14564.

The fiscal year of the Association shall be the calendar year.

ARTICLE II - DEFINITIONS

A. "Association" shall mean and refer to The Drumlins Homeowners' Association, Inc., its successors and assigns.

B. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of the Association.

C. "Common Area" shall mean all real property owned by the Association with a common use and enjoyment of the Owners.

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

E. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title 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.

F. "Declarant" shall mean and refer to Ontario Heights Development, Inc., its successors and assigns.

G. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties and recorded in the Office of the Clerk of the County of Ontario.

H. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

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

ARTICLE III - BOARD OF DIRECTORS

A. Membership and Initial Selection. The Association shall be governed by a Board of Directors consisting of three (3) persons. These directors need not be members of the Association. The initial Board of Directors shall be designated by Declarant who is authorized to choose the directors until all two

hundred thirty-seven (237) Lots have been sold or until seven (7) years after the transfer of the first Lot whichever first occurs.

B. Term and Election. At such time as the members become empowered to elect the Board of Directors they shall elect three (3) directors, the person receiving the highest number of votes serving three (3) years, the person receiving the next highest number of votes serving two (2) years, and the person receiving the next highest number of votes serving one (1) year. Thereafter at each annual meeting the Members shall elect one (1) director to serve for three (3) years.

C. Removal. Except for directors designated by Declarant under Article III.A., above, 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.

D. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

E. Action Taken Without a Meeting. The directors shall have the right, by obtaining the written approval of all the directors, to take any action in the absence of a meeting which they could take at a meeting. Any actions so approved

shall have the same effect as though taken at a meeting of the directors.

F. Powers and Duties. 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:

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

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

3. To assure the maintenance, repair, replacement and operation of all Association property for the common use and enjoyment of the unit owners.

4. To assure the reconstruction of improvements after casualty and the further improvement of the Association's property.

5. To make and amend regulations respecting the use of the Common Areas, Lots and Units. (The initial Rules and Regulations are attached hereto as Schedule A).

6. To enforce by legal means the provisions of the Declaration, Bylaws and Regulations for the use of the Properties.

7. To purchase insurance for the protection of Members and the Common Areas of the Association against casualty and liability as provided in the Declaration.

8. To pay the cost of all snow plowing, electric, water, sewer, and other utility services rendered to the Association and not billed to Members.

9. 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.

10. 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 Bylaws to have approval of the Board of Directors.

11. To receive, consider, and act upon any application which pertains to the alteration of a Unit in accordance with Article X of the Declaration.

12. To suspend the right of a Member to use Common Areas 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 after a notice and hearing for a period not to exceed sixty (60) days for infraction of published Rules and regulations.

13. 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 regular meetings of the Board of Directors.

G. Method of Calling Meetings.

1. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board. Notice of regular meetings shall be given to each director personally or by mail, telephone or telegram at least three (3) days prior to the day named for the meeting unless such notice is waived. The first regular meeting held in each calendar year shall be the annual meeting of the Board.

2. Special meeting of the Board of directors may be called by the President and must be called by the Secretary at the written request of any one director. No less than three (3) days notice of the meeting shall be given personally, or by mail, telephone, or telegram, which notice shall state the time, place, and purpose of the meeting.

3. Any director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

H. Quorum. A quorum at a Board of Directors meeting shall consist of a director or directors present in person holding at least a simple majority of the eligible votes. The acts of the Board approved by a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except as specifically otherwise provided in the Declaration. If at any

meeting of the Board of Directors there be fewer than a quorum present, the directors present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

I. 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 the members of the Board of Directors consent to such action in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors.

J. Officers. The officers of the Association shall be a President, Secretary, and Treasurer. They shall be elected at the annual meeting by the Board of Directors from among the members of the Board and shall hold office for a term of one (1) year or until the next annual meeting. Officers may be peremptorily removed and replaced by vote of the directors at any meeting. Any person may hold two (2) offices except that the President shall not be the Secretary. The Board of Directors may from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

1. The President shall be the chief executive officer of the Association and shall preside over the meetings of the Board of Directors and of the Members. He shall have all the powers and duties which are usually vested in the office of the

president, including but not limited to the power to appoint committees from among the directors, Members and residents of the Units from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

2. The Secretary shall keep the minutes of all proceedings of the Board of Directors and of Members. He shall attend to the giving and serving of all notices to the directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to an instrument requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary, and as may be required by the directors or the President. In the absence or disability of the President, he shall exercise the powers and perform the duties of the President.

3. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of accounts of the Association in accordance with good accounting practices; and he shall perform all other customary duties of the office of treasurer.

4. 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 of Directors shall not be entitled to compensation for his services as such, but he may

be reimbursed for any out-of-pocket expenses incurred in 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 or preclude the contracting with a director for the management of the Association other than his capacity as a member of the Board of Directors.

ARTICLE IV - FISCAL MANAGEMENT

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

A. 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 come due, the amounts paid upon the account and the balance due upon assessments.

B. 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.

C. 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 monies of the

Association shall be deposited. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.

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

E. Fidelity Bonds. Fidelity bonds may be required by the Board of Directors, in such amounts and with such terms as the Board may deem necessary or appropriate, for all officers and employees of the Association and from any contractor handling or responsible for Association funds. The premium on such bonds shall be a common expense and be paid by the Board of Directors.

ARTICLE V - MEETINGS AND POWERS OF MEMBERS

A. Meetings. Meetings of the Members shall be held from time to time when called by the Board of Directors, or by the President, or by any two (2) Members. All meetings shall be held at the principal office of the Association or at such other place in the Town of Victor, Ontario County, New York, as may be fixed by the President and at a time fixed by the President.

B. Notice of Meeting. The Secretary shall give not less than seven (7) days' notice of any meeting of Members personally, or by mail or telegram, which notice shall state the time,

place, and purpose of the meeting. Any Member may waive notice of a meeting before, at, or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

C. Quorum. A quorum at Members' meetings shall consist of a simple majority of the eligible Members entitled to vote present by proxy or in person. The acts of the Members must be approved by vote of a simple majority of the eligible Members entitled to vote except as specifically otherwise provided in these Bylaws, the Declaration, or the Not-For-Profit Corporation Law.

ARTICLE VI - ARCHITECTURAL CONTROL

No building, fence, wall, mail box, or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration be made to the units until the plans and specifications showing nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association. In the event said Board fails to approve or disapprove such design and location within thirty (30) days after said plans and specification have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII - LIABILITY OF BOARD OF DIRECTORS

In order to limit the liability of the Owners, any contract, agreement, or commitment made by the Board of Directors shall state that it is made by the Board of Directors as agent for the Owners as a group only and that no member of the Board of Directors nor individual Owner shall be liable for such contract, agreement, or commitment, except that every Owner shall be liable to the extent that his proportionate interest in the common areas bears to the total liability under such commitment. The Board of Directors shall have no liability to the Owners in the management of the Association except for willful misconduct or bad faith and the Owners shall severally indemnify all members of the Board of Directors in accordance with their duties as such members except for acts of willful misconduct or acts made in bad faith. Such several liability of each Owner shall, however, be limited to the extent that his proportionate interest in the Common Area bears to the total liability of the members of the Board of Directors.

ARTICLE VIII - AMENDMENTS

A. These Bylaws may be amended at a regular or special meeting of the Members by a vote of two-thirds (2/3) at a quorum of Members entitled to vote present in person or by proxy.

B. In the case of any conflict between the Certificate of Incorporation and these Bylaws, the Certificate of Incorporation

shall control and in the case of any conflict between the Declaration and these Bylaws the Declaration shall control.

Secretary

SCHEDULE A

RULES AND REGULATIONS

In addition to the other provisions of these Bylaws, the following rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the Board of Directors, shall govern the use of the Units and conduct of all residents thereof.

1. The sidewalks, entrances, and driveways must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.

2. No sign, advertisement, notice, or other lettering including political endorsements or signs shall be exhibited, inscribed, painted, or affixed by any Owner on any part of the outside or windows of the unit or buildings without prior written consent of the Board of Directors.

3. No awnings or other projections shall be attached to the outside walls of the buildings without prior written consent of the Board of Directors.

4. No baby carriages, velocipedes, or bicycles shall be allowed to stand on the sidewalks, entrances, driveways, or other Common Areas or on parts of the Lots outside the buildings and patio areas. No automobiles or trucks shall be parked on the driveways except in marked parking spaces or temporarily when making deliveries to Units immediately adjacent thereto.

5. No Owner shall allow anything whatever to fall from the windows or doors of the premises, nor sweep or throw from the

premises any dirt or other substances into any of the Common Areas or upon the grounds.

6. No garbage cans, equipment or supplies of any kind including firewood, milk bottles, or other articles shall be placed on the Common Areas or on parts of the Lots outside the buildings and patio areas, nor shall anything be hung or placed in such manner that it is visible. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any windows or doors.

7. No Owner shall make or permit any disturbing noises in the Unit by himself, his family, employees, agents, visitors and licensees, nor do or permit anything to be done by such persons that will interfere with the rights, comforts, or conveniences of other Owners. No Owner shall play upon, or permit to be played upon, any musical instrument or operate or permit to be operated a tape recorder, phonograph, hi-fi set, stereo, FM set, radio, or other type of equipment for producing sound in the Unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the buildings. No Owner shall conduct or permit to be conducted, vocal or instrumental practice, nor give nor permit to be given vocal or instrumental practice, nor give nor permit to be given vocal or instrumental instruction at any time if the same shall disturb or annoy other occupants of the buildings. No garage sales may be held. Owners shall not use or permit the use of the premises in any manner which would be disturbing or a

nuisance to other Owners, or in such a way as to be injurious to the reputation of the Association.

8. No installation of a radio or television antenna or other antenna shall be made without the written consent of the Board of Directors. Any antenna erected on the roof or exterior walls of the building without consent of the Board of Directors, in writing, is liable to removal without notice.

9. No Owner shall keep or maintain any animals or birds except a single animal or bird commonly known as a household pet, unless prior written consent is obtained from the Board of Directors.

10. No Owner shall allow any pet to run free on the Common Areas or outside of that Owner's Lot. Pets shall be on leash and accompanied by an adult. Owners shall be responsible for picking up after pets.

11. No garbage, trash, or cuttings shall be placed, stored or collected in any area other than that designated for such purpose and no such materials shall be allowed to accumulate.

12. No change of exterior line, color or grade without written permission of the Board of Directors is permitted.

13. No boats, trailers, housecars, motorcycles, bicycles, or motor vehicles of any kind shall be parked on the premises except in the Unit garages, except that automobiles of visitors may be parked in the areas so designated.

14. All Units shall be used for single family residence purposes only.

15. Garage doors shall be kept closed unless entry or exit is being made from the garage.

16. No change in landscaping is permitted without the written permission of the Board of Directors.

17. No change in the style, size, color, lettering, or location of any mailbox or mail receptacle is permitted without the written permission of the Board of Directors.

18. All clotheslines, clothes poles and/or drying yards shall be located so as to not be visible from the street serving the Unit. The exact location of any such clotheslines, clothes poles, and/or drying yards shall be determined by the Board of Directors.

19. Except in the individual patio areas, if any, adjacent to a Unit, no permanent planting or gardening shall be done, and such planting as is done within the said restricted Common Areas shall be kept trimmed so as not to encroach on neighboring property.

20. No pens, fences, chains, hedges or walls shall be erected or maintained upon the Properties except those erected at the time of the original construction of the buildings located thereon.