

**DECLARATION
OF
PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS**

- WILLOW RISE -

NAME: Willow Rise Townhomes Homeowner's Association, Inc.

DEVELOPER Bella Estates, LLC
CO-SPONSOR: 477 Whitney Road
Ontario, New York 14519

BUILDER NVR, Inc., d/b/a Ryan Homes of New York
CO-SPONSOR: 1 Fishers Road, Suite 100
Pittsford, New York 14534

DATED: February 2, 2024

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**DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
- WILLOW RISE -**

(Willow Rise Declaration)

THIS DECLARATION is made as of this 2cd day of February, 2024, by Bella Estates, LLC, a New York limited liability company, having an office at 477 Whitney Road, Victor, New York 14519, hereinafter referred to as the “Developer Co-Sponsor”, and NVR, INC., d/b/a Ryan Homes of New York, having an office at 1 Fishers Road, Suite 100, Pittsford, New York 14534, hereinafter referred to as the “Builder Co-Sponsor” (hereinafter individually and/or collectively referred to as “Sponsor”).

W I T N E S S E T H :

WHEREAS, Developer Co-Sponsor is the current owner of the real property described in Article II of this Declaration, which real property the Developer Co-Sponsor desires to develop as a residential community known or to be known as "Willow Rise" with open spaces for the benefit of said community; and

WHEREAS, Developer Co-Sponsor desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces; and, to this end, desires to subject the real property described in Article II to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each present and future owner thereof; and

WHEREAS, Developer Co-Sponsor desires that such real property be subdivided into Lots upon which are or will be constructed residential dwelling Units, which Lots and Units will be individually owned; and

WHEREAS, Developer Co-Sponsor has deemed it desirable, for the efficient preservation of the economic and aesthetic values, quality, character and amenities in said community, to create an entity to which should be delegated and assigned the powers of maintaining and administering the community property and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer Co-Sponsor has incorporated WILLOW RISE TOWNHOMES HOMEOWNER'S ASSOCIATION, INC. under the Not-for-Profit Corporation Laws of the State of New York for the purpose of exercising the aforesaid functions; and

WHEREAS, Builder Co-Sponsor has entered into an agreement with Developer Co-Sponsor to construct the residential dwelling Units in the Willow Rise subdivision.

NOW, THEREFORE, Bella Estates, LLC, for itself, its successors and assigns, hereby declares that the real property described in Section 2.01 hereof, and all Lots and/or Units into which all or any part of the aforesaid property may be subdivided, is and shall be held, transferred, sold, conveyed and occupied, subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants, conditions and restrictions") hereinafter set forth, and NVR, Inc., d/b/a Ryan Homes of New York, agrees to same by consent and joinder to this Declaration.

ARTICLE I DEFINITIONS

The following words, phrases or terms when used in this Declaration or in any Supplemental Declaration shall, unless the context otherwise prohibits, have the following meanings:

- A. "ASSOCIATION" shall mean and refer to WILLOW RISE TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.
- B. "ASSOCIATION PROPERTY" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by or in possession of the Association.
- C. "BUILDER CO-SPONSOR" shall mean NVR, Inc., d/b/a Ryan Homes of New York, its successor and assigns.
- D. "DEVELOPER CO-SPONSOR" shall mean and refer to Bella Estates, LLC, its successors and assigns.
- E. "DECLARATION" shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens – Willow Rise, as it may from time to time be supplemented, extended or amended in the manner provided for herein.
- F. "LOT" shall mean and refer to any portion of the property identified as a separate parcel on the tax records of the Town of Victor shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as heretofore defined, and shall be deemed to include, unless the context clearly requires otherwise, any Unit constructed thereon.
- G. "MEMBER" shall mean and refer to each holder of a membership interest in the Association, as such interests are set forth in Article III.
- H. "OWNER" shall mean and refer to the holder of record title, whether one, more than one person as joint tenants or tenants in common, or as a partnership, or other entities, of the fee interest in any Lot or Unit, whether or not such holder actually resides in such Unit or on such Lot.
- I. "PROPERTY" shall mean and refer to all properties as are subject to this Declaration.

- J. "SPONSOR" shall mean and refer to Bella Estates, LLC and/or NVR, Inc., individually and/or collectively.
- K. "UNIT" shall mean and refer to each completed residential dwelling unit.
- L. "MAINTENANCE ASSESSMENT" shall mean the quarterly assessments or charges for the maintenance and operation of Association Property.
- M. "SPECIAL ASSESSMENTS" shall mean any special assessment made by the Board of Directors for capital improvements and repairs.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01 Initial Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the Town of Victor, County of Ontario and 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 "Property".

Section 2.02 Additional Property. Other lands ("Additional Property") may become subject to this Declaration in the following manner:

(a) **Lands added by Developer Co-Sponsor without consent of Owners.** The Developer Co-Sponsor may, without the consent of the Unit Owners, within twenty-five (25) years of the date of recording of this Declaration, bring within the scope of this Declaration any other lands consisting of future phases of the Willow Rise development, to be determined at such later dates in the Developer Co-Sponsor's discretion.

(b) **Lands added with consent of Owners.** The owner of any adjacent lands who desires to add such adjacent lands to the scope of this Declaration and to subject them to the jurisdiction of the Association may do so upon (i) approval in writing of the Association pursuant to a vote of its Members as provided in its By-Laws and (ii) an amendment to this Declaration.

Such additional lands shall be added to the Declaration by the recording in the Ontario County Clerk's Office of a supplemental extending declaration which shall extend the scope of the covenants and restrictions of this Declaration to such Additional Property and thereby subject such additions to assessment for their fair share of the expenses of the Association and may also contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added adjacent properties and as are not inconsistent with the provisions of this Declaration.

**ARTICLE III
THE ASSOCIATION
STRUCTURE, MEMBERSHIP, VOTING RIGHTS AND DIRECTORS**

Section 3.01 Formation of Willow Rise Townhomes Homeowner's Association, Inc. Pursuant to the Not-for-Profit Corporation Law of New York, the Developer Co-Sponsor has formed Willow Rise Townhomes Homeowner's Association, Inc. (the "Association") to own, operate, and maintain the Association Property, 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 this Declaration and in the Certificate of Incorporation and By-Laws of the Association, as the same may be amended from time to time. Subject to the additional limitations provided in this Declaration and the Certificate of Incorporation, the Association shall have all the rights and powers and be subject to the limitations of a not-for-profit corporation as contained in the New York Not-for-Profit Corporation Law as the same may be amended from time to time.

Section 3.02 Membership. The Association shall have as members only Lot/Unit Owners and the Developer Co-Sponsor for so long as Developer Co-Sponsor holds title to a Lot. 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 definitions of the words "Owner" and "Sponsor" as found in Article I of this Declaration.

Section 3.03 Voting. Each Owner, including the Developer Co-Sponsor, shall be entitled to one (1) vote regardless of the number of Units owned in any portion of the Property covered by this Declaration.

Section 3.04 Lots Owned or Held by More Than One Person or by Corporation. When any Lot/Unit is owned or held by more than one person as tenants by the entirety, in joint or common ownership or interest, or as partners, such Owners shall collectively be entitled to only one vote for such Lot/Unit. Upon the recording of title in the name of joint owners, a document can be filed with the Association designating which of the Owners shall have the right to cast votes for the Unit. If such a document is not filed, the Board of Directors may in good faith adopt a rule or policy for making a determination as to which of the Owners may cast the vote for the Unit.

In the case of a corporate Owner, votes may be cast by any duly authorized officer of such corporation.

Section 3.05 Meeting and Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of this Declaration and the Certificate of Incorporation and By-Laws of the Association and the Not-for-Profit Corporation Law of the State of New York as it may deem advisable for any meeting of its Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures, and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.06 Selection of Directors. The nomination and election of Directors and the filling of vacancies on the Board of Directors shall be governed by the By-Laws of the Association. The business and affairs of the Association shall initially be managed by a three (3) member Board of Directors designated by the Developer Co-Sponsor to serve until the first annual meeting of the Unit Owners, to be held within thirty (30) days after title to fifty percent (50%) of the Units has been transferred by Sponsor or if sooner, five (5) years after the date of transfer of the first Unit. At such annual meeting, Unit Owners shall elect a new Board of Directors consisting of five (5) members. The Developer Co-Sponsor agrees not to cast its votes to elect a majority of the Directors at such time. So long as the Developer Co-Sponsor continues to own one (1) or more Units, it shall be entitled to appoint one (1) member of the Board of Directors.

Nominations for election to the Board of Directors at the first annual meeting and thereafter shall be made by a nominating committee which shall consist of a Chairman, who may or may not be a member of the Board of Directors, and two or more members of the Association at least one of whom shall be a resident Owner. The Board of Directors shall also receive any nominations in writing presented by Unit owners not on the Nominating Committee at least ten (10) days prior to the annual meeting and shall include said nominations on the ballot. Write-in votes for persons other than those nominated by said committee shall also be permitted.

The first meeting of the Board of Directors shall be held not later than thirty (30) days after the date of the first closing of title to the first Unit conveyed to a resident Owner.

The term of office of the members of the Board shall normally be two (2) years or until their successors are elected except for members initially designated by the Developer Co-Sponsor. At the first annual meeting of the Association held for the election of a five (5) member Board, the Members shall elect three (3) Directors for a two (2) year term and two (2) Directors for a one (1) year term except that if only two members are elected in a case as provided above where there are fewer than eight (8) Unit Owners other than the Developer Co-Sponsor, the term of such members shall be two (2) years. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years.

Subject to the limitations set forth in the following paragraph, at any regular or special meeting of the Owners, any member of the Board elected by the Owners may be removed (i) without cause, by the affirmative vote of not less than two-thirds (2/3) of all Owners other than the Developer Co-Sponsor, and (ii) with cause, by the affirmative vote of not less than a majority of all Owners, other than the Developer Co-Sponsor, and a successor may then and there or thereafter be elected to fill the vacancy thus created.

Any member of the Board of Directors whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Directors appointed by the Developer Co-Sponsor may be removed without cause only by the Developer Co-Sponsor, but may be removed for cause in the same manner as any other member of the Board of Directors may be removed for cause. The successor to such removed member shall be appointed by the Developer Co-Sponsor.

Any officer may be removed by the Board of Directors, with or without cause, whenever in the judgment of the Board, the best interests of the Association will be served thereby.

Section 3.07 Powers and Duties of Directors. The powers of the Board of Directors shall be as set forth in the By-Laws of the Association.

Section 3.08 Indemnification of Officers and Directors. Every director and officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, imposed upon or reasonably incurred by such director or officer in connection with any proceeding to which such officer or director may be a party, or in which such officer or director may become involved, by reason of being, or having been a director or officer of the Association, or, any settlement thereof, whether or not such person is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the board approves such settlement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each such director or each such officer may otherwise be entitled.

Section 3.09 Developer Co-Sponsor'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 Developer Co-Sponsor holds title to any Lot or portion of the Property, the Board of Directors may not, without the Developer Co-Sponsor's written consent, which consent may not be unreasonably withheld, (i) except for necessary repairs or any repairs required by law, make any addition, alteration, or improvement to the Association Property, (ii) increase the amount or proportion of the budget allocated to reserves; (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the Association, except as may be necessary to maintain the quantity or quality of services or maintenance; (iv) enter into any service or maintenance contract for work not provided for in the initial budget of the Association, except for service or maintenance to facilities not in existence or not owned by the Association at the time of the first conveyance of a Lot; (v) borrow money on behalf of the Association; or (vi) reduce the quantity or quality of services or maintenance of the Association Property. So long as the Developer Co-Sponsor holds title to any Lot or portion of the Property, this Section shall not be amended without the written consent of the Developer Co-Sponsor.

ARTICLE IV PROPERTY RIGHTS AND EASEMENTS

Section 4.01 Dedication of Association Property. Developer Co-Sponsor intends to convey to the Association, subsequent to the recordation of this Declaration and subject to the provisions of this Declaration, certain tracts of land within the Property for the use and enjoyment of the Members. Said tracts of land conveyed to the Association shall hereinafter be referred to as "Association Property". The Association

must accept any such conveyance made by the Developer Co-Sponsor provided such conveyance is made without consideration.

Section 4.02 Rights and Easements of Lot Owners. Subject to the rights and easements of the Association as set forth in Sections 4.03 and 4.04 herein and the rights and easements of the Developer Co-Sponsor as set forth in Section 4.05 herein, each Lot Owner (and such Lot Owner's guests, licensees, tenants and invitees) shall have the following rights and easements, provided no such easement shall interfere with the use of any Unit as a dwelling:

- (a) Enjoyment - the right to enjoy all Association Property;
- (b) Ingress and Egress - an easement by vehicle or on foot for ingress or egress in common with other Lot Owners and the Developer Co-Sponsor over all walkways, driveways and roadways located on Association Property;
- (c) Utility Lines - an easement for the installation, use, repair, maintenance and replacement of utility lines including water, electric, cable television, sanitary sewer, storm sewer and drainage servicing the Lot of such Owner.

Section 4.03 Rights and Easements of Association. With respect to the Association Property, and in accordance with the Certificate of Incorporation and By-Laws of the Association, the Association shall have the right:

- (a) to promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation of and maintain the value, aesthetic appearance, quality, character, and structural integrity of the Units in such manner as, in the discretion of the Association, shall serve to promote the best interests of the Lot Owners;
- (b) to grant easements or rights-of-way, with or without consideration, to any public or private utility corporation, cable television company, governmental agency or political subdivision; provided no such easement or right of way shall interfere with the occupancy of any Unit as a dwelling;
- (c) to dedicate, sell, transfer, abandon, partition, or encumber (except for any transfer or encumbrance to a public utility or for other public purposes consistent with the intended use of such land by or for the benefit of the Members) all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of all Unit Owners other than the Developer Co-Sponsor.
- (d) to enter into agreements, reciprocal or otherwise, with other homeowners' and residents' associations, condominiums and cooperatives for the use or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be

sent to every Member not less than ten (10) days nor more than fifty (50) days in advance of the date or initial date of the canvass thereof.

Section 4.04 Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank or other entity for the performance of its various duties and functions.

Section 4.05 Rights and Easements of Developer Co-Sponsor. With respect to Association Property and in addition to the rights reserved in Section 4.06 below, so long as the Developer Co-Sponsor holds title to any Lot or dwelling Unit on lands described in any Schedules to this Declaration (whether or not subject to this Declaration), the Developer Co-Sponsor shall have the right to:

- (a) grant and reserve easements and rights-of-way for the installation, maintenance, repair, replacement and inspection of utility lines, wires, coaxial cables, pipes and conduits, including, but not necessarily limited to, water, gas, electric, cable television, telephone and sewer to service the Property;
- (b) connect with and make use of utility lines, wires, pipes, conduits and related facilities located on the Association Property for the benefit of the Property;
- (c) use the Association Property for ingress and egress to the Property; and
- (d) grant to itself or to others such other easements and rights-of-way as may be reasonably needed for the orderly development of the Property.

The easements, rights-of-way and other rights reserved herein shall run with the land and shall be binding upon and for the benefit of the Association, the Developer Co-Sponsor and their successors and assigns. With respect to its exercise of the above rights, the Developer Co-Sponsor agrees to repair any damages resulting from exercise thereof within a reasonable time after the completion of development or when such rights are no longer needed, whichever first occurs. So long as the Developer Co-Sponsor holds title to any portion of the Property, this Section shall not be amended without the written consent of the Developer Co-Sponsor, which consent shall not be unreasonably withheld.

Section 4.06 Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, and in particular the provisions of Article IX herein, the Association shall consider the impact of any existing or proposed activities on the Property or any portion thereof and may, in its discretion, establish standards or guidelines aimed at reducing or eliminating any adverse impact of its activities or take affirmative action to improve the quality of the Property.

Section 4.07 Notice of Condemnation of Association Property and Resolution of Dispute as to Allocation of Award. The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceedings affecting Association Property to all Lot Owners and to those lending

institution first mortgagees of Lots whose names appear on the books or records of the Association.

In the event of any dispute with respect to the allocation of the award, the matter shall be submitted to arbitration in accordance with the arbitration statutes of the State of New York.

**ARTICLE V
ASSESSMENTS AND RIGHT OF ASSOCIATION TO BORROW**

Section 5.01 Imposition, Personal Obligation, Lien. Each Lot or Unit Owner, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, shall be deemed to covenant and agree to pay to the Association:

- (a) quarterly assessments or charges for the maintenance and operation of Association Property, or other property which the Association is obligated to maintain, unless otherwise specified by the Board of Directors ("Maintenance Assessments");
- (b) special assessments for capital improvements to Association Property, or property which the Association is obligated to maintain, and unbudgeted or extraordinary expenses of the Association ("Special Assessments"); and

together hereinafter being referred to as "Assessments".

The Assessments shall be fixed, established and collected from time to time as hereinafter provided. Each Assessment (or installment payment thereof) together with such late charges, interest thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the Lot and Unit against which the Assessment is made and shall also be the personal obligation of the Owner of such Lot and Unit at the time the Assessment falls due.

Section 5.02 Purpose of Maintenance Assessment. The purpose of the Maintenance Assessment shall be to fund the maintenance, preservation, operation and improvement of the Association Property and the promotion of the safety and welfare of the Members of the Association, including but not limited to, the payment of taxes on Association Property, any utility services to the Property which are commonly metered or billed, all casualty, liability and other insurance covering the Association Property and the Association's officers, directors, Members and employees obtained pursuant to Article VIII of this Declaration, for the maintenance, repair and replacement of all facilities commonly servicing the Members, whether on or off the Lots, such as roadways and landscaped areas, if applicable, and the cost of labor, equipment, materials, management and supervision thereof, and for such other needs as may arise. Funding of expenses as herein described, may be on a current basis, or by establishing such reserve accounts as the Board of Directors in its judgment deems appropriate, or a combination thereof.

Section 5.03 Date of Commencement and Notice of Assessments. The Assessments provided for herein shall commence on the day on which the first Unit is conveyed or on such date thereafter as determined by the Developer Co-Sponsor. The first Assessments shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors 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 Unit at least thirty (30) days in advance of each quarterly Assessment period. The Assessments shall be due and payable quarterly unless the Board of Directors establishes other periods for payment. Written notice of the quarterly Assessments shall be sent to every Owner subject thereto.

Section 5.04 Assessments for Specific Units. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Unit subject to this Declaration shall be liable for the payment of full Maintenance Assessments, and Special Assessments, if any, except that the Developer Co-Sponsor will only be obligated for the **lesser** of (i) the difference between the actual Association expenses (including budgeted amounts for reserves) and the aggregate amount of assessments levied on Owners who have closed title to their Units; or (ii) Maintenance Assessments and Special Assessments on all unsold Units.

Section 5.05 Basis for Maintenance Assessment. Subject to a lesser amount payable by the Developer Co-Sponsor as permitted by Section 5.04 above, the quarterly Maintenance Assessment shall be the same for all Units subject to this Declaration so that the number of assessed Units divided into the total amount which the Board of Directors shall deem to be necessary to fully fund the current budget of estimated expenses and reserves (and any operating deficits previously sustained) shall determine the quarterly Maintenance Assessment for each Unit.

Section 5.06 Change in Basis of Assessments. The Association may change the basis of determining the Maintenance Assessment by obtaining the written consent of not less than two-thirds (2/3) of the total votes of all Unit Owners, excluding the Developer Co-Sponsor, voting in person or by proxy, written notice of which change shall be sent to all Unit Owners at least forty (40) days in advance of the date or the initial date set for voting thereon, except that, so long as the Sponsor holds title to any dwelling unit on lands described in any Schedules to this Declaration (whether or not subject to this Declaration), any change in the basis of Assessments which adversely affects a substantial interest or right of the Sponsor with respect to unsold dwelling Units shall require the specific consent of the Developer Co-Sponsor in writing.

Any change in the basis of Assessments shall be equitable and non-discriminatory within the following classifications: (i) Units paying full Maintenance Assessments, and (ii) Units paying less than full Maintenance Assessments pursuant to Section 5.04 above.

Section 5.07 Special Assessments for Capital Improvements. In addition to the quarterly (January 15, April 15, July 15 and October 15) Maintenance Assessment, the Association may levy in any assessment year a Special Assessment, payable in that year and/or the following year only, for the purpose of defraying, in whole or in part, the cost of any capital improvements, including without limitation, the construction,

reconstruction or replacement of or repair of a capital nature (but excluding items the cost of repair or replacement of which is included in the Maintenance Assessment) to the Association Property or to any other property which the Association has the responsibility to maintain, provided that for any Special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any Special Assessment amounting to more than 20% of the then current amount of quarterly Maintenance Assessments, the consent is obtained of two-thirds (2/3) of the total votes of Unit Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Unit Owners at least thirty (30) days in advance, setting forth the purpose of the meeting. The Association shall establish one or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least thirty (30) days prior to the first such due date.

Section 5.08 Initial Capital Contribution. Upon the initial closing of title to a Unit, the purchaser of a Unit shall pay a \$100.00 capital contribution to the Association at closing. Such contribution shall be used to fund the maintenance, preservation, operation and improvement of the Association Property. Subsequent purchasers of Units from the initial Unit Owner shall not be required to make a capital contribution to the Association as defined herein.

Section 5.09 Non-Payment of Assessment. If an Assessment, or installment thereof, is not paid on the due date established pursuant to Section 5.03 hereof, then such assessment payment shall be deemed delinquent. Any delinquent assessment payment, together with such late charges and interest thereon, accelerated installments, if any, and cost of collection thereof as herein provided, shall thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner and such Owner's heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, the personal obligation of the then Owner to pay such assessment shall remain such Owner's personal obligation notwithstanding a disposition by such Owner of his interest.

If the Assessment or any installment thereof is not paid within ten (10) days after the due date, the Association may impose a late charge or charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed 2% per month of the amount of such overdue Assessment or installment thereof, provided such late charges are equitably and uniformly applied.

If the Assessment or any installment thereof, is not paid within thirty (30) days after the due date, (i) the Assessment shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed the maximum rate of interest then permitted by law, (ii) the Board of Directors may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner and (iii) the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the Unit of such Owner, and the cost of such proceedings, including reasonable attorneys' fees shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

Once an Assessment is deemed delinquent as described above, any payments received from the Owner shall be applied in the following order: attorneys' fees, other costs of collection, late charges, interest, and then the delinquent Assessment or installments thereof beginning with the amounts past due for the longest period.

Dissatisfaction with the quantity or quality of maintenance or other services furnished by the Association shall, under no circumstances, entitle any Unit Owner to withhold or fail to pay the Assessments due to the Association for the Lot or Units owned by such Owner.

Section 5.10 Notice of Default. The Association, when giving notice to a Unit Owner of a default in paying Assessments, may, if its officers so determine, or shall, at the request of a mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address appears on the Association's records. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of said Assessments.

Section 5.11 Right to Maintain Surplus. The Association shall not be obligated in any calendar year to spend all the sums collected in such year by way of Maintenance Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Maintenance Assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.12 Assessment Certificates. Upon written demand of an Owner, mortgagee or lessee with respect to a Unit which he or she owns or leases, (or any prospective purchaser, lessee, occupant, mortgagee or title insurer of such Lot), the Association shall, within a reasonable period of time, issue and furnish a certificate in writing signed by an officer or designee of the Association setting forth with respect to such Lot as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; and (iii) whether any other amounts or charges are owing to the Association, e.g. for the cost of extinguishing a violation of this Declaration. A reasonable charge, as determined by the Board of Directors may be made for the issuance of such certificates. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser, lessee or title insurer of, or mortgagee of the Lot or Unit on which such certificate has been furnished.

Section 5.13 Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which shall have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the Owner of such Lot from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

Section 5.14 Right to Borrow and Mortgage. In order to fulfill the purposes set forth herein, the Association may borrow funds from any recognized lending institution, and in conjunction therewith mortgage its properties. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with lenders shall be subject solely to the discretion of the Board of Directors, except that (i) any member of the Board of Directors of the Association who has been elected or appointed by the Developer Co-Sponsor shall not be permitted to vote affirmatively for any borrowing and the quorum of the Board of Directors in any such vote shall be a majority of those Directors not elected or appointed by the Developer Co-Sponsor, and (ii) any consent of the Developer Co-Sponsor as required by Section 3.09 of this Declaration must be obtained.

Section 5.15 Repayment of Monies Borrowed. In order to secure the repayment of any and all sums borrowed from time to time, the Association is hereby granted the right and power:

- (a) to assign and pledge all revenues received and to be received by it under any provision of this Declaration including, but not limited to, the proceeds of the Maintenance Assessments and Special Assessments hereunder;
- (b) to enter into agreements with lenders with respect to the collection and disbursement of funds, including, but not limited to, agreements wherein the Association covenants to:
 - (i) assess the Maintenance Assessments on a given day in each year and, subject to the limitation on amount specified in Section 5.04 hereunder, to assess the same at a particular rate or rates;
 - (ii) establish sinking funds and/or other security deposits;
 - (iii) apply all funds received by it first to the payment of all principal and interest on such loans, when due, or in the Board's discretion to apply the same to such purpose after providing for costs of collection;
 - (iv) establish such collection, payment and lien enforcement procedures as may be required by the lenders;
 - (v) provide for the custody and safeguarding of all funds received by it.

ARTICLE VI MAINTENANCE BY THE ASSOCIATION

Section 6.01 Maintenance and Repair by the Association. Except as specifically otherwise provided in this Section 6.01, all maintenance and repair of and replacements to improvements on Association Property, including the storm sewer and drainage facilities, shall be the responsibility of, and at the cost and expense of the Association. Maintenance, repair and replacement of pipes, fire hydrants, wires, conduits and public utility lines servicing more than one Unit and for which a utility

company or other entity is not responsible (whether or not such lines and facilities are on Association Property) shall also be the responsibility of, and at the expense of, the Association, except that the Association shall not be responsible for cleaning or unclogging sewer lateral lines servicing a Unit, which shall be the responsibility of the Owner of the Lot and Unit served by such sewer lateral.

Units. With respect to the Units, the Unit Owners or Lot Owner shall be responsible for all maintenance and repairs necessary to the interior and exterior thereof. All Units shall be maintained in a uniform fashion by the Owner thereof, with any color, structural or design changes subject to written approval from the Board of Directors.

The Association may increase (or decrease) its maintenance responsibilities, provided (i) such increase or decrease is approved in writing by two-thirds (2/3) of all Owners other than the Developer Co-Sponsor and (ii) if such increase or decrease is proposed while the Developer Co-Sponsor holds title to any portion of the Property or Additional Property, (whether or not subject to this Declaration) the written consent of the Developer Co-Sponsor will be required.

Any maintenance, repair or replacement with respect to the Units which is not the responsibility of the Association is the responsibility and shall be made at the cost and expense of the respective Owner(s).

Subject to the provisions of Section 6.02 below, the cost of all maintenance performed by the Association shall be funded from Maintenance Assessments.

The Association shall have an easement and right of access for maintenance and repairs as set forth in Section 4.03 of this Declaration.

Section 6.02 Repairs and Maintenance Which Are Not the Responsibility of the Association. Any maintenance, repair or replacement necessary to preserve the appearance, aesthetic quality, character, structural integrity and value of the Property or any improvement thereon made pursuant to Section 6.01 above but which is occasioned by a negligent or willful or intentional act or omission of an Owner (including (a) any family member, tenant, guest or invitee of such Owner; (b) any family member, guest or invitee of the tenant of such Owner; and (c) any guest or invitee of (i) any member of such Owner's family, or (ii) any family member of the tenant of such Owner), or the Developer Co-Sponsor shall be made at the cost and expense of such Owner or the Developer Co-Sponsor as the case may be. If such maintenance, repair or replacement is performed by the Association, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Unit and such cost shall be added to that Owner's Maintenance Assessment and, as part of that Assessment, shall constitute a lien on the Unit, as the case may be, to secure the payment thereof. Unit Owners shall be responsible for repair and replacement of driveways and paved walkways located on the individual Lots.

Maintenance, repair and replacement of pipes, wires, conduits and public utility lines servicing only one (1) Unit and for which a utility company or other entity is not responsible (whether or not such lines and facilities are on Association Property) shall

be the responsibility of, and at the expense of, the Owner of the Unit so serviced. The Owner of the Unit served by the sewer lateral shall be responsible for cleaning or unclogging it.

Section 6.03 Quality and Frequency of Maintenance and Repairs. All maintenance, repair and replacement, whether or not performed by the Association, shall be of a quality and appearance consistent with the enhancement and preservation of the aesthetic quality, character, structural integrity and appearance and value of the Property.

ARTICLE VII ENCROACHMENTS

Section 7.01 Encroachments or Projections. If any Unit encroaches or projects up to two (2) feet upon or over any other Unit or Lot or upon or over any portion of the Association Property or if any deck or patio servicing a Unit encroaches or projects upon or over any portion of the Association Property as a result of: (i) original construction; (ii) settling or shifting, or (iii) replacement as a result of fire, condemnation, eminent domain proceedings or proceedings of similar import and effect; such encroachment or projection shall be permitted and valid easements for such encroachment or projection and the maintenance thereof shall exist so long as such improvements shall stand. If such encroachment or projection occurs as a result of replacement, the encroachment or projection must be inadvertent in order for a valid easement to exist.

ARTICLE VIII INSURANCE

Section 8.01 Insurance to be Carried. To the extent reasonably obtainable and to the extent obtainable at a reasonable cost, and in such amounts as the Board of Directors of the Association shall determine to be appropriate unless otherwise required herein, the Board of Directors of the Association shall obtain and maintain (i) casualty insurance for the Association Property, as appropriate, (ii) liability insurance for occurrences on the Association Property, (iii) directors' and officers' liability insurance covering negligent or wrongful acts or omissions of officers and directors of the Association, (iv) fidelity bond covering those who handle association funds, (v) worker's compensation insurance covering Association employees, and (vi) "umbrella" catastrophe coverage, if deemed necessary or appropriate.

No Liability for Failure to Obtain Above Coverages. The Board of Directors shall not be liable for failure to obtain any of the coverages required by this Section or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at unreasonable cost.

Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense; provided, however, that the Board of Directors of the Association may assess any deductible amount necessitated by the negligent, malicious or wrongful act or omission of an Owner against such Owner. The

Association may pay the deductible portion for which such Owner is responsible, and the amount so paid, together with interest and costs of collection (including attorney's fees), shall be a charge and continuing lien upon the Unit involved, shall constitute a personal obligation of such Owner, and shall be collectible in the same manner as assessments under Article V of this Declaration.

Section 8.02 Insurance Carried by Unit Owners. Each Owner of a Lot or Unit shall be responsible for and shall obtain their own fire and casualty insurance covering such Unit in an amount necessary and sufficient to assure the full replacement and reconstruction of the damaged Unit. Such Unit Owners shall also maintain comprehensive general liability insurance coverage on their Unit and Lot. All Unit and Lot Owners shall be responsible individually for insurance coverage for their contents and personal property.

ARTICLE IX GENERAL COVENANTS AND RESTRICTIONS

Section 9.01 No Immoral or Unlawful Use. No immoral, improper offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be cured or corrected by and at the sole expense of the Unit Owner or the Board of Directors, as the case may be, responsible for such violation, provided that, upon failure of a Unit Owner to cure or correct such violation after ten (10) day's written notice, the Board of Directors may, at such Unit Owner's expense, payable in the same manner as an assessment against such Unit, cure or correct such violation on such Unit Owner's behalf or commence appropriate legal proceedings to enjoin or restrain such violation.

Section 9.02 Advertising and Signs. Except for signs erected by or with the permission of the Developer Co-Sponsor in connection with the initial development, lease or sale of Lots or Units, no additional sign or other advertising device of any nature shall be placed for display to the public view on any Lot or Unit or other portion of Property including rights-of-way (except temporary signs advertising property for sale or rent). This Section shall not be amended or modified without the written consent of Developer Co-Sponsor, so long as Developer Co-Sponsor holds title to any Lot, Unit or other portion of the Property or Additional Property. This restriction shall not apply to the Builder Co-Sponsor during the course of construction.

Section 9.03 Pets. Any pets owned by Owners shall be properly controlled and shall not be permitted to run loose or to be chained outdoors so as to constitute a nuisance to other Owners. Owners must accompany their pets and have their pets leashed at all times when outside the Lot owned by the respective Owner and shall clean up after their pets. Owners must also comply with any local leash laws relative to their pets. The Board of Directors may, from time to time, impose reasonable rules and regulations setting forth the type and number of pets, including fish, birds and insects, and may prohibit certain types and breeds of animals entirely.

Section 9.04 Fences. Except for two (2) white vinyl fence panels not to exceed six (6) feet high and eight (8) feet wide, no other fencing of any kind shall be placed or erected on any Lot or Unit within the Property.

Section 9.05 Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material shall be kept, stored or allowed to accumulate outdoors of any portion of the Property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pickup to provide access to persons making such pickup.

Section 9.06 Satellites. No satellites shall be affixed to a Unit except for satellites less than twenty (20) inches in diameter affixed to the rear of a Unit outside of street view.

Section 9.07 Accessory Structures. No accessory structures, including, but not limited to, sheds, greenhouses, or gazebos may be constructed on any Lot.

Section 9.08 Nuisances, Noxious or Offensive Activities. No nuisances, noxious or offensive activities shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a source of nuisance or annoyance to the Unit Owners or occupants or which interferes with the peaceful possession or proper use of the Property by the Unit Owners or occupants.

Section 9.09 Changes, Alterations, Additions or Modifications. No changes, alterations, additions or modifications to the exterior of the Units or Lots as initially constructed shall be made without the prior written consent of both the Developer Co-Sponsor, so long as the Developer Co-Sponsor shall hold title to at least one Lot or Unit, and the HOA or any architectural committee thereof. This restriction shall not apply to the Builder Co-Sponsor during the course of construction.

Section 9.10 Certain Restrictions Not Applicable to Co-Sponsors. Co-Sponsors' home construction or any other improvements or alterations made by Co-Sponsors are exempt from and are not subject to any architectural review and/or approval by the HOA, nor shall Co-Sponsors be subject to any use restrictions on the Lots which would hinder Co-Sponsors' ability to market and construct homes on the Lots including, but not limited to, the right to access common areas and/or Lots for purposes of construction or marketing and the ability to erect signage on the common areas or Lots.

ARTICLE X ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 10.01 Declaration Runs With the Land. Each person or entity acquiring an interest in a Lot, Unit or other portion of the Property or otherwise occupying any portion of the Property (whether or not the deed, lease or any other instrument incorporates or refers to this Declaration) covenants and agrees for him, her, or itself, and for his, her or its heirs, successors and assigns, to observe, perform and

be bound by the provisions of this Declaration including personal responsibility for the payment of all charges that may become liens against his, her or its property and which become due while he, she or it is the Owner or occupant thereof, and also covenants to incorporate this Declaration by reference in any deed, lease or other instrument transferring an interest in such Unit or other portion of the Property.

Section 10.02 Enforcement. The provisions of this Declaration shall bind the Property and shall be construed as running with the land and shall inure to the benefit of and be enforceable by the Developer Co-Sponsor and the Association (being hereby deemed the agent for all of its Members), and by any Member or Owner, their respective legal representatives, heirs, successors and assigns.

(a) Actions at Law or Suits in Equity. The Association, or any Member or 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. Before an individual Owner may take any action to enforce this Declaration, written demand must be made on the Board of Directors of the Association to take such action as contemplated by the Owner. The Board of Directors shall have thirty (30) days in which to proceed or permit the Owner to proceed. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of this Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

(b) Penalties and Fines. In addition or as an alternative to an action at law or suit in equity, the Board of Directors of the Association may, with respect to any violation of this Declaration or of the By-Laws or rules and regulations of the Association or any committee of the Association, and after affording the alleged violator a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and/or severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other person. Monetary penalties imposed against a Unit Owner or Unit occupant shall be deemed a Special Assessment against the Unit and Lot of such Owner or on which the Unit occupied by such occupant is located and, as such, shall be a charge and continuing lien upon such Unit, shall constitute a personal obligation of the Unit Owner and such occupant if other than the Owner, and shall be collectible in the same manner as Assessments under Article V of this Declaration.

Section 10.03 No Waiver by Failure to Enforce. The failure of any beneficiary hereof to enforce any provision of this Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or any other violation occurring prior or subsequent thereto. No liability shall attach to the Developer Co-Sponsor, the Association (or any officer, director, employee, Member, agent, committee or committee member) or to any other person or organization for failure to enforce the provisions of this Declaration.

Section 10.04 Obligation and Lien for Cost of Enforcement by Association. If the Association or any other party successfully brings an action to extinguish a

violation or otherwise enforce the provisions of this Declaration, or the rules and regulations promulgated pursuant hereto, the costs of such action, including legal fees, shall become a binding, Personal obligation of the violator. If such violator is (1) the Owner, or (2) any family member, tenant, guest or invitee of the Owner, or (3) a family member or guest or invitee of the tenant of the Owner, or (4) a guest or invitee of (i) any member of such Owner's family or (ii) any family member of the tenant of such Owner, such costs shall also be a lien upon the Unit or other portion of the Property owned by such Owner.

Section 10.05 Notification to Association of Mortgagees and Default Notice to be Sent to Mortgagees. The Association shall be notified by each Unit Owner or such Unit Owner's mortgagee of the name and address of the mortgagee of any mortgage on such Owner's Lot/Unit. Upon receipt of such notice, the Association shall thereafter provide such mortgagee with a duplicate copy of any notice of default sent to such Owner with regard to the violation, by such Owner, of any provision of this Declaration.

Section 10.06 Amending or Rescinding. The Sponsor, during the time the Sponsor owns any Units, may make amendments to this Declaration to correct omissions or errors, which amendments shall not adversely modify substantial rights of any Unit Owner without such Unit Owner's written consent. All other amendments or a rescission of this Declaration, unless otherwise specifically provided for herein, may be made by obtaining the consent in writing of the Owners of not less than two-thirds (2/3) of all Units which are subject to this Declaration, not including those Units owned by the Sponsor. In addition, and notwithstanding the above, so long as the Sponsor holds title to any Lot or dwelling Unit on lands described in any Schedules to this Declaration (whether or not subject to this Declaration), the written consent of the Sponsor will be required for any amendment which adversely affects a substantial interest or right of the Sponsor, as determined by the Sponsor, which consent may be withheld by the Sponsor in its sole discretion.

In voting for such amendment or rescission, Owners shall have one (1) vote each regardless of the number of Units owned.

The Owners of every Unit shall receive written notice of every proposed amendment or rescission at least thirty (30) days prior to the date or initial date set for voting on said proposed amendment or rescission.

In addition to the approval of the Owners and Sponsor as provided for herein, no amendment or rescission which substantially affects the interest of any lending institution shall be effective if lending institutions which together are first mortgagees on 51% or more of the Lots advise the Association in writing, prior to the date or initial date set for voting on the proposed amendment, that they are opposed to such amendment, which opposition must not be unreasonable. Written notice of any proposed amendment or rescission which substantially affects the interest of any lending institution first mortgagee shall be sent to all such lending institution first mortgagees whose names appear on the records of the Association at least thirty (30) days prior to the date or initial date set for voting on the proposed amendment or rescission.

No amendment shall terminate, extinguish or adversely modify any easement granted in this Declaration which benefits Lots or Units except with respect to those Lots or Units whose Owners specifically consent in writing to such termination, extinguishment or modification.

Section 10.07 Owner Responsible for Tenants. Any lease of a Unit shall provide and specify in writing that the tenant shall comply in all respects with the terms of this Declaration, and the By-Laws, rules and regulations, if any, of the Association. If a tenant or guest of a Lot Owner or tenant is in violation of such Declaration, By-Laws or rules and regulations, the Board of Directors shall so notify the Owner of the Unit which such tenant occupies in writing by certified mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, and diligently pursued thereafter, the Board of Directors may pursue any remedies which it may have pursuant to Sections 10.02 and 10.04 of this Declaration.

Section 10.08 When Amendment or Rescission Becomes Effective. Any amendment or rescission to this Declaration shall not become effective until the instrument evidencing such change has been duly recorded in the Ontario County Clerk's Office. Such instrument need not contain the written consent of the required number of Owners but shall contain a certification by the Board of Directors of the Association that the consents required for such amendment have been given in writing or by vote duly taken at a meeting of the Association.

Section 10.09 Duration. The provisions of this Declaration shall, unless amended or rescinded as hereinbefore provided, continue with full force and effect against both the Property and the Owners thereof perpetually, unless terminated or its duration shortened by affirmative vote of not less than 80% of Lot Owners after a hearing is held to discuss same.

Section 10.10 Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefited or bound by the provisions hereof.

Any conflict in construction or interpretation between the Association and any other person or entity claiming any right to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association. The Association may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations, and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interests of the Owners and residents of the Property to the end that the Property shall be preserved and maintained as a high quality residential community.

In granting any permit, authorization, or approval as herein provided, the Association may impose any conditions or limitations thereon as it shall deem advisable

under the circumstances in each case in light of the considerations set forth in the immediately preceding paragraph hereof.

Section 10.11 Conflict with Municipal Laws. The Protective covenants, conditions and restrictions set forth herein shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease.

Section 10.12 Change of Conditions. No change of conditions or circumstances shall operate to amend any of the provisions of this Declaration, and the same may be amended only in the manner provided herein.

Section 10.13 Invalidity of Declaration. The determination by any court that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE XI GENERAL

Section 11.01 Headings and Captions. The headings and captions contained in this Declaration are for convenience only and shall not affect the meaning or interpretations of the content thereof.

Section 11.02 Right Reserved to Developer Co-Sponsor to Impose Additional Protective Covenants. The Developer Co-Sponsor reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 11.03 Notice. Any notice required to be sent to the Developer Co-Sponsor or to any Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Developer Co-Sponsor, Owner or mortgagee on the records of the Association at the time of such mailing.

Section 11.04 Right of Association to Transfer Interest. Notwithstanding any other provision herein to the contrary, the Association and its successors, shall at all times have the absolute right to fully transfer, convey and assign its right, title and interest under this Declaration to any successor not-for-profit corporation or trust and, upon such assignment, the successor corporation or trust shall have all the rights and be subject to all the duties of said Association as set forth in this Declaration and shall be deemed to have agreed to be bound by all provisions hereof, to the same extent as if the successor corporation or trust had been an original party and all references herein to the Board of Directors shall refer to the Board of Directors (or Trustees) of such successor corporation or trust. Any such assignment shall be accepted by the successor corporation or trust under a written agreement pursuant to which the successor corporation or trust expressly assumes all the duties and obligations of the Association. If, for any reason, the Association shall cease to exist without having first assigned its rights hereunder to a successor corporation or trust, the covenants, easements, charges

and liens imposed hereunder shall nevertheless continue and any Owner may petition the court of competent jurisdiction to appoint a trustee for the purpose of organizing a not-for-profit corporation or trust to take over the duties and responsibilities of the entity to exist, subject to the conditions provided for herein with respect to an assignment and delegation to a successor corporation or trust.

Section 11.05 Right of Association to Transfer Functions. Unless otherwise specifically prohibited herein or within the Certificate of Incorporation or By-Laws of the Association, any and all functions of the Association shall be fully transferable in whole or in part to any other homeowners or residents association or similar entity.

BELLA ESTATES, LLC

By: _____
Frank Affronti, Member

NVR, INC.,
d/b/a Ryan Homes of New York

By: _____
Tom Delaney, Vice President/
Market Manager

STATE OF NEW YORK)
COUNTY OF Ontario) ss:

On the _____ day of _____ in the year 2023, before me, the undersigned, a Notary Public in and for the State, personally appeared Frank Affronti, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the _____ day of _____ in the year 202__, before me, the undersigned, a Notary Public in and for the State, personally appeared Tom Delaney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE A

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION

Schedule A Legal Description

PARCEL 1

All That Tract or Parcel of Land situate in the Town of Victor, Ontario County and State of New York being more particularly bounded and described as follows:

Beginning at the point of intersection of the southerly highway boundary line of Erica Trail and the easterly line of Lot No. 4 as shown on a map entitled "Ballerina Court – Final Subdivision Plans, Phase One", a copy of which was filed in the Ontario County Clerk's Office on December 8, 2014 as Map #33976;

Thence (1) North 71° 22' 16" East and along the easterly highway boundary line of Erica Trail a distance of 60.00 feet to a point;

Thence (2) South 18° 37' 44" East and along the westerly line of Lot No. 5 a distance of 255.15 feet to a point;

Thence (3) North 89° 11' 20" West and along the northerly line of lands now or formerly owned by Morgan McMahon Road LLC (See Tax Map #28.36-2-1.00) a distance of 63.63 feet to a point;

Thence (4) North 18° 37' 44" West and along the easterly line of Lot No. 4 a distance of 233.98 feet to the point and place of beginning.

Said premises are also known as Lot Number 501 of Ballerina Court Subdivision Phase 1, Town of Victor as laid down on map filed in the Ontario County Clerk's Office on December 8, 2014 as Map No. 33976.

Tax Map No. 28.08-1-501.000

PARCEL 2

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Victor, County of Ontario, and State of New York and bounded and described as follows:

COMMENCING at a point which point is also the northeasterly corner of premises now or formerly of Victoria Woods Homeowners Association, Inc. Phase 2 (Liber 837 of Deeds at page 414), which point is 553.9 feet easterly from the centerline of McMahon Road; running thence

1. South 79° 09' 00" East along lands now or formerly of William J. Pashley, III (Liber 1203 of Deeds, page 424) a distance of 800.04 feet to a point; running thence

2. South 60° 51' 00" West along lands now or formerly of Victoria Woods Homeowners Association, Inc. (Liber 845 of Deeds, page 951) a distance of 409.35 feet to a point; running thence

3. South 55° 43' 25" West along lands now or formerly of Victoria Woods Homeowners Association, Inc. as aforesaid a distance of 335.00 feet to a point; running thence

4. North 78° 43' 25" West along lands now or formerly of Victoria Woods Homeowners Association, Inc. (Liber 823 of Deeds, page 310) a distance of 284.27 feet to a point; running thence

5. North 09° 41' 30" East along lands now or formerly of Victoria Woods Homeowners Association, Inc. Phase 2 (Liber 837 of Deeds, page 113) a distance of 498.14 feet to a point, which is also the point and place of beginning.

Tax Map No. 28.36-2-1.00

BY-LAWS
OF
WILLOW RISE TOWNHOMES HOMEOWNER'S
ASSOCIATION, INC.

NAME: Willow Rise Townhomes Homeowner's Association, Inc.

DEVELOPER Bella Estates, LLC
CO-SPONSOR: 477 Whitney Road
Ontario, New York 14519

BUILDER NVR, Inc., d/b/a Ryan Homes of New York
CO-SPONSOR: 1 Fishers Road, Suite 100
Pittsford, New York 14534

DATED: February 2, 2024

BLOCK, LONGO, LAMARCA & BRZEZINSKI, P.C.
Attorneys for Co-Sponsors
One Niagara Square
Buffalo, New York 14202
(716) 854-4080

BY-LAWS

OF

WILLOW RISE TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.

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BY-LAWS

OF

WILLOW RISE TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Willow Rise Townhomes Homeowner's Association, Inc., hereinafter referred to as the "Association" or "Willow Rise". The principal office of the corporation shall be located in the Town of Victor, County of Ontario and State of New York.

**ARTICLE II
DEFINITIONS**

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

- A.** "**Declaration**" shall mean and refer to the document entitled "Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens – Willow Rise imposed by the Developer Co-Sponsor on the Property, as defined below, as it may from time to time be supplemented or amended in the manner provided for in said Declaration.
- B.** "**Lot**" shall mean and refer to any portion of the Property identified as a separate parcel on the tax records of the Town of Victor or shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as defined in the Declaration.
- C.** "**Member**" shall mean and refer to the Owner of a Lot or Unit subject to the Declaration whether the holder of record title of the fee interest in the Lot or Unit or the record holder of any leasehold estate, whether or not such holder actually resides on the part of the Property.
- D.** "**Lot Owner**" shall mean and refer to the holder of record title, whether one or more persons or entities, of the fee interest in any Lot or Unit, whether or not such holder actually resides in such Unit or on such Lot.
- E.** "**Property**" shall mean and refer to all property and lands which are subject to the Declaration.
- F.** "**Developer Co-Sponsor**" shall mean and refer to Bella Estates LLC, its successors and assigns.

- G. "Builder Co-Sponsor"** shall mean and refer to NVR, Inc., d/b/a Ryan Homes of New York, its successors and assigns.
- H. "Unit"** shall mean and refer to any completed living Unit situated upon the Property or any dwelling unit on the Property which has been occupied as a residence.

ARTICLE III MEMBERS

3.01 Membership in the Association. The Members of the Association shall be the Owners of all Lots/Units on the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. Developer Co-Sponsor shall be a member for so long as either or both shall hold title to any Lot or Unit on the Property or any Additional Property as defined in the Declaration.

3.02 Right of Co-Sponsors to Assign. The Co-Sponsors may assign their respective membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Memberships in the Association shall not otherwise be transferable or assignable.

3.03 Voting Rights. Each Lot Owner shall have one (1) vote for his respective Lot(s) or Unit(s) owned except that when a Unit comes into existence (by issuance of a Certificate of Occupancy or by occupation as provided in the Declaration) the Lot upon which such Unit is located shall not have a vote. 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 provided that in no event may a Lot Owner's voting rights be suspended for nonpayment of Assessments to the Association.

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

3.05 Corporate Members. Any votes of a corporate member may be cast by a duly authorized officer of such corporation.

3.06 Joint or Common Ownership. Any one joint or common owner of a Unit or Lot shall be entitled to cast the vote with respect to the Unit or Lot so owned.

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

ARTICLE IV MEETINGS OF MEMBERS

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

4.02 Special Meetings. Special Meetings of the Members may be called at any time by the President or the Board of Directors, or at the request in writing of Members of the Association holding not less than one-third (1/3) of the votes entitled to be cast at the meeting.

4.03 Notice of Meetings. Not less than ten (10) days or more than thirty (30) days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member entitled to vote at such meeting, written or printed notice stating the time and place of the meeting, and, in the case of a Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail or by presenting it to the Member personally, or by leaving it at such Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the Member at his or her post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, Annual or Special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

4.04 Quorum. Members holding not less than one-half (½) of the total votes of the membership shall constitute a quorum at any meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting

from time to time, without notice other than announcement at the meeting until a quorum shall be present or be represented. The act of two-thirds (2/3) of the Members present at a meeting at which a quorum was present shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Certificate of Incorporation of the Association, the Declaration, or these By-Laws.

4.05 Waiver and Consent. Wherever the vote of the membership is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

4.06 Order of Business at Meeting. The order of business at all regular meetings of members of the Association shall be as follows:

- (1) Call meeting to order;
- (2) Proof of Notice of meeting or waiver of notice;
- (3) Reading of minutes of preceding meeting;
- (4) Reports of officers;
- (5) Reports of committees;
- (6) Appointment of inspectors of election;
- (7) Election of Directors, if any;
- (8) Unfinished/old business;
- (9) New business;
- (10) Adjournment.

ARTICLE V BOARD OF DIRECTORS

5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5) except that an initial Board of three (3) Directors shall be designated by the Developer Co-Sponsor to serve until the first Annual Meeting of the Association after 50% of the Units have been transferred to purchasers for occupancy, or five (5) years after the date of transfer of title to the first Unit, whichever first occurs.

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

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

5.03 Election. At the first Annual Meeting, after 50% of the Units have been sold or five (5) years after transfer of title to the first Unit, whichever first occurs, the members shall elect three (3) Directors for a term of two (2) years, two (2) Directors 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. So long as Sponsor holds title to at least one (1) Lot or Unit, it shall have the right to appoint one (1) member of the Board of Directors. Voting shall be by secret written ballot which shall:

- (a) set forth the number of vacancies to be filled;
- (b) set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- (c) contain space for a write-in for each vacancy.

The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. The Developer Co-Sponsor shall not cast its vote as Owner of Units or Lots to elect a majority of Directors after five (5) years from the date of recording of the Declaration.

5.04 Vacancies. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose vacancy such person was elected to fill. The Developer Co-Sponsor has the right to appoint one (1) member to the Board of Directors so long as Developer Co-Sponsor continues to own at least one (1) Unit or Lot. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the entire Board of Directors and any Director so elected shall hold office until the next meeting of Members or until a successor is elected and qualifies.

5.05 Removal. At any meeting of Members, duly called at which a quorum is present, the Members may, by the affirmative vote of not less than two-thirds (2/3) of the Members, remove any Director or Directors elected by the Members from office with or without cause and may elect the successor or successors to fill any resulting vacancies for the unexpired term or terms of the removed Director or Directors. Any Director appointed by the Developer Co-Sponsor may be removed without cause only by Developer Co-Sponsor, but may be removed for cause in the same manner as a member of the Board of Directors elected by the Unit Owners may be removed for cause - such removed Director shall be replaced by another Director appointed by Developer Co-Sponsor. In addition the other Directors may, by the affirmative vote of not less than two-thirds (2/3) of the other Directors, declare the position of the Director vacant in the

event the person filling such position shall be absent from three (3) consecutive meetings.

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

5.07 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice at such places and at such times convenient to the Directors as may be designated from time to time by resolution of the Board of Directors. Should such meeting date fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

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

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

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

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

(a) To determine, levy and collect the assessments and common charges as provided for in the Declaration.

(b) To collect, use and expend the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association and exterior of the Units as permitted by the Declaration.

(c) To procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate hazard insurance on such of the Association's real and personal properties and the Units as it deems appropriate.

(d) 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.

(e) To adopt and publish rules and regulations governing the use of Association Property and facilities, and the personal conduct of the members and other guests thereon, and establish penalties for infractions thereof.

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

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

(h) Maintain, repair and replace, as necessary, all properties and facilities owned by the Association or for which the Association has maintenance responsibilities under the Declaration.

(i) 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.

(j) To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and to present a statement thereof to the Members at the annual meeting of Members, or at any special meeting of Members when such a statement is requested in writing by not less than one-fourth (1/4) of the Members entitled to vote.

(k) To issue, or cause to be issued, upon demand by any person an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Unit.

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

ARTICLE VI OFFICERS

6.01 Officers. The officers of the Association shall be the President (who shall be a Member of the Board of Directors), one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Two or more offices may not be held by the same person.

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

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

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

6.05 President. The President shall be the chief executive officer, shall supervise the work of the other officers, shall preside at all meetings of Members, and if there is no Chairman of the Board, shall preside at all meetings of Directors, and shall perform such other duties and functions as may be assigned him or her. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board of these By-Laws.

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

6.07 Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall record the votes and keep the minutes of all meetings, shall have charge of the seal and corporate records of the Association, shall

keep records of the members of the Association and the mortgagees of dwelling Units on the Property, and shall perform such other duties as are assigned to him or her by the President or the Board. Any Assistant Secretary shall be capable of performing all of the duties of the Secretary.

6.08 Treasurer. The Treasurer shall have the custody of all moneys and securities of the Association and shall keep or cause to be kept regular books and records. He or she will account to the President and the Board, whenever they may require it, with respect to all of his or her transactions as Treasurer and of the financial condition of the Association, and shall perform all other duties that are assigned to him or her by the President, the Board or these By-Laws.

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

ARTICLE VII COMMITTEES

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

All actions by any such committee shall be reported to the Board of Directors at its meeting next succeeding such actions. Such actions shall be subject to control, revision, alteration and approval by the Board of Directors.

7.02 Committees of Members. The Association shall have such 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.

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

ARTICLE VIII FINANCE

8.01 Checks. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President or Treasurer and countersigned by one Director of the Association,

provided that the President or Treasurer and Director so signing are not the same person.

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

8.03 Annual Reports. There shall be a full and correct statement of the financial affairs of the Association including an annual review of operation for the preceding fiscal year prepared by a certified public accountant and including a certification signed by the certified public accountant to the effect that the financial statements present fairly the financial position of the Association and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with the that of the preceding period except as specified therein. Such report shall be submitted at the Annual Meeting of the Members and filed within twenty (20) days thereafter at the principal office of the Association.

ARTICLE IX BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, Lot Owner, title insurer and mortgagee. The Declaration, Certificate of Incorporation and the By-Laws of the Association shall be available for inspection by any of the foregoing parties at the principal office of the Association.

ARTICLE X CORPORATE SEAL

If so determined by the Board of Directors, the Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

ARTICLE XI AMENDMENTS

11.01 Alteration, Repeal or Amendment. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of two thirds majority of all Members of the Association.

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