

STONEBRIDGE MANOR
RESTRICTIONS, DECLARATION AND AGREEMENT
OF COVENANTS, EASEMENTS, CHARGES AND LIENS

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STONEBRIDGE MANOR
RESTRICTIONS
DECLARATION AND AGREEMENT
OF COVENANTS, EASEMENTS, CHARGES AND LIENS

THIS DECLARATION AND AGREEMENT, made this _____ day of _____, 1979, by and between HPT, INC., a New York Stock Corporation (hereinafter referred to as "Declarant") and STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC., a New York Not-for-Profit Corporation, (hereinafter called "Association").

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

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

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

NOW, THEREFORE, Declarant hereby declares that all of the Properties, together with any and all improvements thereon and appurtenances thereunto, shall be held, sold and conveyed subject to the following covenants, easements, restrictions and conditions

which are for the purpose of protecting the value and desirability of, and which shall run with, burden and bind the Properties for and during the period of time specified hereafter and all parties having any right, title or interest in the Properties or any part thereof, their heirs, executors, administrators, successors, and assigns forever, and shall inure to the benefit of each owner thereof.

ARTICLE I

Definitions

1.01. "Association" shall refer to the Stonebridge Manor Home owners Association, Inc. and its successors and assigns.

1.02. "Properties" shall refer to the real property described in Exhibit "A" annexed to this Declaration and Agreement of Covenants, Easements, Charges and Liens ("Declaration").

1.03. "Common Area" shall refer to all real property owned by the Association for the common use and enjoyment of the owners, as shown and designated on the filed map for Stonebridge Manor Subdivision or any filed revision thereof.

1.04. "Lot" shall refer to any plot of land shown upon any recorded subdivision or resubdivision map of the Properties, with the exception of the Common Area.

1.05. "Owner" shall refer to the record owner, whether one or more persons or entities, of the title to any Lot which is part of the Properties, but excluding those having such interest

merely as security for the performance of any obligation.

1.06. "Declarant" shall refer to HPT, Inc., its successors and assigns if such successors or assigns should acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

1.07. "Restrictions" shall refer to the provisions of this Declaration, and any amendments thereto and the By-Laws of the Association recorded concurrently with this Declaration and any amendments thereto.

1.08. "Townhome" shall refer to the improvement constructed upon any Lot, subject to this Declaration, for use as a single or one family occupancy.

1.09. "Single or One Family Occupancy" shall refer to the residential occupancy of a Townhome by no more than two (2) unrelated adults or four (4) adults all related to one another as either brother, sister, stepbrother, stepsister, mother, father, husband, wife, daughter, son, stepdaughter, stepson, together with any number of their children, all of whom are related to each other as brother or sister, stepbrother or stepsister. The foregoing shall include adopted and licensed agency approved or placed foster children.

1.10. "Note Holder" shall refer to the holder of any Note given by the Association, and all trustees or other representatives of one or more such holders.

1.11. "Note" shall refer to any note, bond, debenture

or other evidence of indebtedness issued and sold by the Association.

ARTICLE II

The Property Subject to This Declaration

2.01. The Properties described in Exhibit "A" are owned by Declarant. Each Owner, by the act of becoming such, shall be taken to have acknowledged and agreed (i) that the Properties described in Exhibit "A" shall be the only property subject to these Restrictions, and (ii) that neither anything contained in this Declaration nor in any recorded or unrecorded plat, map, picture, drawing, brochure, or other representation of a scheme of development, shall be construed as subjecting, or requiring Declarant, the Association, or any successor or assignee to or of any of the afore-mentioned, to subject, to this Declaration or any other declaration or agreement, any property or land now or hereafter owned by any of them other than that described in Exhibit "A" annexed hereto. The fact that terms or provisions set forth in separate or additional declarations and agreements relating to property or lands other than the Properties may be similar or identical, in whole or in part, to the Restrictions set forth in this Declaration shall not be construed to mean that it was the intent or purpose therein to subject any additional property or lands to this Declaration or any terms or provisions thereof.

2.02. Assuming all Lots within said Stonebridge Manor Subdivision were to be annexed, no more than thirteen (13) Lots,

as herein defined in Section 1.04 may be constructed upon the Properties, as herein defined in Section 1.02, and so long as Declarant, its successors or assigns shall own in fee simple any lots within said Stonebridge Manor Subdivision, the number of Lots, as defined, that may be improved as such Properties may not be reduced from thirteen (13) in number, nor may any number of Lots less than thirteen (13) be excluded from the enjoyment of all facilities and services of the Association. This Section 2.02 may not be amended without the express written consent of Declarant, its successors or assigns.

ARTICLE III

Covenant for Annual or Special Assessments

3.01. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, and the costs and expenses of maintenance of the common water pipe, sanitary sewer lines and storm water lines, such assessments to be established and collected as hereinafter provided. The covenant in this Section shall not constitute a guarantee, or promise of any kind by Declarant to pay any assessment, or any other obligation of any Owner, other than Declarant. The annual and special assessments, together

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

3.02. Purpose of Annual Assessments. Annual assessments levied by the Association shall be used exclusively (i) first, to the payment of all principal and interest, when due, on all loans borrowed by the Association to the extent required under any agreement with the Note Holder referred to in Section 3.10, and thereafter (ii) to operate, maintain, repair, improve, construct, reconstruct and preserve, on a non-profit basis, the Common Area owned by the Association, exclusively for the benefit of its members, their guests, tenants and invitees; and (iii) to maintain, repair, reconstruct, replace and preserve, on a non-profit basis the resident Lots, and the Townhomes constructed thereon, for the purpose of preserving the exterior appearance and configuration of said Lots and Townhomes, including, but not limited to, all exterior (outside) walls, including window casements (excluding, nevertheless, all glass replacement or breakage and window screens) and exterior doors, (excluding, nevertheless, storm and screen doors) roof and roof members, facia and exterior trim, gutters and

down spouts, driveways, walks and parking areas, trees, shrubs and grasses and other exterior improvements, excluding, nevertheless, any patio area. Except for the structural portion of the exterior walls and roof members, there shall be no obligation on the part of the Association to maintain, repair, reconstruct, replace or preserve any part of the interior of any Townhome or any fixtures or mechanical system (including but not limited to heating, including chimney, lighting, plumbing, air-conditioning) for any Owner. The above obligation shall not include any maintenance, repairs or replacements caused by fire or other casualty to a Townhome.

In the event that the need for maintenance or repair is caused through the willful act of the Owner, his family or tenants or guests, or invitees, and not covered nor paid for by insurance on such Lot, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot Owner is subject.

3.03. Amount of Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the amount of the annual assessment, shall be Eight Thousand Five Hundred Two and no/100 Dollars (\$8,502.00), the sum reported in the First Year Estimated Budget set forth in the Offering Plan for the Association, charged equally to each Lot in the sum of Six Hundred Fifty-four and no/100 Dollars (\$ 654.00), annually, payable monthly.

From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the amount of the annual assessment and the amount thereof charged equally to each Lot shall be fixed and determined by the Association's Board of Directors.

3.04. Special Assessments for Capital Improvements
Common Water Pipe, Sanitary Sewer Lines and Storm Water Lines.

In addition to the annual assessments authorized above: (a) The Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and the Lots, or any of them, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of one-half (1/2) of the votes of the Members, present in person or by proxy, at a meeting duly called for this purpose; (b) So long as the Agreement with the City of Rochester, dated August 14, 1979, annexed hereto, made a part hereof and marked Exhibit B, and sometimes referred to as the "Common Water Pipe Agreement", shall remain in force, the Association's Board of Directors, without the assent of the Members, shall levy a special assessment for the purpose of defraying, in whole or in part, the Costs and Expenses of Maintenance of the Common Water Pipe, as defined and provided in said Common Water Pipe Agreement. This Section 3.04 (b)

may not be amended without the express written consent of the City of Rochester; (c) The Association's Board of Directors, without the assent of the Members, may levy a special assessment for the purpose of defraying, in whole or in part, the costs and expenses to repair, replace or maintain the sanitary sewer lines and storm water lines serving the Townhome owners, and, in the event ownership and control of the Common Water Pipe shall revert to the Association, then and in such event the Association's Board of Directors, without the assent of the Members may levy a special assessment for the purpose of defraying, in whole or in part, the costs and expenses to repair, replace or maintain the common water pipe.

3.05. Notice and Quorum for Any Action Authorized Under Section 3.04(a). Written notice of any meeting called for the purpose of taking any action authorized under Section 3.04(a) shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. The presence of Members in person or by proxy, entitled to cast one-half (1/2) of all the votes of the membership shall constitute a quorum.

3.06. Uniform Equal Rate of Assessment. Annual assessments must be fixed at a uniform equal rate for all Lots and may be collected on a monthly basis. Special assessments must be fixed at a uniform equal rate for all Lots and may be collected as directed by Association (Section 3.04[a]) or Director (Section 3.04 [b], [c]) action.

3.07. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the recording of this Declaration, and shall be prorated on the basis of the Estimated Budget for the first year, published in the Offering Plan, according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of subsequent annual assessments for each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and, unless otherwise provided, the Association shall collect each month from the Owner of each Lot one-twelfth (1/12) of the annual assessment for such Lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer, or the Managing Agent, if any, of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

3.08. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum prevailing legal rate per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the

lien against such Owner's Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association, acting on behalf of the Lot Owners shall have the power to bid for the interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to insure its interest against fire and other hazards. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, or abandonment of his Lot, or by renunciation of membership in the Association. An Owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, deed in lieu of foreclosure.

3.09. Subordination of the Association Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage given to any bank, savings bank, savings and loan association, pension fund, or other

institutional lender or Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of any first mortgage, given as above provided, shall extinguish the lien of such assessments as to payments which became due prior to the foreclosure sale and transfer. No foreclosure sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

3.10. Exempt Property. All properties dedicated to, and accepted by, a local public municipality or authority, and the Common Area shall be exempt from the assessments created herein. However, no land or improvements devoted to single or one family occupancy use shall be exempt from said assessments.

3.11. Loans to the Associations. The Association's Board of Directors may borrow monies from time to time, so long as the repayment of the principal borrowed and the interest thereon shall be accomplished within the term of five (5) years. Loans that shall require repayment over a longer term shall first be approved by two-thirds of the votes of the Members present in person or by proxy at a meeting duly called for this purpose.

In order to secure the repayment of any and all sums borrowed by it from time to time, the Association is hereby granted the right and power; (i) to assign and pledge revenues received, and to be received by it under any provision of this Declaration; and (ii) to enter into agreement with Note Holders with respect to

the collection and disbursements of funds; and (iii) to apply funds received by the Association first to the payment of principal and interest, when due, on such loans; and (iv) to establish such collection, payment and lien enforcement procedures as may be required by Note Holders.

3.12. Reserves and Surplus.

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

(b) So long as the Common Water Pipe Agreement with the City of Rochester shall remain in force, the Association's Board shall establish and maintain annually a separate reserve account with a banking institution having its office within the City of Rochester, to be identified as "Stonebridge Manor Homeowners Association, Inc. Maintenance and Capital Reserve Account - Common Water Pipe" and shall fix, collect and deposit annually in said account the sum of one-tenth (1/10th) of the total capital reserve established for any fiscal year by the Association's Budget or

the sum of One Hundred Dollars (\$100.00), whichever sum shall be greater. This Section 3.12(b) may not be amended without the express written consent of the City of Rochester.

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

ARTICLE IV

Insurance Assessments

4.01. Physical Damage Insurance. The Declarant, for each Lot owned within the Properties, hereby irrevocably nominates, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to irrevocably nominate the Association, as Trustee, with authority to obtain and maintain fire insurance and extended coverage for all Townhomes, insuring the building and fixtures, in an amount sufficient to cover the full replacement cost thereof. Such insurance, to the extent available, may include coverage against water damage, vandalism and malicious mischief. Such policies of physical damage insurance shall be written in the name of the Association, as Trustee for each Lot Owner, and shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of, any insurance carried by any Lot Owner, or, of the invalidity arising from any acts of the insureds, or, any Lot Owner, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including any mortgagee of any Lot.

Each policy shall contain a New York standard mortgagee clause in favor of any first mortgagee, only, of any Lot, which shall provide that the loss, if any, thereunder shall be payable to such first mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All such policies shall provide that adjustment of loss shall be made by the Association with the approval of the Lot Owner, and that the net proceeds thereof shall be payable to the Association, as Trustee.

The premiums for insurance obtained by the Association on each Lot shall not be part of the common charge under annual assessment, but shall be an expense of the specific Owner of the Lot so covered and a debt of such Owner and shall be paid within thirty (30) days after notice and statement thereof. Although the Association shall not be liable for the payment of premiums, upon default of any Owner, the Association may advance the payment therefor, for the account of the defaulting Owner. In default of payment thereof, the premium, together with interest, costs and reasonable attorney's fees shall become a charge on the land and shall become a continuing lien against the Lot upon which such premium charge is made. Such lien may be enforced in the same manner as the lien for annual or special assessment as under Article III hereof provided.

Lot Owners shall not be prohibited from carrying additional insurance for their own benefit, provided that such policies contain waiver of subrogation and further provided that the liability of the carrier issuing insurance procured by the Association shall not be affected nor diminished by reason of any such additional insurance carried by any Lot Owner.

In the event of damage to or destruction of any Townhome

as a result of fire or other casualty, the Owner, with the concurrence of his first mortgagee, if any, upon receipt of the insurance proceeds by the Association, shall contract to rebuild or repair such damaged or destroyed Townhome.

Upon receipt of the insurance proceeds, and prior to making any other disbursement, the Association shall first pay the expenses incurred, if any, including the reasonable charges for the services of any public adjuster and of any attorney employed by the Association to secure payment of such proceeds.

No disbursement for reconstruction or repair shall be made, nevertheless, unless the Association is first directed by a written certificate of the Owner, or his designated architect or engineers, stating that the sums to be paid are due and properly payable for such reconstruction or repair, and stating the following information as to each disbursement:

- (1) Name and mailing address of payee;
- (2) Amount of payment;
- (3) Purpose of payment.

In the absence of or the refusal of the first mortgagee and/or the Owner to proceed upon thirty (30) days written notice and demand, such portion of the proceeds as necessary to discharge the interest of the first mortgagee, if any, shall be paid over by the Association to such mortgagee, upon the tender by said mortgagee of a duly executed discharge of the mortgage in recordable form.

The Association is hereby irrevocably authorized by the Owner to use the balance of insurance proceeds, remaining, after

discharge of any first mortgagee interest, if any, to reconstruct the "exterior portion" of such Townhome so damaged or destroyed, in conformance with the original plans and specifications of such Townhome, which "exterior portion" shall include those items defined in Section 3.02(iii) hereof.

No disbursement for reconstruction and repair of the "exterior portion" of such Townhome shall be made unless the Association is first directed by a written certificate of an architect or engineer, employed by the Association to supervise such reconstruction or repair, stating that the sums to be paid are due and properly payable for such reconstruction or repair of the "exterior portion" and stating the following information as to each disbursement:

- (1) Name and mailing address of payee;
- (2) Amount of payment;
- (3) Purpose of payment.

In the event the cost to reconstruct the "exterior portion" of such Townhome shall exceed the balance of insurance proceeds remaining after the payment of expenses and the discharge of the first mortgagee's interest, the cost to reconstruct the "exterior portion" in excess of the balance, shall be an expense of the specific Owner of such Townhome and shall be paid within thirty (30) days after notice and demand therefor. In default of payment thereof, the excess cost, together with interest, costs and reasonable attorney's fees shall become a charge on the land and shall become a continuing lien upon the Lot against which such additional cost was incurred. Such lien may be enforced in the same manner as the lien for annual or special assessment as under Article III hereof provided.

Prior to the reconstruction or rebuilding of the "exterior portion" of such destroyed Townhome, the Association shall, first employ an architect or engineer to supervise the same and based upon the original plans and specifications for such Townhome, advertise for sealed bids and may thereafter negotiate with any contractor for the reconstruction or rebuilding of such Townhome's "exterior portion".

In the event the cost of reconstruction and repair of the "exterior portion" of such Townhome, including the reasonable cost for services of any architect, engineer or attorney employed by the Association to pursue the reconstruction and repair of the "exterior portion" of such Townhome, is less than the insurance proceeds remaining in the Association's hands, then and in such event, the proceeds remaining, after payment of costs, shall be paid to the Owner and any other person asserting claim against the Owner's interest in his Lot, upon the tender to the Association by such Owner of a duly executed release of liability and/or accountability for the use of such insurance proceeds.

All insurance proceeds, paid on any loss claim, shall be first deposited in a bank or other financial institution, in an interest bearing account insured by a Federal governmental agency, with provision that such proceeds, or any part thereof may only be withdrawn upon the signatures of at least two members of the Board of Directors or their designee.

Notwithstanding the foregoing provisions of this Section 4.01, it is further provided that the requirement for the maintenance

of insurance on a Townhome shall not apply to any Townhome acquired by the Veteran's Administration or Federal Housing Administration under a mortgage foreclosure during the period of ownership by either of said Veteran's Administration or Federal Housing Administration.

The initial policy of physical damage insurance on any particular Townhome shall be in such amount as may be required by any first mortgagee of such Townhome, but in no event in an amount less than the amount of the Purchase Price published in the Association Offering Plan less the sum of Twenty Thousand and no/100 Dollars (\$ 20,000.00). Any Lot Owner may, upon written request, direct the Association to increase insurance coverage on his particular Townhome to such amount as the carrier selected by the Association is willing to underwrite. The amount of such insurance coverage shall be increased, annually to cover the increase, if any, in the replacement cost of each Townhome.

Only the Association, as Trustee, the Lot Owner, and his first mortgagee shall be named insureds. Assignment of the policy or of the proceeds of the policy, in the event of loss shall be prohibited.

The Association may consult with and employ an attorney of its choice with respect to any question relating to its duties or responsibilities hereunder and shall not be liable for any action taken or omitted by it in good faith or on advice of counsel. The Association shall be reimbursed for all expenses incurred by it in connection with its duties under this Article provided, as a charge against the insurance proceeds, except for such expenses incurred as a result of bad faith or wilful misconduct.

4.02. Public Liability Insurance. The Association shall obtain broad form public liability insurance covering the Common Area, and all of the Lots, excluding, nevertheless, liability coverage for the interior of any Townhome, in a single limit amount of not less than One Million Dollars (\$1,000,000.00) covering claims for bodily injury or death and Two Hundred Fifty Thousand Dollars (\$250,000.00) covering all claims for property damage arising out of any one occurrence. Premium for public liability insurance shall be part of the common expense payable out of annual assessments provided under Article III hereof.

The Association may secure such other forms of insurance coverage as its Board of Directors may from time to time direct, to be paid as a common expense.

4.03. Limitation On Hazards. Under no circumstances shall an Owner permit or suffer anything to be done or left in his Townhome which will increase the insurance rates on his Townhome or any other Townhome or of the Common Area.

ARTICLE V

Property Rights

5.01. Every Member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the transfer of interests in any Lot. All such rights and easements are subject, nevertheless, to the right of the Board of Directors of the Association;

(a) To limit the number of guests or invitees of

Members in/or upon the Common Area or any facilities located thereon;
and

(b) To borrow money for the purpose of improving the Common Area; and

(c) To grant easements or rights of way to any public utility corporation or public agency.

5.02. Parking Spaces. The Common Area shall be improved with eight (8) parking spaces and the use and occupancy thereof shall be determined, from time to time, by the Board of Directors. During the construction and sale of the Townhomes, the use and occupancy of these parking spaces shall be reserved to Declarant, in conjunction with such other use restrictions as Declarant has reserved, during the construction and sale phase, under the provisions of Section 9.02 of this Declaration.

5.03. Residential Use. The Townhomes shall be used and occupied for Single or One Family Occupancy, as defined in Section 1.09, and for no other purposes.

ARTICLE VI

Membership; Voting Rights

6.01. The Association shall have as Members only Owners of Lots. All Owners, upon becoming such, shall be deemed automatically to have become Members and there shall be no other qualification for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments by the Association.

6.02. Each Owner of a Lot shall have one (1) vote.

6.03. All Members, so long as the same shall qualify under this Article VI, and under the By-Laws of the Association, shall be entitled to vote on each matter submitted to a vote at a meeting of the Members, subject to the following exceptions and conditions.

(a) If any Member owns or holds more than one Lot (as defined in Section 1.04 hereof), such Member, subject to the provisions of this Article VI, shall be entitled to cast his votes for each Lot owned or held.

(b) When any Lot is owned by more than one person or entity, as tenants by the entirety, or in joint tenancy, or tenancy in common, or any other manner of joint or common ownership or interest, such persons or entities, as Owners of a single Lot shall collectively be entitled to cast only one vote and if such persons or entities cannot jointly agree as to how such vote should be cast, no vote shall be allowed with respect to such Lot.

(c) In no event, after one year from the date of recording this Declaration, may Declarant, its successors or assigns, cast a majority of the votes for the election of any member of the Board of Directors of the Association; nevertheless, so long as Declarant, its successors or assigns, shall own two or more Lots within the period of three (3) years from the date of recording this Declaration, then and in such event, it shall have the right to designate one member of the Board of Directors.

ARTICLE VIIEasements

7.01. Encroachments. Each Lot and the Common Area shall be subject to an easement for encroachments created by construction, settling and overhands, as designed or constructed. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event a Townhome is damaged or destroyed, minor encroachments due to repair or reconstruction shall be permitted.

7.02. General Utility

(a) There is hereby created a blanket easement upon, across, over and under all of said Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones, electricity, and cable television. By virtue of this easement, it shall be expressly permissible for the Company or Municipal Agency providing electrical, water, sewer, gas, cable television and/or telephone service to install, erect and maintain all necessary pipes and conduit underground and other necessary equipment at or below grade on said Properties and to affix and maintain electrical, cable television and/or telephone wires, circuits, and conduits on, above, across and under the roofs and exterior walls of said Townhomes and meters and shutoffs at or inside said Townhomes. An easement is further granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency service to enter upon

the Lots and Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Area, the Lots and to enter any Townhome, during reasonable hours and upon request, when occupied, except in an emergency, to inspect and to perform the duties of maintenance and repair of the Townhomes, the Common sanitary or storm water lines, as provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement be a separate recordable document, Declarant or the Association's Board of Directors shall have the right to grant such easement on said Properties without conflicting with the terms hereof. The easements provided for in this Article VII shall in no way affect any other recorded easement on said premises.

(b) Common Water Pipe. So long as the Common Water Pipe Agreement with the City of Rochester shall remain in force, the City of Rochester, its agents and employees shall have an easement of ingress/egress and to install, replace, repair, maintain

and to read water meters installed at or inside the Townhomes. This Section 7.02(b) may not be amended without the express written consent of the City of Rochester.

7.03. Easements and rights-of-way are hereby expressly reserved to Declarant, its successors and assigns, in, on, over and under the "easement area", as hereinafter defined, for the following purposes:

(a) For the erection, installation, construction and maintenance of (i) wires, lines and conduits, and the necessary or proper attachments in connection with the transmission of electricity, telephone, television cables and other utilities and other similar facilities, and (ii) storm-water drains, land drains, public and private sewers, pipe lines for supplying gas, water and heat, and for any other public or quasi-public utility facility, service or function, whether above ground or underground; and

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

Declarant and its respective agents, successors and assigns, shall have the right to enter upon all parts of the easement area for any of the purposes for which said easements and rights-of-way are reserved.

Declarant shall also have the right, at the time of, or after grading the private access road or any part thereof, to enter upon any abutting Common Area or Lot and grade the portion of such Common Area or Lot adjacent to such road to a slope of 2 to 1, but there shall be no obligation on Declarant to do such grading or to maintain the slope.

7.04. The term "easement area", as used in Section 7.03, shall mean and refer (i) to those areas shown on the recorded subdivision map, or revision thereof; or (ii) if an easement required is not shown on any such map, to a strip of land within the Subdivision's perimeter boundary lines ten feet (10') in width.

7.05. Walkway. A pedestrian easement for the use and benefit of all residents and their guests for pedestrian ingress and egress to and from all Lots. The metes and bounds of the pedestrian easement shall be as shown on the Stonebridge Manor Subdivision Map, prepared by Sear-Brown Associates, P.C., filed in the Office of the Clerk of Monroe County on , 1979 in Liber of Maps, at page , or any duly filed revision of said Map.

7.06. Sanitary and Storm Water Basement Lines. An easement for the benefit of the Association and all Lot Owners for the repair, replacement and maintenance of the sanitary sewer lines and storm water lines located in the basement of each Town-home, which easement shall be a strip 15 feet wide, running over all Lots as shown on the Stonebridge Manor Subdivision Map, filed in the County Clerk's Office and duly filed revisions of said Map.

7.07. Common Water Pipe. An easement shall be granted the City of Rochester for the benefit of the Association, for the repair, replacement, enlargement and maintenance of the common water supply pipe described in the Common Water Pipe Agreement with the City of Rochester, Exhibit B annexed. This easement area shall be kept open and free of all buildings, fences, structures, trees or other obstructions which would impede access to the common water supply pipe. So long as the Common Water Pipe Agreement with the City of Rochester shall remain in force, this Section 7.07 may not be amended without the express written consent of the City of Rochester.

This easement shall continue only so long as New York State law forbids the ownership of a common water supply pipe by a homeowner's association such as the Association herein. The conveyance of the common water supply pipe and this easement to the City of Rochester, made pursuant to the Common Water Pipe Agreement shall be subject to reverter in the event that (i) New York State law changes so as to permit ownership of a common water supply pipe by a homeowner's association, and (ii) the City of Rochester files in the Monroe County Clerk's Office a release of its interest in the common water pipe and this easement.

ARTICLE VIII

Party Walls

8.01. Each wall which is built as a part of the original construction of the Townhomes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and the general rules of law regarding party walls and liability for property damage due to wilful acts or omissions shall apply thereto.

8.02. The cost of reasonable repair and maintenance of the structural portion of a party wall shall be a common expense

to be paid for out of general or special assessments.

ARTICLE IX

General Covenants; Use Restrictions

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

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

9.03. Except in the individual patio areas of a Townhome, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said Properties except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated representative. It is expressly acknowledged and agreed by all parties concerned that this Paragraph is for the mutual benefit of all Owners of Lots.

9.04. No modification of any kind to the exterior of the Townhome, either to the structure or the appearance thereof,

including, but not limited to, the walls, roof, windows and doors, the color of exterior walls, roof, windows, doors and trim, awnings, mechanical devices, flags, storage structures or bunting and the patios shall be made without first obtaining the express written consent of the Association's Board of Directors, upon due written application made. The Board of Directors shall adopt such rules and regulations to enforce this Section as it, from time to time, shall deem necessary.

9.05. Each Owner shall maintain, clean and keep free from unsightly objects, the entry, patio and front, rear and side yards, if any, of his Townhome.

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

9.07. Annexed hereto and a part hereof are Rules and Regulations governing the use of the Common Area and the conduct of all residents and their guests on the Properties.

9.08. The Board of Directors may, from time to time, (i) amend or repeal the Rules and Regulations incorporated by reference under Section 9.07 and (ii) adopt, amend or repeal any additional rules and regulations governing the use of the Common Area and the conduct of all residents and their guests on the Properties. No action shall be taken by the Association or its Board which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

ARTICLE XZoning and Specific Restrictions

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

ARTICLE XIDuration and Amendment

11.01. The Restrictions contained in this Declaration shall run with and bind the Properties, shall inure to the benefit of and shall be enforceable by Declarant, the Association and the Owner of any Lot included in the Properties, their respective legal representatives, heirs, successors and assigns until the 31st day of December in the year 2005, after which time said Restrictions shall be automatically extended for successive periods of ten (10) years. This Declaration may not be amended in any respect, except by the execution of an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. No amendment shall be effective until recorded in the Office of the Clerk of Monroe County, New York, or in such other place of recording as may be appropriate at the time of the execution of such instrument. After December 31, 2005, this Declaration may be amended and/or terminated

in its entirety by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners. Such instrument to amend or terminate shall not become effective until recorded in the Clerk's Office of Monroe County, New York, or in such other place of recording as may be appropriate at the time of the execution of such instrument.

ARTICLE XII

General

12.01. Violation or breach of any Restriction herein contained shall give Declarant, or the Association, their respective legal representatives, heirs, successors and assigns, in addition to all other remedies, the right to enter upon the land upon or as to which such violation or breach exist and summarily to abate and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and the said parties shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal. Nothing herein contained shall be deemed to affect or limit the rights of the Owners of the Lots within the Properties to enforce these Restrictions by appropriate judicial proceeding.

12.02. The failure of Declarant, the Association or the Owner of any Lot included in the Properties, their respective legal representatives, heirs, successors and assigns, to enforce any Restriction herein contained shall in no event be

considered a waiver of the right to do so thereafter, as to the same violation or breach or as to such a violation or breach occurring prior or subsequent thereto.

12.03. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter, except as provided in Section 7.07 hereof regarding the common water supply pipe and easement.

12.04. The determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

12.05. Damages shall not be deemed adequate relief for any breach or violation of any provision hereof. Any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction as well as any other available relief either at law or in equity.

12.06. Any party to a proceeding who succeeds in enforcing a Restriction or enjoining the violation of a Restriction against a Lot Owner may be awarded reasonable attorney's fee against such Lot Owner.

12.07. The Association's Board of Directors where specifically authorized herein to act, 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 between any construction or interpretation of the Association's Board or any other person or

entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association's Board.

The Association's Board, to the extent specifically provided herein, 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's Board shall take into consideration the best interests of the Owners and of the Properties to the end that the properties shall be preserved and maintained as a high quality community.

In granting any permit, authorization, or approval, as herein provided, the Association's Board 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.

12.08. The headings of the Articles or any Section herein are for convenience only and shall not affect the meanings or interpretation of the contents thereof.

12.09. No violation of any of these Restrictions shall defeat or render invalid the lien of any first mortgage or building loan made in good faith and for value upon any portion of the Properties; provided, however, that any mortgagee in actual

possession, or any purchaser at any mortgagees' foreclosure sale shall be bound by and subject to these Restrictions as fully as any other Owner of any portion of the Properties.

12.10. Each grantee accepting a deed, lease or other instrument conveying any interest in any Lot, whether or not the same incorporates or refers to these Restrictions, covenants for himself, his heirs, successors and assigns to observe, perform and be bound by these Restrictions and to incorporate the same by reference in any deed or other conveyance of all or any portion of his interest in any real property subject hereto.

IN WITNESS WHEREOF, the parties have set their hands
and respective seals as of the day and year first above written.

HPT, INC.

By: _____

STONEBRIDGE MANOR HOMEOWNERS
ASSOCIATION, INC.

By: _____

STATE OF NEW YORK)
COUNTY OF MONROE) ss.

On this day of , 1979 before me
personally came to me personally known, who, being

RULES AND REGULATIONS
PURSUANT TO
SECTION 9.07 OF THE STONEBRIDGE MANOR RESTRICTIONS

1. No Resident shall cause or permit anything to be hung on the outside of windows or placed on the outside walls or doors of his Townhome and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the Lots, exterior walls or doors, roof or any part of the Townhomes or exposed on or at any window without the prior written consent of the Association's Board of Directors.

2. No animals or reptiles of any kind shall be raised, bred or kept in any Townhome or in the Common Area, except that dogs, cats or other household pets, not to exceed two (2) per Townhome may be kept in the Townhomes, subject to such Rules and Regulations as may be adopted by the Association's Board of Directors, provided they are not kept, bred or maintained for any commercial purposes, and provided further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Properties upon three (3) days' written notice from the Board of Directors.

3. No noxious or offensive activity shall be carried on in any Townhome, or in the Common Area, nor shall anything be done therein, either willfully nor negligently, which may be or become an annoyance or nuisance to the other Townhome Owners or residents.

4. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism or otherwise shall be conducted, maintained or permitted on any part of the Properties, nor shall any "For Sale", "For Rent" or "For Lease" signs larger than five (5) square feet, or other window displays or advertising, be maintained or permitted on any part of the Properties or in any Townhome.

5. All radio, television or other electrical equipment of any kind or nature installed or used in any Townhome shall fully comply with all rules, regulations, or requirements of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Townhome Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Townhome.

6. The Board of Directors or the Managing Agent, and any contractor or workman authorized by the Board of Directors or the Managing Agent, may, upon notice to Owner, enter any Townhome at any reasonable hour of the day for the purpose of inspecting such Townhome for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

7. Townhome Owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Homes.

8. If any key or keys are entrusted by a Townhome Owner or resident or by any member of his family or by his agent, servant,

employee, licensee or visitor to an employee of the Board of Directors, whether for such Townhome or an automobile, trunk or other item of personal property, the delivery of the key shall be at the sole risk of such Townhome Owner or resident, and the Board of Directors shall not be liable for injury, loss or damage of any nature, whatsoever directly or indirectly resulting therefrom or connected therewith.

9. Neither the Common Area nor any Lot shall be used for the storage of trailers, campers, buses or boats.

10. No person shall park a vehicle or otherwise obstruct any roadway or sidewalk on the Properties nor shall baby carriages, strollers, velocipedes or bicycles be allowed to stand on sidewalks or driveways.

11. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

AGREEMENT

This Agreement is made this 14th day of August, 1979, by and among the City of Rochester (hereinafter the "City"), a municipal corporation having its offices at City Hall, 30 Church Street, Rochester, New York 14614; HPT, Inc., (hereinafter "HPT"), a domestic stock corporation, having its offices at 7 West Church Street, Fairport, New York 14450, and Stonebridge Manor Homeowners Association, Inc., (hereinafter the "Association"), a not-for-profit corporation having its offices at 1515 East Avenue, Rochester, New York 14610.

WHEREAS, HPT desires to construct, offer and sell thirteen (13) townhouses on approximately 2.1 acres of land which it owns, situate within the City of Rochester at premises commonly known as 1515-1539 East Avenue; (hereinafter the "Project"); and

WHEREAS, HPT intends to offer membership in and the services of the Association, to the owners and occupants of the Project townhouses; and

WHEREAS, the parties desire the installation of a single water pipe ("Common Water Pipe"), extending from the street water main, which will provide potable water supply for the owners and occupants of the Project townhouses; and

WHEREAS, the New York State Department of Health has determined that New York State law requires that a Common Water Pipe for the supply of water to two or more homeowners must be owned and maintained by a corporation organized to supply water, or by the City, but not by a homeowners' association; and

WHEREAS, the City is willing to assume ownership and control of

the Common Water Pipe so long as New York State law and regulations prohibit ownership and control of the Common Water Pipe by the Association, provided that all costs and expenses of construction are paid by HPT, and all of the City's costs and expenses of such ownership and control are paid by HPT during its ownership and control of the Project and thereafter by the Association, as HPT's successor in interest;

NOW, THEREFORE, in consideration of the covenants and conditions herein provided, the parties hereto agree, as follows:

1. INSTALLATION OF COMMON WATER PIPE.

All of the expense associated with the installation of the Common Water Pipe shall be paid by HPT, and the installation shall proceed in accordance with the following conditions:

A. Plans and specifications shall be approved by the City's Department of Engineering and Maintenance, prior to construction, and the City shall have the right to approve, disapprove or suggest modification to the plans and specifications presented by HPT. Such plans and specifications shall comply with the requirements of this Agreement, and the applicable federal, state and local laws, rules, ordinances and regulations.

B. Progress of the work shall be inspected by a City representative who shall have the right to inspect and approve or disapprove the construction as being completed in accordance with the approved plans and specifications.

C. The Common Water Pipe shall be installed under the paved portion of the private access street to serve the Project.

D. Individual service connections shall consist of a minimum of 3/4 inch type K copper and will have an approved curb valve and box installed between the paved private access street and the dwelling,

which valve must be between one and two feet from the edge of said access street. Each individual service pipe shall be installed at a right angle to the Common Water Pipe and shall travel in a straight line into the dwelling. An individual meter shall be installed at each dwelling in accordance with Water Bureau regulations.

2. TRANSFER OF OWNERSHIP OF COMMON WATER PIPE AND EASEMENT.

A. Upon completion of construction of the Common Water Pipe and approval thereof by the City, HPT will convey to the City, subject to the limitation set forth in paragraph 3 hereof, title to the Common Water Pipe and an easement approximately twenty feet in width, located over the location of the Common Water Pipe, for the purpose of inspection, maintenance, repair or replacement of such pipe and appurtenances. A copy of the instrument by which such conveyance shall be made is attached hereto.

B. The City, its employees and authorized representatives shall further have the right to enter the Project for the purpose of reading, inspecting, and maintaining the individual meters installed in each dwelling.

3. REVERTER OF OWNERSHIP OF COMMON WATER PIPE AND EASEMENT.

It is the intention of the parties that the City's ownership of the Common Water Pipe and the easement described above shall continue only so long as New York State law forbids the ownership of a common water supply pipe by a homeowners' association such as the Association herein. The conveyance of the pipe and easement made pursuant to this agreement shall be subject to reverter in the event that (1) New York State law changes so as to permit ownership of a common water supply pipe by a homeowners' association, and (2) the City files in the Monroe County Clerk's Office a release of its interest in the Common Water Pipe and the easement.

4. MAINTENANCE OF COMMON WATER PIPE

Upon the request of the Association, its managing agent or a member of the Board of Directors, or upon the election of the City, without request, all necessary maintenance and care of the Common Water Pipe, including its enlargement, improvement, or replacement, shall be performed by the City Water Bureau or any other agency assuming the responsibility of the City's Water Bureau, or at the election of the City, by private contractor.

5. REIMBURSEMENT OF THE CITY'S COSTS AND EXPENSES OF MAINTENANCE.

A. For the purposes of this Agreement, "Costs and Expenses of Maintenance" shall mean the actual costs of labor, equipment rental and materials used to repair, replace or maintain said Common Water Pipe, and any disbursements directly related to the design or any such repair or replacement and the performance of labor or furnishing of materials, such as publication expense in the bidding process, plus an additional fee equal to 10% of the actual cost of such maintenance to defray administrative costs, such as bidding costs and supervision of either City employees or the contractor selected by the City.

B. Costs and Expenses of Maintenance shall be paid to the City by HPT during the period of its control and ownership of the Project, and thereafter by the Association, as successor in interest. So long as HPT shall own seven (7) or more Project Townhouses, it shall be deemed to control the Project but upon the sale and transfer of seven (7) or more of the Project Townhouses the Association shall be deemed successor in interest and obligated to pay Costs and Expenses of Maintenance. Payment shall be made within thirty (30) days from the date invoice is issued.

C. (1) When maintenance work is performed by the City, labor costs shall be billed at the actual salary plus fringe benefits of the persons performing the work for the City.

(2) If the maintenance work is performed by a private contractor, the contract price, plus or minus authorized increases or decreases, shall be billed.

(3) By mutual consent of the parties, either HPT or the Association may directly contract and pay for maintenance work.

D. (1) To assure the Association's ability to reimburse the City for Costs and Expenses of Maintenance, the Association shall establish a restricted reserve account with a banking institution having its office within the City of Rochester, such account to be identified as "Stonebridge Manor Homeowners Association, Inc. Maintenance and Capital Reserve Account - Common Water Pipe". The funds in this account shall be restricted for the sole purpose of paying Costs and Expenses of Maintenance as provided in this Agreement. Annual contributions shall be made to the fund by the Association, in its common expense budget, equal to one-tenth (1/10th) of its total capital reserve or the sum of One Hundred Dollars (\$100.00), whichever shall be the greater.

(2) In the event that the amount reserved in this account is inadequate to reimburse the City for maintenance services performed, the Association will specially assess its members in such amounts as shall be sufficient to pay all Costs and Expenses of Maintenance billed by the City.

6. COVENANTS AND CONDITIONS TO BE INCORPORATED IN THE ASSOCIATION'S DECLARATION

Covenants and conditions to be incorporated in the Association's Declaration shall be:

A. This Agreement, incorporated by reference.

B. The right of the City, its agents, and employees to enter the Project for the purpose of reading and maintaining water meters.

C. Authorization for the Association's Board of Directors to create and maintain a maintenance and capital replacement reserve account for the Common Water Pipe as specified in this Agreement.

D. Authorization for the Association's Board of Directors to specially assess the Association's members for any Costs and Expenses of Maintenance remaining unpaid after application of the reserve account funds.

E. Reverter of ownership and control of the Common Water Pipe to the Association pursuant to paragraph "3" above.

F. Provision that none of the foregoing covenants and conditions of the Declaration may be amended without the express written approval of the City.

The foregoing covenants and conditions of the Declaration must be approved as to form by the City's Corporation Counsel.

7. TERM OF THIS AGREEMENT.

This agreement shall terminate (i) upon the reverter of ownership of the Common Water Pipe and easement as hereinabove specified, or (ii) upon the date that the Association's Declaration is terminated, whichever event shall sooner occur.

8. ENTIRE AGREEMENT, SUCCESSORS AND ASSIGNS.

A. This Agreement constitutes the entire agreement between the parties, and no variance or modification thereof shall be valid or enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

B. This Agreement shall inure the benefit of and constitute a

binding obligation upon the parties hereto and their respective successors and assigns. For the purposes of this Agreement, upon the termination of HPT's ownership and control of the Project, the Association shall be deemed its successor and assignee.

C. For the convenience of the parties, this Agreement has been executed in several counterparts, which are in all respects similar, and each of which shall be deemed to be complete in itself so that any one may be introduced in evidence or used for any other purpose without the production of the other counterpart.

D. The headings of the paragraphs herein are for convenience only and shall not affect the meanings or interpretation of the contents thereof.

IN WITNESS WHEREOF, the parties have set their hands and respective seals as of the day and year first above written.

CITY OF ROCHESTER

SIGNATURE WAIVED
NO FUNDS REQUIRED
DEPARTMENT OF FINANCE

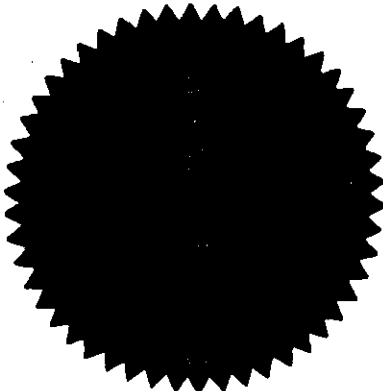
By *Barbara Phelan*

HPT, INC.

By *Dr. L. Conkamen, President*

STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC.

By *John S. Holmes, Secretary*



APPROVED AS TO FORM
BY *John S. Holmes*
9/13/79

AGREEMENT

THIS EASEMENT AGREEMENT made the _____ day of _____, 19____, between HPT, INC., a corporation with offices at _____, Rochester, New York, and, STONEBRIDGE MANOR HOMEOWNERS ASSOC., INC., a corporation with offices at _____, Rochester, New York, hereinafter referred to jointly and severally as "Grantors", and the CITY OF ROCHESTER, a municipal corporation with offices at City Hall, 30 Church Street, Rochester, New York, hereinafter referred to as "Grantee".

WITNESSETH:

WHEREAS, Grantor HPT, INC. has constructed thirteen townhouse units at 1515-1539 East Avenue, Rochester, New York ("easement premises") with individual ownership of the units and ownership by Grantor Stonebridge Manor Homeowners Assoc. Inc. of common area land surrounding the units, and

WHEREAS, Grantors have provided a water supply to the units by a common water supply pipe from the street water main at East Avenue under the paved drive of the easement premises to individual water pipe connections near the townhouse structures; and

WHEREAS, New York State law requires that a common water supply pipe be owned and operated by a municipality or a water supply company; and

WHEREAS, Grantee is a municipality and is willing to own and operate the aforesaid common water supply pipe to this development;

NOW, THEREFORE, in consideration of One Dollar (\$1.00), receipt of which is hereby acknowledged, and other good and valuable consideration paid by Grantee to Grantors, Grantors grant, release and convey to Grantee the right and easement to own, operate, inspect, repair and replace a

_____ inch Common Water Supply Pipe under, through and across that part of the easement premises described in Exhibit A, attached hereto and made a part hereof,

TO HAVE AND TO HOLD such right and easement unto Grantee, its successors and assigns until such time as Grantee records a release of this right and easement in the Monroe County Clerk's Office.

Grantors and Grantee further covenant as follows:

1. Grantors own fee simple absolute title to the easement premises, and have full right and authority to convey this easement, and represent that there are no other easements, covenants, restrictions, liens or encumbrances which impair or defeat Grantors' right to convey this easement or Grantee's ability to exercise the rights granted in this easement.
2. Grantors shall keep the easement area open and free of all buildings, fences, structures, trees or other obstructions which would impede Grantee's access to the common water supply pipe.
3. Grantors hereby convey, release and transfer all their right, title and interest in and to the common water supply pipe to the Grantee. Grantee shall be responsible for operating and maintaining the common water supply pipe, and Grantors shall be responsible for paying the costs of all such operation and maintenance, all in accordance with an Agreement executed by Grantors and Grantee on _____, 1979, recorded simultaneously herewith in the Monroe County Clerk's Office.
4. At such time as New York State law permits a homeowners' association to own and operate a common water supply pipe, Grantee shall record a release of its rights granted by this Agreement in the Monroe County Clerk's Office. This Release shall operate automatically as a transfer of all Grantee's right, title and interest in and to the common water supply pipe to Grantor Stonebridge Manor Homeowners' Association, Inc.,

and the termination of all covenants and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement
as of the day and year first above written.

GRANTOR - HPT, INC.

By
Title:

GRANTOR - STONEBRIDGE MANOR HOMEOWNERS'
ASSOCIATION, INC.

By
Title:

GRANTEE - CITY OF ROCHESTER

By

City Manager

Not to be executed at this time.

CERTIFICATE OF INCORPORATION

OF

STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC.

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

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

FIRST: The name of the corporation shall be STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC.

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

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

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

b. To maintain, repair, preserve or replace the resident lots of Stonebridge Manor Subdivision and the improvements constructed thereon, on a non-profit basis, as such lots and improvements may be created, from time to time, pursuant to any declaration of covenants, conditions and restrictions, exclusively for the benefit of its members.

c. No part of the revenues of the corporation shall inure to the benefit of any member, director, or officer of the corporation, or any private individual, firm or corporation, except as permitted by the Not-for-

Profit Corporation Law of the State of New York, as amended.

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

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

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

c. To acquire, by gift, purchase or otherwise, own, hold, improve, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise, dispose of real or personal property in connection with the affairs of the corporation.

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

e. To dedicate, sell or transfer all or any part of the common area or common facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication, sale or transfer shall be effective unless first approved by two-thirds of the members.

f. In general, and subject to such limitations and conditions as are or may be prescribed by law, to exercise such powers which now are or

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

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

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

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

EIGHTH: The post office address to which the Secretary of State shall mail a copy of any notice required by law is 1515 East Avenue, Rochester, New York 14610.

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

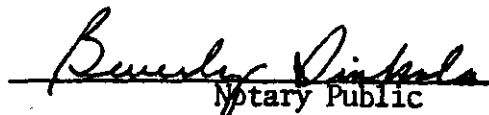
IN WITNESS WHEREOF, I have signed this Certificate this 13th day of August, 1979.



Frank R. Monfredo
31 East Main Street
Rochester, New York 14614

STATE OF NEW YORK)
COUNTY OF MONROE) ss.

On this 13th day of August, 1979, before me personally came FRANK R. MONFREDO, to me known and known to me to be the person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.



BEVERLY SINKOLA

NOTARY PUBLIC, State of N.Y. Monroe Co.
My Commission Expires March 30, 1980

BY-LAWS

STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC.

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BY-LAWS
OF
STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. PURPOSE AND OFFICE

1.1 PURPOSE

STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC. has been formed for the purpose of owning, operating, maintaining, preserving and arranging for architectural control of the Lots and Common Area of the Stonebridge Manor Subdivision, exclusively for the benefit of its Members.

1.2 OFFICE

The principal office of the Association shall be located in the City of Rochester, Monroe County, New York at the premises of Townhome 1515 East Avenue, Rochester, New York.

ARTICLE II. DEFINITIONS

2.1 "Association" shall refer to the Stonebridge Manor Homeowners Association, Inc. and its successors and assigns.

2.2 "Properties" shall refer to the real property described in the Declaration and Agreement of Covenants, Easements, Charges and Liens of Stonebridge Manor Homeowners

Association, Inc. recorded of even date with these By-Laws ("Declaration").

2.3 "Common Area" shall refer to all real property owned by the Association for the common use and enjoyment of the Owners.

2.4 "Lot" shall refer to any plot of land shown upon any recorded subdivision or resubdivision map of the Properties, with the exception of the Common Area.

2.5 "Owner" shall refer to the record owner, whether one or more persons or entities, of the title to any Lot which is part of the Properties, but excluding those having such interest merely as security for the performance of any obligation.

2.6 "Declarant" shall refer to HPT, Inc, a New York Stock Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purposes of development.

ARTICLE III. MEMBERS AND MEETINGS

3.1 MEMBERSHIP

The Association shall have as voting members, only Owners of Lots. All Owners, upon becoming such, shall be deemed automatically to have become members of the Association and there shall be no other qualification for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation.

Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

3.2 ANNUAL MEETINGS

The annual meeting of the members of the Association shall be held at the principal office of the Association on the 23rd in September of each year, and if a legal holiday, then on the next succeeding day if not a legal holiday, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

3.3 NOTICE OF ANNUAL MEETINGS

Notice of the time, place and purpose of the annual meeting shall be served, either personally or by mail, not less than ten (10) nor more than forty (40) days before the meeting upon each person who appears upon the books of the Association as a member and, if mailed, such notice shall be directed to the member at his address as it appears on the books of the Association, unless he shall have filed with the Secretary of the Association, a written request that notice intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

3.4 SPECIAL MEETINGS

Special meetings of the members, other than those regulated by statute, may be called at any time by the President

or by two directors and must be called by the President on receipt of the written request of three members of the Association.

3.5 NOTICE OF SPECIAL MEETINGS

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

3.6 PLACE OF MEETINGS

All meeting shall be held at the principal office of the Association in the City of Rochester, except in cases in which the notice thereof designates some other place; but all such meetings shall be held within Monroe County, New York.

3.7 QUORUM AND VOTES REQUIRED

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

3.8 VOTING

a. At every meeting of members, each member shall be entitled to vote in person, or by proxy. Each Owner of a Lot shall be entitled to one vote. If a person or entity shall own more than one Lot, such person or entity shall have one vote for each Lot owned. The vote for directors and, upon the demand of any member, the vote upon any question before the meeting, shall be by ballot. All elections shall be held and all questions decided by a majority of the votes cast by the members present in person or by proxy.

b. When any Lot is owned by more than one person or entity, as tenants by the entirety, or in joint tenancy, or tenancy in common, or any other manner of joint or common ownership or interest, such persons or entities, as Owners of a single Lot shall collectively be entitled to cast only one vote and if such persons or entities cannot jointly agree as to how such vote should be cast, no vote shall be allowed with respect to such Lot.

c. The Association's Board of Directors may make such regulations as it deems advisable for any meeting of members, in regard to proof of membership in the Association, evidence of right to vote, registration of members for voting purposes, and such other matters concerning the conduct of the meetings and voting as it shall deem fit.

d. The Board of Directors may issue rules specifying the method by which the Secretary shall be appraised of the names and addresses of all Owners and the number of votes to which each is entitled to cast at any meeting of the membership.

e. A member may vote as such either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from its date, unless otherwise provided in the proxy. Every proxy shall be in writing, subscribed by the member or his duly authorized attorney-in-fact and dated, but need not be sealed, witnessed nor acknowledged.

f. At each meeting of members a full, true and complete list in alphabetical order of all members entitled to vote in such meeting, certifying the number of votes each member is entitled to cast, shall be furnished by the Secretary.

g. In no event, after one year from the date of recording the Declaration, may Declarant, its successors or assigns, cast a majority of the votes for the election of any member of the Board of Directors of the Association; nevertheless, so long as Declarant, its successors or assigns, shall own two or more Lots, within the period of three (3) years from the date of recording the Declaration, then and in such event, it shall have the right to designate one member of the Board of Directors.

3.9 WAIVER OF NOTICE

Whenever under the provisions of any law or under the

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

3.10 INSPECTORS OF ELECTION

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

3.11 REMOVAL OF DIRECTORS OR OFFICERS

Any director or officer may be removed from office by the majority of the votes cast by the members present either in person or by proxy, at any regular or special meeting called for that purpose, for conduct detrimental to the interests of the Association, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. Any such officer or director proposed to be removed shall be entitled to at least five (5) days' notice in writing by mail of the meeting at which such removal is to be voted upon and shall be entitled to appear before and be heard at such meeting.

3.12 COMPENSATION AND EXPENSES

Members shall not receive any compensation for services rendered the Association. The Board of Directors shall have power, in its discretion, to contract for and to pay to members rendering unusual or special services to the Association special compensation appropriate to the value of such services.

ARTICLE IV. DIRECTORS

4.1 NUMBER AND TERM OF OFFICE

The business and property of the Association shall be managed and controlled by a Board of Directors, who shall be elected annually by the members to hold office for three (3) years or until the election of their respective successors, except as hereinafter otherwise provided for filling vacancies. The directors need not be members of the Association and shall be chosen by ballot at such meeting by a majority of the votes of the members, voting either in person or by proxy. At the first annual meeting, five (5) directors will be elected, one for a term of one year (Class I), two for a term of two years (Class II), and two for a term of three years (Class III). Successive terms for each class of directors shall be for a term of three years. Until the first annual meeting, the members of the Board of Directors shall be designated by Declarant and hold office until the election of directors at the first annual meeting.

4.2 RESIGNATION

Any director may resign at any time by giving written

notice of such resignation to the Board of Directors.

4.3 VACANCIES

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

4.4 ORGANIZATIONAL MEETING

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

4.5 SPECIAL MEETINGS

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

4.6 NOTICE OF MEETINGS

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

director, but such notice may be waived by any director.

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

4.7 CHAIRMAN

At all meetings of the Board of Directors, the President, or in his absence a chairman chosen by the directors present, shall preside.

4.8 QUORUM

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

4.9 CONTRACTS AND SERVICES

The directors and officers of the Association may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Association, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Association, notwithstanding that they may also be acting as individuals, or as directors of corporations, or as agents for other persons or business concerns, or may be interested in the same matters as stockholders, directors, or

otherwise; provided, however, that any contract, transaction, or act on behalf of the Association in a matter in which the directors or officers are personally interested as stockholders, directors, or otherwise shall be at arm's length and not violative of the proscriptions in the Certificate of Incorporation against the Association's use or application of its funds for private benefit. In no event, however, shall any person or other entity dealing with the directors or officers be obligated to inquire into the authority of the directors and officers to enter into and consummate any contract, transaction, or other action.

4.10 COMPENSATION

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

4.11 POWERS

All the Association powers, except such as are otherwise provided for in these By-Laws and in the laws of the State of New York, shall be and are hereby vested in and shall be exercised by the Board of Directors. Such powers shall include, but shall not be limited to, the following:

- a. To fix and collect annual and special assessments.
- b. To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests and to establish penalties for the infraction thereof.

- c. To suspend voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of the published rules and regulations.
- d. To authorize the officers to enter into agreements with third parties in order to facilitate the efficient operation of the Properties. It shall be the primary purpose of such agreements to provide for the administration, management, repair and maintenance of the Properties, all improvements included therein and designated as Common Areas, the roofs and exterior walls of the Townhomes, and the receipt and disbursements of funds as may be authorized by the Board of Directors. The term of these agreements shall be determined by the Board to be in the best interests of the Association and shall be subject in all respects to the Certificate of Incorporation, these By-Laws and the Declaration.

4.12 DUTIES

The Board of Directors shall present at the annual meeting of members and file with the minutes thereof a report, verified by the President and Treasurer, or by a majority of the directors, showing (a) the whole amount of real and personal property owned by the Association, where located, and where and how invested; (b) the amount and nature of the property acquired during the year immediately preceding the date of the report and the manner of the acquisition; (c) the amount applied, appropriated or expended during the year immediately preceding such date and the purposes, objects, or persons to or for which such applications, appropriations, or expenditures have been made; and (d) the names and places of residence of

the persons who have been admitted to membership during the year. It shall be the duty of the Board of Directors to:

- a. As more fully provided in the Declaration:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period;
 - (3) Fix the amount of any special assessment required under Section 3.04 (b) and (c) of the Declaration; and
 - (4) Foreclose any lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the assessments.
- b. Issue or cause to be issued upon demand of any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- c. Procure and maintain adequate liability insurance, procure adequate hazard insurance on property owned by the Association, procure insurance on all Townhomes within the Association, as Trustee for all Members, and to obtain such other insurance as the Board deems advisable.
- d. Cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate.
- e. Cause the Common Area to be maintained.
- f. Cause the roofs and exterior walls of the Townhomes to be maintained.

- g. Cause the trees, shrubs and grasses, excluding, nevertheless, the patio area, of all Townhome Lots to be maintained.
- h. Cause to be kept a complete record of all its acts and corporate affairs.

ARTICLE V. OFFICERS

5.1 NUMBERS

The officers of the Association shall be the President, Secretary, Treasurer, and such other officers with such powers and duties not inconsistent with these By-Laws, as may be appointed and determined by the Board of Directors. Any two offices, except those of President and Secretary, may be held by the same person.

5.2 ELECTION, TERM OF OFFICE AND QUALIFICATIONS

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

5.3 VACANCIES

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

meeting of members next succeeding and until the election of his successor.

5.4 PRESIDENT

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

5.5 SECRETARY

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

5.6 TREASURER

The Treasurer shall have the custody of all funds, property, and securities of the Association, subject to such regulations as may be imposed by the Board of Directors. He may be required to give bond for the faithful performance of his duties, in such sum and with such sureties as the Board of Directors may require. When necessary or proper, he may endorse on behalf of the Association for collection checks, notes, and other obligations, and shall deposit the same to the credit of the Association at such bank or banks or depository as the Board of Directors may designate. He shall sign all receipts and vouchers and, together with such officer or officers, if any, as shall be designated by the Board of Directors, he shall sign all checks of the Association and all bills of exchange and promissory notes issued by the Association except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these By-Laws to some other office or agent of the Association. He shall make such payments as may be necessary or proper to be made on behalf of the Association. He shall enter regularly on the books of the Association to be kept by him for the purpose, full and accurate account of all monies and obligations received and paid or incurred by him for or on account of the Association, and shall exhibit such books at all reasonable times to any director or member on application at the offices of the Association. He shall, in general, perform all the duties incident to the

office of Treasurer, subject to the control of the Board of Directors.

5.7 COMPENSATION AND EXPENSES

Officers shall not receive any compensation for their services as such. The Board of Directors shall have power, in its discretion, to contract for and to pay to an officer rendering unusual or exceptional services to the Association special compensation appropriate to the value of such services. The fact that any officer is a member of the Association or a director, or a member of an advisory committee, shall not preclude him from receiving a salary or from voting on the resolution providing for the same.

5.8 REMOVAL

Any officer may be removed from office by the majority vote of all the directors at any regular or special meeting called for that purpose, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interests of the Associations, for lack of sympathy with its objects, or for refusal to render reasonable assistance in carrying out its purposes. Any officer proposed to be removed shall be entitled to at least five (5) days' notice in writing by mail of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

ARTICLE VI. ADVISORY COMMITTEE

The Board of Directors may appoint from their number, or from among such persons as the Board may see fit, one or more advisory committees, and at any time may appoint additional members thereto. The members of any such committee shall serve during the pleasure of the Board of Directors. Such advisory committees shall advise with and aid the officers of the Association in all matters designated by the Board of Directors.

Each such committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

The members of any advisory committee shall not receive any stated salary for their services as such. The Board of Directors shall have power in its discretion to contract for and to pay to any member of any advisory committee, rendering unusual or exceptional services to the Association, special compensation appropriate to the value of such services.

ARTICLE VII. FISCAL YEAR

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

ARTICLE VIII. PROHIBITION AGAINST SHARING
IN CORPORATE EARNINGS

No member, director, officer, or employee of, or person connected with the Association, or any other private individual

shall receive at any time any of the net earnings or pecuniary profit from the operations of the Association; provided that this shall not prevent the payment to any such person such reasonable compensation for services rendered to or for the Association in effecting any of its purposes or as shall be entitled to share in the distribution of any of the Association assets upon the dissolution of the Association.

ARTICLE IX. EXEMPT ACTIVITIES

Notwithstanding any other provision of these By-Laws, no member, director, officer, employee or representative of this Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by a Not-for-Profit Corporation organized under the laws of New York State as they now exist or as they may hereafter be amended.

ARTICLE X. INDEMNIFICATION

To the extent permitted by law, the Association shall indemnify and demand any person made a party to any proceeding by reason of the fact that he is, or was, a director or officer of the Association against any loss and expense incurred by him by reason of such proceeding, including the settlement thereof, except in relation to matters which such person is adjudicated to be liable for gross misconduct in the performance of his duties.

ARTICLE XI. AMENDMENT

Subject to the restrictions contained herein, the By-Laws may be altered, amended or repealed at any meeting of members of the Association by any affirmative vote of one-half (1/2) of all votes cast by the members, represented either in person or by proxy at such meeting, provided that (1) a full statement of the proposed amendment is inserted in the notice of such meeting, and (2) said amendment shall be set forth as a duly recorded amendment to the Declaration, except that Paragraph 3.8(g) of these By-Laws may not be amended, within the period of three (3) years from the date of recording the Declaration, without the express written consent of Declarant, its successors or assigns. However, no amendment will affect or impair the validity or priority of a Lot Owner's interest or the interest of holders of a mortgage encumbering any Lot.

ARTICLE XII. DISSOLUTION

Subject to the restrictions contained herein, and in the Declaration, the Association may be dissolved by action of the members at any meeting of members of the Association by an affirmative vote of the members, represented either in person or by proxy, in the percentage required for termination of the Declaration, provided that the proposed action is inserted in the notice of such meeting, except that no action to dissolve this Association may be taken within the period of three years from the date of recording the Declaration, without the express written consent of Declarant, its successors or assigns.

ARTICLE XIII. MISCELLANEOUS

13.1 SEVERABILITY

Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

13.2 CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.