

**BY-LAWS OF
OAKWOOD HILLS ASSOCIATION, INC.**

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**BY-LAWS
OF
OAKWOOD HILLS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

Section 1.01. Name and Location. The name of the corporation is the Oakwood Hills Association, Inc., hereinafter referred to as the "Association". The Association is a non-charitable corporation formed pursuant to the Not-for-Profit Corporation Law of the State of New York. The principal office of the corporation shall be located in the Town of Batavia, County of Genesee and State of New York.

ARTICLE II

DEFINITIONS

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

Section 2.01. Association Property. All land owned by the Association and the improvements thereon.

Section 2.02. Declaration. The document entitled "Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens – Oakwood Hills" imposed by the "Developer" on the "Property", as such terms are defined below, as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

Section 2.03. Developer – Oakwood Hills, LLC, its successors and assigns

Section 2.04. Director - A member of the Board of Directors of the Association.

Section 2.05 Home – Any dwelling unit on the Property that has been occupied as a residence or for which a Certificate of Occupancy has been issued by the Town of Batavia.

Section 2.06 Lot. Any portion of the Property under the scope of the Declaration (with the exception of "Association Property" as defined in the Declaration and streets and other areas owned by the Town of Batavia) and (i) identified as a separate parcel on the tax records of the Town of Batavia, Genesee County, New York or (ii) shown as a separate lot on any recorded or filed subdivision map.

Section 2.07 Lot Owner or Owner. The holder of record title, whether one or more persons or entities, of the fee interest in any Lot, whether or not such holder actually resides in the Home on such Lot.

Section 2.08 Member. The Owner of a Lot or Home subject to the Declaration whether the holder of record title of the fee interest in the Lot or Home or the record holder of any leasehold estate, whether or not such holder actually resides on any part of the Property.

Section 2.09. Property. All lands which are subject to the Declaration.

ARTICLE III

MEMBERS

Section 3.01. Membership in the Association. The members of the Association shall be only the Lot Owners including, so long as it owns a Lot, the Developer.

Section 3.02. Voting Rights. In conformity with the New York Not-for-Profit Corporation Law, each Lot Owner, including a Lot Owner of a Lot that is improved with an attached duplex Home, shall have one (1) vote. If a Lot Owner owns multiple Lots, that Lot Owner shall have only one (1) vote regardless of the number of Lots owned. The votes of the Lot Owners shall be cast by:

- if the Lot is owned by a single person, by that person;
- if the Lot is owned by multiple persons or entities, by the person designated by such multiple persons or entities, except that if the Lot is owned by only two (2) persons, the vote must be cast by either of such persons and, if such persons cannot agree on who will cast such vote, no vote will be allowed for such Lot;
- if the Lot is owned by a corporation, by an officer of that corporation;
- if the Lot is owned by a general partnership or a limited partnership, by the general partner of such partnership;
- if the Lot is owned by a trust, by a trustee of the trust;
- if the Lot is owned by an entity not listed above or by a combination of persons or entities, by such persons as the Board of Directors of the Association determines to be reasonable under the circumstances and any applicable law.

The designation by the Board of Directors of a person to cast a vote for a Lot shall be such as the Board of Directors reasonably determines to be acceptable and the Board's decision to accept one form of designation shall not be deemed to be a precedent requiring the Board to accept the same or a similar form of designation for a future vote.

Notwithstanding anything to the contrary that may be contained in these By-Laws or in the Declaration, if an institutional first mortgage holder whose name appears on the records of the Association (i) holds a mortgage on a Lot or Home that by its terms prohibits the Lot or Home Owner mortgagor from voting contrary to the interest of the mortgage holder, and (ii) notifies the Board of Directors prior to the date or initial date of canvass on the vote to be taken of its position on the matter being voted upon, a vote by the Lot Owner contrary to the position of such institutional first mortgage holder shall not be counted in such canvass. ("Institutional first mortgage holder" shall mean any bank, savings and loan association, life insurance company, credit union or true purchase money first mortgage holder.)

Any Lot Owner who is in violation of the Declaration, as determined by the Board of Directors of the Association, shall not be entitled to vote during any period in which such violation continues, provided that in no event may a Lot Owner's voting rights be suspended for nonpayment of Assessments to the Association. Voting rights may be assigned as permitted by the Declaration. Absentee ballots and proxy voting shall be as permitted in Section 3.06 below.

Section 3.03. Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws, and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Lot Owners, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Lot Owners for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.04. Proxies. A Lot Owner may submit a proxy by U.S. Postal Service mail ("mail") by courier, or by electronic mail to the Secretary of the Association prior to the meeting authorizing another person to act for him or her and delivered personally or sent by first-class U.S. mail or by electronic mail to the person who will hold the proxy, provided it can reasonably be determined that the authorization was given for the matter to be voted upon. Proxies may be terminated by mail, courier or electronic mail. A notation of such proxies shall be made in the minutes of the meeting.

Section 3.05. Absentee Ballots and Proxy Voting. On any matter submitted to the Lot Owners for vote, other than the election of Directors of the Association, any Lot Owner entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Lot Owner intends to vote and that the Lot Owner votes for or against the same. Lot Owners unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot if so provided by the Board of Directors or may vote by a proxy as provided in Section 3.04 above.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.01. First Meeting and Annual Meeting. The first meeting of the Association shall be held not later than six (6) months from the date of the transfer of the first seven (7) Lots to purchasers for occupancy of a Home on such Lot. The first annual meeting of the Association shall be held within 30 days after (i) title to fifteen (15) Lots has been transferred to purchasers for occupancy of a Unit or such Lots or (ii) 12 months from the date of the first meeting of the Association, whichever first occurs. Thereafter, there shall be an annual meeting of the Lot Owners on the second Saturday of May or on such other date and at such place convenient to a majority of the Lot Owners as shall be designated by the Board of Directors, which meeting shall

be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts. The first meeting of the Association and the first annual meeting of the Association may be called by the Board of Directors and held at any time earlier than the times provided for herein.

Section 4.02. Special Meetings. Special meetings of the Lot Owners may be called at any time by the President or by the Board of Directors. Lot Owners entitled to cast 25% of the votes of the Association may, in writing, demand the call of a special meeting specifying the date and month thereof, which shall not be less than one (1) nor more than three (3) months from the date of such written demand. The Secretary of the Association, upon receiving the written demand, shall promptly give notice of such meeting or, if the Secretary fails to give such notice within five (5) days after receiving such demand, any member of the Association signing such demand may give such notice. Special meetings shall be held at such place as may be fixed in these By-Laws or, if not so fixed, at the office of the Association.

A special meeting may also be called by the Board of Directors for the election of Directors (i) if, for a period of one month after the date fixed by or under these By-Laws for the annual meeting of Lot Owners or, if no date has been so fixed, for a period of 13 months after the last annual meeting, there is a failure to elect a sufficient number of Directors to conduct the business of the Association, the Board of Directors shall call a special meeting for the election of Directors. If such special meeting is not called by the Board of Directors within two (2) weeks after the expiration of such period or if it is so called but there is a failure to elect such Directors for a period of two (2) months after the expiration of such period, Lot Owners entitled to cast 25 percent of the total number of votes entitled to be cast in an election of Directors may, in writing, demand the call of a special meeting for the election of Directors, specifying the date and month of such meeting, which shall not be less than two (2) nor more than three (3) months from the date of such written demand. The Secretary of the Association, upon receiving the written demand, shall promptly give notice of such meeting or, if the Secretary fails to do so within five (5) business days thereafter, any Lot Owner signing such demand may give such notice. The meeting shall be held at the place fixed in the By-Laws or, if not so fixed, at the office of the Association.

At any special meeting called on the demand of the Lot Owners, notwithstanding the requirements for a quorum as provided in Section 4.04 below, the Lot Owners attending in person or by proxy, and entitled to vote in an election of Directors, shall constitute a quorum for the purpose of electing Directors, but not for the transaction of other business.

Section 4.03 Place and Time of Meetings. Meetings of the Lot Owners shall be held at such place and at such time suitable and convenient to the Lot Owners as may be designated by the Board of Directors.

Section 4.03. Notice of Meetings. Whenever Lot Owners are required or permitted to take any action at a meeting, written notice shall state the place, date and hour of the meeting and, unless it is an annual meeting, indicate that the notice for the meeting is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also

state the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be given pursuant to Section 11.01 below of these By-Laws., personally, by mail, by facsimile telecommunications or by electronic mail, to each Lot Owner entitled to vote at such meeting. The notices shall be given not less than 10 not more than 60 days before such date, except that, pursuant to Section 4.02 above, special meetings called by Lot Owners shall require notice of not less than two (2) nor more than three (3) months from the date written demand for such special meeting is given to the Secretary of the Association.

When a meeting is adjourned to another time or place, unless these By-Laws require otherwise, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each Lot Owner of record on the new record date entitled to notice as provided in this Section above.

Section 4.04. Quorum. Lot Owners entitled to cast a majority of the total number of votes entitled to be cast shall constitute a quorum. These By-Laws may be amended to provide for a lower quorum of not less than 25% of the Lot Owners. The Lot Owners present at a meeting may adjourn the meeting despite the absence of a quorum.

If for any reason it has proved to be impractical or impossible for the Association to obtain a quorum in order to conduct a meeting of the Lot Owners in the manner prescribed by the Association's Certificate of Incorporation, these By-Laws, or by statute, then upon the petition of a Director, officer or Lot Owner made to the Supreme Court in the Judicial District where the office of the Association is located, and on notice to the Attorney General of the State of New York, the Supreme Court may, in its discretion, dispense with the requirement as to quorums that would otherwise be imposed by the Association's Certificate of Incorporation or By-Laws or by statute. The petition shall set forth the reasonable efforts the Association has made to obtain a quorum, including the manner in which the Association provided notice to its Lot Owner members or prior meetings. The Supreme Court shall, in an order issued pursuant to this Section, provide for a method of notice reasonably designed to give actual notice to all persons who would be entitled to notice of a meeting held pursuant to the Association's Certificate of Incorporation or these By-Laws or the statute, whether or not the method results in actual notice to all such persons or conforms to the notice requirements that would otherwise apply. In a proceeding under this Section, the court may determine who are the Lot Owner members of the Association.

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

Section 4.06. Actions Without A Meeting. All actions, except removal of a Director, which may be taken at a meeting of the Association, provided a date has been assigned by which such action is to be taken, may be taken without a meeting with the approval of, and in a writing or writings signed by all Lot Owners required to be noticed of the meeting and communicated to the Board of Directors or the Secretary or President of the Association by first-class U.S. mail, facsimile, or electronic mail. Such writings shall set forth the action so taken and shall be filed with the Secretary of the Association. A copy of such action when so approved shall be promptly mailed or sent electronically to all Lot Owners.

Section 4.07. Order of Business at Meeting. The order of business at all regular meetings of members of the Association shall be as follows:

1. Calling of meeting to order;
2. Proof of notice of meeting or waiver of notice;
3. Reading of minutes of preceding meeting (unless such reading is waived by motion and Lot Owner approval);
4. Annual report of the Board or Directors as required by Section 8.05 below;
5. Reports of officers;
6. Reports of committees;
7. Election of Directors, if any;
8. Unfinished and/or old business;
9. New business; and
10. Adjournment.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number and Qualification of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors shall initially consist of three (3) persons designated by the Developer. At the first annual meeting of the Association to be held within 30 days after (i) title has been transferred to 15 Lots or (ii) 12 months from the date of the first meeting of the Association, whichever first occurs, one of such Directors shall resign and shall be replaced by a person who must be a Lot Owner independent of the Developer and who shall be elected to the Board by those Lot Owners independent of the Developer. Such elected member shall serve until the first annual meeting of the Association (See Section 4.01 above). Subject to the rights of the Developer to appoint or elect a portion of

the Directors as provided in Section 5.03 below, a full Board shall be elected by the Lot Owners at the first annual meeting of the Association held pursuant to Section 4.01 of these By-Laws. Commencing with the election at the annual meeting next following the transfer of title to 50 Lots, the Board of Directors shall be increased to five (5) persons. Thereafter, the Board of Directors, by a majority vote of the then remaining Directors, may increase or decrease the number of Directors, except that at no time shall the number of Directors be less than five (5). No decrease in the number of Directors shall shorten the term of any incumbent Director. All elected Directors shall be (i) Lot Owners, (ii) spouses of Lot Owners, (iii) a person entitled to cast a vote on behalf of a Lot Owner member as provided in Section 3.02 above, or (iv) a designee of the Developer, except that not more than one Director shall come from the same household or, other than Directors appointed by the Developer, be the Owner or representative of the same Lot as another Director.

Section 5.02. Nominations. Nominations for election to the Board of Directors shall be made from the floor at the annual meeting of the Association.

Section 5.03. Election and Term. Except for members of the Board of Directors initially appointed by the Developer who shall serve until the first annual meeting of the Association as provided in Section 4.01 of these By-Laws or until replaced by the Developer, whichever first occurs, the term of office of members of the Board of Directors shall be fixed at three (3) years, except that the terms of office of the persons elected as members of the Board of Directors at the first annual meeting of the Association shall be as follows: the term of one person elected shall be three (3) years, the term of one person elected shall be two (2) years, and the term of one person elected shall be one (1) year. Successors shall be elected to serve for terms of three (3) years. New Directors resulting from a decision by the Board of Directors to increase the number of Directors shall serve until the next election of Directors and the person elected to such new position shall serve for such initial term (one, two or three years) as the Board of Directors shall have determined in advance to be appropriate to assure that the terms of an equal or almost equal number of Directors expire each year. Members of the Board of Directors shall hold office until their successors have been elected. Tie votes shall be decided by a runoff election unless all parties tying agree to a drawing of lots. Voting shall be by secret written ballot that shall:

- a. set forth the number of vacancies to be filled;
- b. contain space to write in the name of a person nominated.

The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Notwithstanding any contrary provision of these By-Laws, the Declaration and/or the Offering Plan, until 12 years from the date of recording of the Declaration:

1. the Developer may appoint or designate a majority of the Board of Directors at any election if the Developer owns 50% or more of the Lots at the time of such election;

2. whenever the Developer at the time of an election of the Board of Directors shall own 30% or more but less than 50% of the Lots, the Developer shall have the right to appoint up to 40% of the members of the Board of Directors at such election;

3. whenever the Developer, at the time of an election shall own at least 10%, but less than 30% of the Lots, the Developer shall have the right to appoint up to 33 1/3% of the members of the Board of Directors;

4. whenever the Developer at the time of an election of the Board of Directors owns less than 10% of the Lots, the Developer shall have no right to appoint any member of the Board of Directors; and

When the Developer appoints a majority of the members of the Board of Directors, such controlling Directors shall not prevent expenditures required to comply with applicable laws or regulations or, without the consent of a majority of those Directors elected by Lot Owners independent of the Developer, (i) reduce the level of services described in the initial budget for the Association as distributed to the initial purchaser of a Lot, (ii) prevent capital repairs to Association Property, or (iii) prevent expenditures required to comply with applicable laws or regulations.

Section 5.04. Vacancies. Except for (i) Directors appointed or elected by the Developer who shall be replaced by the Developer and (ii) Directors elected by the Lot Owners other than the Developer, who shall be replaced by the majority vote of the remaining Directors similarly elected, or, if none, by a special election by Lot Owners other than the Developer, any vacancy occurring in the Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Lot Owners of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose vacancy such person was elected to fill.

Section 5.05. Removal of Members of Board of Directors. Subject to the limitations as provided in this Section, at any regular or special meeting of Lot Owners, any one or more of the members of the Board of Directors elected by the Lot Owners may be removed with cause by the affirmative vote of not less than a majority of the Lot Owners other than the Developer or without cause by the affirmative vote not less than two-thirds (2/3) of the Lot Owners other than the Developer and a successor may then and then or thereafter be elected by the lot owners other than the Developer to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Lot Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Directors elected or appointed by the Developer may be removed without cause only by the Developer, and thereafter replaced by the Developer. Members of the Board of Directors elected or appointed by the Developer may be removed with cause by the Lot Owners, but their successors shall be appointed by the Developer. In addition, the other Directors may, by the affirmative vote of not less than two-thirds (2/3) of the other Directors, declare the position of the Director vacant in the event the person filling such position (i) shall be absent from three (3) consecutive regularly scheduled meetings or (ii) shall be absent

from 50% or more of the regularly scheduled meetings of the Board of Directors in any calendar year, or (iii) is physically incapacitated or has been judicially determined to be of unsound mind.

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

Section 5.07. Organizational Meeting. Immediately after each annual meeting of Lot Owners, the newly elected Directors and those Directors whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting of Directors need not be given.

Section 5.08. Regular Meetings. Regular meetings of the Board of Directors shall be held not less than four (4) times a year without formal notice at such places (or by telephone) and at such times convenient to the Directors as may be designated from time to time by resolution of the Board of Directors. Notices of meeting and waivers of notice of meetings may be sent electronically as provided in Section 11.01 below.

Section 5.09. Special Meetings. Special meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors after not less than two (2) days notice to each Director. The person or persons authorized to call such special meeting of the Board may fix any place convenient to the Directors as a place for holding such special meeting or such meeting may be held by telephone. Any Director may, in writing, signed by such Director, before or after the time of the special meeting stated therein, waive notice of any special meeting. Notice of such meetings and waivers of notice of such meetings may be sent electronically as provided in Section 11.01 below. The attendance of a Director at any special meeting shall constitute a waiver of notice of such special meeting. Neither the business to be transacted at, nor the purpose of, any special meeting, need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Certificate of Incorporation of the Association or by these By-Laws.

Section 5.10. Quorum and Voting. Unless otherwise provided in the Declaration, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. (As provided in Section 5.12-j below, the presence of a Director who has a conflict of interest or any interest in a "related party transaction" as defined in Section 5.12-j below shall be counted toward a quorum and considered "present" for voting purposes. Except in cases in which is provided otherwise by statute, by the Certificate of Incorporation, or by these By-Laws, a vote of majority of such quorum at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by majority vote of those Directors present, and without further notice, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted at the meeting which might have been transacted as originally called. A Director may participate in a meeting by conference telephone or any similar communication equipment through which all persons participating in the meeting can hear each other. Participation in this manner constitutes presence at the

meeting. Directors may cast votes electronically, but any actions taken without a meeting, utilizing electronic communication, must be unanimous. Directors cannot delegate responsibility through proxies.

Section 5.11. Action Without A Meeting. Any action required or permitted to be taken of the Board of Directors or of any committee thereof may be taken without a meeting, so long as a date has been assigned by which such action is to be taken, provided a written consent to such action is signed by all members of the Board of Directors or such committee, as the case may be, and communicated to the Board of Directors or the Secretary or President of the Association by first-class U.S. mail, facsimile or electronic mail, and provided further that such written consent is filed with the minutes of proceedings of the Board or committee.

Section 5.12. Powers and Duties. The powers, duties and authority of the Board of Directors shall specifically included, but shall not be limited to the following:

a. Maintain, repair and replace, as necessary, all properties and facilities owned by the Association or for which the Association has maintenance, repair and/or replacement responsibilities as provided in the Declaration;

b. Determine and levy the maintenance assessments, special assessments and other charges as provided for in the Declaration;

c. Collect, use and expend the assessments and charges collected for the maintenance, care, preservation, replacement and operation of the property of the Association, and the property which the Association does not own, but has the obligation to maintain as provided in the Declaration.

d. To the extent it deems the same necessary and reasonable, procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and procure and maintain adequate hazard insurance on such of the Association's real and personal properties as it deems appropriate;

e. Subject to the provisions of the Declaration, repair, restore or alter the properties of the Association (or which the Association has the obligation to maintain) after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

f. Adopt and publish rules and regulations governing the use of the Property, and the personal conduct of the Lot Owners and other guests thereon, and establish penalties for infractions thereof;

g. Collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin, or seek damages from or impose penalties on Lot Owners for violations of the provisions of the Declaration or of any rules or regulations of the Association;

h. Pay all taxes owing by the Association, and filing tax returns;

i. Declare the office of a member of the Board of Directors to be vacant in the event such member (i) shall be absent from three (3) consecutive meetings of the Board of Directors, or (ii) shall be absent from 50% or more of the regularly scheduled meetings of the Board of Directors in any calendar year, or (iii) cannot perform the functions of a Director because of physical incapacity or having been judicially determined to be of unsound mind;

j. Make a determination as to whether a “related party transaction” is fair, reasonable and in the best interest of the Association and, if such determination is not made, such related party transaction shall be deemed invalid. A “related party transaction” is a transaction with (i) a person who is a Director, officer or key employee of the Association or who exercises the powers of a director, officer or key employee over the affairs of the Association, (ii) a relative of a Director or officer of the Association, as “relative” is defined by the New York Not-for-Profit Corporation Law, or (iii) an entity in with any of the persons identified in (i) or (ii) above has either a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%. Directors or officers of the Association who have any interest in a “conflict of interest” (as defined in the “Conflict of Interest Policy” of the Association – see Exhibit I to these By-Laws) or related party transaction shall be counted toward a quorum and considered “present” for voting purposes, but shall not be permitted to participate in a Committee or Board of Directors deliberation or vote on the transaction except to provide requested information. The Association shall follow the “Conflict of Interest Policy” attached to these By-Laws as By-Laws Exhibit I and as such Policy may be amended from time to time by the Board of Directors of the Association.

k. Keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and present a statement thereof to the Lot Owners at the annual meeting of Lot Owners, which statement shall include a report verified by the President and Treasurer of the Association or by a majority of members of the Board of Directors based on the accounting report (review or audit) obtained as required by Section 8.03 below.

l. Adopt a written “conflicts of interest” policy that meets the requirements of the New York Not-for-Profit Corporation Law, including a requirement that the existence and resolution of conflicts of interest be documented in the Association’s minutes. The conflicts of interest policy adopted by the Board of Directors is attached to these By-Laws as By-Laws - Exhibit I.

m. Issue, or cause to be issued, upon demand by any person an “Assessment Certificate” as provided in the Declaration, setting forth the status of assessments for any Lot;

n. Establish reserves or other segregations or allocations of Association funds for the repair and replacement of capital items and other expenses not anticipated to be incurred annually;

o. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Lot Owners by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration;

- p. Enter into contracts;
- q. Borrow money as permitted by the Declaration;
- r. Employ a managing agent and such other persons or firms to perform such duties and services as the Board of Directors may authorize, subject to the exclusions identified in Section 5.14 below;
- s. Purchase, sell, mortgage, lease, exchange, or change the use of real property of the Association, provided that (i) the authorization of two-thirds (2/3) of the members of the Board of Directors is obtained and (ii) there has been full compliance with the applicable conditions provided in the Declaration.
- t. Determine which Directors or officers of the Association shall be authorized to execute contracts, sign checks (other than as provided in Section 8.01 below) and other legal instruments on behalf of the Association.

Section 5.13. No Activities for Profit or Gain Except in Support of Association's Lawful Activities. The Association shall not engage in any activities for pecuniary profit or financial gain unless such activities support the Association's other lawful activities.

Section 5.14. Managing Agent and Manager. The Board of Directors may employ for the Association a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such services and duties as the Board of Directors shall authorize, including but not limited to the duties listed in subdivisions a, c, d and e of Section 5.12 above of these By-Laws. The Board of Directors may delegate to the manager or managing agent all of the powers granted to the Board of Directors by these By-Laws other than the powers set forth in subdivisions b, f, g, h, I, j, k, l, n, o, p, q, r, s and t of Section 5.12 above. Any contract for management entered into by a Board of Directors controlled by the Developer shall (i) include a right of termination without cause, without penalty and without notification of more than 90 days, exercisable at any time the Board of Directors controlled by the Lot Owners, and (ii) require the manager or managing agent to maintain separate records and bank accounts for the Association.

Section 5.15. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Lot Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Lot Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every agreement made by the Board of Directors or by any managing agent or manager of the affairs of the Association on behalf of the Association shall provide that the

members of the Board of Managers, or the managing agent or the manager, as the case may be, are acting only as agents for the Lot Owners and shall have no personal liability thereunder.

ARTICLE VI

OFFICERS

Section 6.01. Officers. The officers of the Association shall be the President, one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. The President, but no other officer, must be a member of the Board of Directors.

Section 6.02. Election and Appointment of Officers. The elective officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Appointive officers shall be appointed at such time and shall hold their office for such terms as the Board of Directors shall determine from time to time.

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

Section 6.04. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor to such office may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

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

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

Section 6.07. Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall record the votes and keep the minutes of all meetings, shall have charge of the seal, if any, and corporate records of the Association, shall keep records of the Lot Owners of the Association and the holders of mortgages on Units, and shall perform such other duties as are assigned to him or her by the President or by the Board of Directors. Any Assistant Secretary shall be capable of performing all of the duties of the Secretary.

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

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

Section 6.10. Delegation of Authority and Duties: Control of Officers. In the absence of any officer of the Association, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate all or any of the powers or duties of such officers to any Director or officer or, if not prohibited by these By-Laws or applicable statute, to the managing agent. In addition, the Board of Directors is authorized generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

Section 6.11. Fidelity Insurance. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds have adequate fidelity insurance. The premiums on such insurance shall be paid by the Association and shall be a common expense.

Section 6.12. No Compensation for Officers. No officer shall receive any compensation from the Association for serving or acting as an officer of the Association.

ARTICLE VII

COMMITTEES

Section 7.01. Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate (i) "Committees of Board" and (ii) "Committees of the Association."

Section 7.02. Committees of the Board. Committees of the Board shall be comprised solely of three (3) or more members of the Board of Directors and each such Committee may be delegated one or more powers of the Board and may then bind the Board and the Association

with respect to such delegated powers, except that the Board of Directors may not delegate to a Committee of the Board any of the following: (i) the election or removal of a Director or officer, (ii) the approval of a merger or dissolution of the Association, (iii) the issuance of a recommendation for member action regarding, or the authorization of, the sale, lease, exchange or other disposition of all or substantially all of the assets of the Association, (iv) the approval of amendments to the Association's certificate of incorporation, (v) the filling of vacancies on the Board of Directors or on any Committee established by the Board of Directors, (vi) the amendment or repeal of the By-Laws or the adoption of new By-Laws, (vii) the amendment or repeal of any resolution of the Board of Directors that by its terms shall not be so amendable or repealable, and (viii) the submission to a member of the Association of action requiring the consent of such Member under the New York Not-for-Profit Corporation Law.

Section 7.03. Committees of the Association. Committees of the Association may be comprised of Board of Directors and other persons. Committees of the Association do not have the power to bind the Board of Directors or the Association.

Section 7.04. Lot Owner and Resident Participation on Committees. The Board or Directors may invite non-Board member Lot Owners or residents of the Property to participate on a Committee when their expertise may be useful, but such individuals shall not have a vote in the proceedings of the Committee.

Section 7.05. Architectural Committee. The Association shall have an Architectural Committee comprised of not less than three (3) members of the Board of Directors unless the Board of Directors determines that such Architectural Committee shall be a Committee of the Association, in which event such Committee shall be comprised of one or more members of the Board of Directors and one or more other persons who shall be Lot Owners or residents. The Architectural Committee shall have the obligations as set forth in the Declaration.

Section 7.06. Rules and Records. Each Committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the Committee or with rules adopted by the Board of Directors. Each Committee shall keep regular minutes of its proceedings and shall report such proceedings to the Board of Directors as required by the Board.

ARTICLE VIII

FINANCE, RECORDS AND ANNUAL REPORT OF DIRECTORS

Section 8.01. Checks. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President or Treasurer and countersigned by one Director of the Association, provided that the President or Treasurer and Director so signing are not the same person.

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

Section 8.03. Annual Report of Directors. The Board of Directors shall present at the annual meeting of Members, a report – “The Annual Report of Directors”, verified by the president and treasurer or by a majority of the directors, or certified by an independent Certified Public Accountant (CPA) or by a firm of Certified Public Accountants selected by the Board, showing: (i) the assets and liabilities of the Association as of a 12-month period terminating not more than six (6) months prior to the annual meeting, (ii) the principal changes in assets and liabilities during such fiscal period, (iii) the revenue or receipts of the Association, both unrestricted and restricted to particular purposes during such fiscal period; (iv) the expenses or disbursements of the Association, for both general and restricted purposes, during such fiscal period; and (v) the number of Lot Owners as of the date of the report, together with a statement of increase or decrease in such number during such fiscal period, and a statement of the place where the names and places of residence of the current Lot Owners may be found. This Annual Report of Directors shall be filed with the records of the Association and either a copy or abstract thereof entered in the minutes of the proceeds of the annual meeting.

Section 8.04. Record Keeping. The Board of Directors or the managing agent retained by the Board of Directors shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of Lot Owners, and financial records and books of account of the Association, including chronological listing of receipts and expenditures, as well as a separate account for each Lot which, among other things, shall contain the amount of each maintenance assessment, special assessment and other charges, if any, against such Lot, the dates when installments of assessments are due, the amounts paid thereon, and the balance remaining unpaid.

Section 8.05. Segregation of Capital Reserve Funds. Any funds of the Association collected or designated as reserves for the repair or replacement of capital items shall be segregated from all other funds of the Association in one or more separate accounts on the Association books, i.e., separate from the Association’s operating funds, whether or not in a separate bank account. This shall not preclude the Association from segregating other portions of its funds in separate accounts for a specific purpose (e.g., reserves for non-capital items) or otherwise. So long as the Developer is in control of the Board of Directors of the Association, no funds reserved or segregated shall be used to reduce projected assessments or charges or the Developer’s obligation to fund a deficit of the Association.

Section 8.06. Books, Records and Legal Documents. The Board of Directors shall make available for inspection upon reasonable notice and during normal business hours, to existing and prospective Lot Owners, tenants, title insurers, mortgage holders, mortgage insurers and mortgage guarantors, current copies of the Declaration, By-Laws, Certificate of Incorporation, rules and regulations, budget, schedule of assessments, balance sheet and any other books, records and financial statements of the Association. The Board of Directors may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

ARTICLE IX

GENERAL POWERS OF THE ASSOCIATION

Section 9.01. Common Expenses. The Association, for the benefit of all the Lot Owners, shall pay for out of Association funds as common expenses, the following:

- a. Association Maintenance. The cost of maintaining, repairing and replacing, as necessary (i) all property of the Association and (ii) all property that the Association is obligated to maintain pursuant to the provisions of the Declaration or as authorized from time to time by the Board of Directors of the Association. (Initially, the Association is obligated to provide (i) the cutting of lawns on Lots improved with a Home or Homes -except in areas enclosed by the Lot Owner, and (ii) the clearing of snow from the driveways to Homes, which services may be discontinued or added to by the Board of Directors in the future.
- b. Insurance. Premiums for all insurance as required or permitted by the Declaration including casualty insurance on the property of the Association and liability insurance covering the Association and its Directors and officers.
- c. Wages and Fees of Services. The fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Association, and legal, accounting or other services or expenses necessary or proper in the conduct of the affairs of the Association or the enforcement or interpretation of the Declaration and these By-Laws and for the organization, operation and enforcement of the rights of the Association.
- d. Utility. Utility costs including water for the landscaped areas the Association is obligated to operate and maintain, excluding water for landscaped areas on individual Lots, or which the Association elects to maintain.
- e. Certain Maintenance of Lots. The cost of the reasonable maintenance and repair of any improvement on a Lot if such maintenance or repair is necessary, in the discretion of the Board of Directors, for public safety or to protect the Association Property, and the Owner of such Lot has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity thereof delivered by the Association to such Lot Owner; provided that the Association shall levy an assessment against such Lot Owner for the cost of such maintenance or repair.
- f. Discharge Of Mechanic's Lien. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Association or its property. Where one or more Lot Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging such

lien, and any costs incurred by the Association by reason of such lien shall be specially assessed against such Lot Owner or Lot Owners.

- g. Additional Expenses. The cost of any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, or other expenses which the Association is required or permitted to secure or pay for pursuant to the terms of the Declaration, these By-Laws, or by law or which in the opinion of the Board of Directors shall be necessary or proper for the maintenance and operation of the Association Property to preserve the Property as a first class community.

Section 9.02. No Active Business To Be Conducted For Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business or other activities for pecuniary profit or financial gain unless such business or activities support the Association's other lawful activities.

Section 9.03. Miscellaneous Income. Except as may otherwise be provided in the By-Laws or in the Declaration, all monies received for the rental of or for the use of any Association Property or from any source other than Assessments shall be added to the Association's general fund and used to defray the items of common expense.

Section 9.04. Special Services. The Association may arrange for the providing of any special services and facilities for the benefit of such Lot Owners and/or occupants of Lots as may desire to pay for the same. Fees for such special services and facilities shall be determined by the Board of Directors and may be charged directly to the Lot Owners receiving such services, or paid from the Association's general funds and levied as a Special Assessment against the Lot Owners receiving such services.

ARTICLE X

AMENDMENTS

Section 10.01. Alteration, Repeal Or Amendment. These By-Laws may be modified, altered, repealed, amended or added to at any regular or special meeting of the Lot Owners provided that:

- b. a notice of the meeting containing a full statement of the proposed modification, alteration, repeal, amendment or addition has been sent to all Lot Owners and Lot mortgagees as listed on the records of the Association, not less than ten nor more than 60 days prior to the date or initial date set for the canvass of the vote thereon; and
- c. 67% or more of the Lot Owners present at the meeting in person or by proxy approve of the change; and

- d. prior to date or initial date for the canvas of the vote thereon, the Association has not received written notification of opposition to the change from either (i) Owners of more than 33% of all Lots or (ii) mortgage holders of 51% or more of Lots on which there are mortgages as shown on the records of the Association.

Notwithstanding the above (i) so long as the Developer holds title to any portion of the Property, Sections 3.01, 3.02, 3.03, 5.01, 5.03, 5.04, 5.05, and 10.01 of these By-Laws shall not be amended without the consent of the Developer, which consent shall not be unreasonably withheld, and (ii) the Developer, during the time it shall own any portion of the Property, may make amendments to these By-Laws to correct omissions or errors provided such amendments shall not adversely modify substantial rights of any Lot Owner without such Lot Owner's written consent.

Section 10.02. Form Of Amendment Proposals. No By-Laws shall be modified, altered, amended or added to by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be modified, altered, amended or added to, new words shall be inserted in the text underlined, or italicized, and words to be deleted shall be lined through or bracketed. If the proposed change is so extensive that the above procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and interlining or bracketing as indicators of words added or deleted, but a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See Section 11.02 of By-Laws for present text."

Section 10.03. Non-Material Errors Or Omissions. Non-material errors or omissions in the By-Law amendment process shall not invalidate an otherwise properly promulgated amendment.

Section 10.04. Effective Date Of Amendment. An amendment to these By-Laws shall be effective in accordance with the terms of its adoption.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Notices. All notices required to be given under these By-Laws shall be in writing and may be delivered personally, electronically or by first class U.S. mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, (i) if to go to the Board of Directors, or to the Association, to any member of the Board of Directors or to the Secretary of the Association (if the Secretary is not a member of the Board), (ii) if to go to a Lot Owner to such electronic address or to the permanent address of such Lot Owner as appears on the books of the Association or to such other address as may have been designated by such Owner from time to time, in writing and given to the Secretary or President of the Association, by personal delivery, U.S. mail or electronic mail, with confirmation of receipt; (iii) if to go to a

mortgage holder, to the address of such mortgage holder as appears on the books of the Association, and (iv) to a devisee or personal representative of a deceased Lot Owner to the address of such devisee or personal representative as appears on the records of the Court wherein the estate of such deceased Lot Owner is being administered. Any notice to an institutional first mortgage holder on a Lot or Home that includes a request for consent shall include a statement that the failure to object to the requested consent within 30 days shall be deemed a waiver of the right of such mortgage holder to object or withhold such consent.

All notices shall be deemed to have been given when mailed or sent electronically, except notices of change of address which shall be deemed to have been given when received. Notwithstanding the foregoing, a notice shall be deemed to have been given electronically if (i) delivery is not successful in two (2) attempts, or (ii) the sender otherwise becomes aware that the notice cannot be delivered electronically. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of the receipt of such notice. If the notice is for a meeting to be held, attendance at the meeting shall be deemed a waiver of receipt of such notice unless such attendance is for the sole purpose of (i) objecting to the failure or proper notice procedures to be followed in calling the meeting, or (ii) the propriety of the proposed action to be taken at the meeting. The Secretary of the Association or other person responsible for the giving of notices sent by or on behalf of the Board of Directors shall, upon the request of any Lot Owner or Board member, certify to the proper giving of such notice as required by this Section. Any communications sent by or on behalf of the Board of Directors shall be sent by first-class mail to any Lot Owner who requests that notices sent to such Lot Owner be sent by first-class mail. Such request shall be made in writing and sent to the President of the Board of Directors and to the Secretary of the Association by first-class mail or, if sent electronically, shall require a confirmation of receipt from the President or the Secretary.

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

Section 11.03. No Waiver for Failure to Enforce. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 11.04. Corporate Seal Optional. If decided by the Board of Directors, the Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

Section 11.05. Service of Process on Association. The Secretary of State of the State of New York is the agent for receipt of service of process against the Association. The designated post-office address to which the Secretary of State shall mail a copy of the process shall be as has been filed by the Association with the Secretary of State. The Associations shall notify the

Secretary of State of any change in such address. The Association may also designate any individual that has a residence or any business that has an address in New York State and is authorized to do business in New York State as the Association's agent to receive process for the Association. Such agent may resign, by (i) delivering a signed "certificate of resignation" to the New York State Department of State with the information as required by the New York State Not-for-Profit Corporation Law, and (ii) confirming to the Department of State that the resigning agent has sent a copy of the certificate of resignation to the Association by registered mail to the Associations office at the address for such office on file with the Department of State for the mailing of process. Such registered agent designation or any change of agents shall be effective 30 days after filing with the Secretary of State.

Section 11.06. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 11.07. Severability. Should any part of these By-Laws be deemed void or become unenforceable at law or in equity, the validity, enforceability or effect of the balance of these By-Laws shall not be impaired or affected in any manner.

09-26-17

Oakwood Hills Association By-Laws – Exhibit I

Conflict of Interest Policy

Reason for this Policy. This conflict of interest policy (“Policy”) is intended to satisfy the requirement of the New York Not-for-Profit Corporation that all non-profit corporations adopt a “conflict of interest” policy. This Policy is adopted as part of the original Oakwood Hills Association By-Laws and may be revised or amended as the Board of Directors of the Association determines to be appropriate in the future.

Purpose of this Policy. The purpose of this Policy is to assist the directors, officers and any employees of the Association (hereinafter defined individually as an “Association Party”) in identifying potential and actual conflicts of interest and avoiding or mitigating the impacts of such conflicts.

Defining Conflicts of Interest. A conflict of interest occurs when an Association Party has an outside interest that could cause the Association Party to not act strictly in the best interests of the Association by (i) not addressing Association responsibilities with an unbending duty or loyalty and fidelity, or (ii) not administering the affairs of the Association in an honest and prudent manner, or (iii) not exercising the best care, skill and judgment for the sole benefit of the Association, or (iv) using the position or knowledge gained in the position for his or her personal benefit.

When Conflicts of Interest May Arise. Conflicts of interest may arise when an Association Party has a relationship with (i) a person or firm that supplies goods or services to the Association; (ii) a person or firm that leases or purchases Association property, (iii) any agency, organization or association that has operations that affect the operations of the Association, and (iv) a family member, friend or employee of the Association Party **and when there is remuneration paid to the Association Party from any of such persons, firms, agency, organization, association, family member, friend or employee** or the Association Party uses time, personnel, equipment or supplies for other than Association matters without the consent of the Association or the Association Party receives any gift from any third party that has dealings with the Association without the consent of the Association.

The aforementioned list of when conflicts may arise and the relationships that could give rise to such conflicts are not exhaustive. Conflicts might arise in other areas or through other relationships.

Obligation to Bring Conflicts and Potential Conflicts to Attention of Board of Directors.

Any Association Party who is or becomes aware of an existing or potential conflict of interest shall: (1) bring such matter to the attention of the Association's Board of Directors, (2) not participate in any discussion regarding whether or not the Association should approve the action that may or could result in the conflict of interest, and (3) not vote on the matter.

Board of Directors Responsibility When Conflict or Potential Conflict is Known

The Board of Directors of the Association, when it becomes aware of a conflict or potential conflict shall:

Make a determination as to whether the matter is a conflict of interest that must be addressed or whether the contemplated transaction is such that the actual or potential conflict of interest will not preclude the Association going forward with the transaction;

If the matter involves a contract with the Association and the Board of Directors determines that a conflict or potential conflict of interest exists, the Board shall solicit competitive bids or purchases.

Board of Directors to Make a Record of Conflict of Interest Proceedings

The Board of Directors shall make a record of all proceedings of the Board that address actual or potential conflicts of the interest, including any findings, decisions and actions of the Board relating to such actual or potential conflicts of interest.

Directors and Officers to Complete Annual Conflict of Interest Statement

Every Director and Officer of the Association shall upon election or appointment and annually thereafter, on such annual date as determined by the Board of Directors complete a Conflict of Interest Statement in the form attached to this Policy.

* * * * *

**Oakwood Hills Association
Annual Conflict of Interest Statement**

Name _____

(check which) Director _____ Officer _____ office _____

I affirm the following (initial after each):

I have received a copy of the Oakwood Hills Association Conflict of Interest Policy ("Policy")

I have read and understand the Policy _____

I agree to comply with the Policy _____

Disclosures

Are you an owner, officer or employee of an entity that conducts business with the Association?
_____ If yes, please define

Do you have a family relationship with anyone who, or who has an interest in an entity that,
conducts business with the Association? _____

If yes, please define

Have you participated, directly or indirectly, in any employment agreement, compensation
relationship, or any other arrangement/investment opportunity with a third party vendor doing
business with the Association that has resulted or could result in personal benefit to you?

If yes, please define

Have you received, directly or indirectly, any salary payments, loans, or gifts of any kind or any free service, discounts or other fees from any person/organization engaged in any transaction with the Association?

If yes, please define

Do you share ownership of a business that does business with the Association? "Ownership" means voting power or profit sharing in the business. _____ If yes, please define:

Date:

Signature

Received and reviewed by the Board of Directors: Date:

Confirmed:

Board Member