

BY-LAWS OF THE SUNNYBROOK ASSOCIATION, INC.

ARTICLE I

APPLICABILITY AND DEFINATIONS

Section 1. Applicability: These By-Laws shall be applicable to The Sunnybrook Association, Inc., a non-profit corporation of the State of New York, its members, and to any and all property which now or may hereafter be owned by the Association.

Section 2. Definitions: The following words when used in these By-Laws shall have the following meanings:

- a. “Association” shall mean and refer to THE SUNNYBROOK ASSOCIATION, INC., its successors and assigns.
- b. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- c. “Properties” shall mean and refer to that certain planned townhouse development known as “Sunnybrook”, located in the Town of Lloyd, Ulster County, New York, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- d. “Common Areas” shall mean all real property, improvements thereon, and facilities, now or hereafter owned by the Association for the common use and enjoyment of the owners, including but not limited to open areas, recreation facilities, private roads and parking areas.
- e. “Member” shall mean and refer to all those Owners who are members of the Association as provided in Article II hereof.
- f. “Lot” shall mean and refer to any designated plot of land shown upon any recorded subdivision map of the Properties, with exceptions of the Common Areas, and roads dedicated to any governmental authorities.
- g. “Living Unit” shall mean and refer to any lot on which a portion of a building is situated, designed and intended for use and occupancy as a residence by a single family upon which title has passed from the Developer.

- h. “Developer” shall mean and refer to U.S.H. Corporation of New York, its successors or assigns, if such successors or assigns should acquire more than one undeveloped Lot for the Developer for the purpose of development.
- i. “Board of Directors” (or “Directors” or “Board”) shall mean and refer to the Board of Directors of the Association.
- j. “Declaration” shall mean and refer to the Declaration of Covenants and Restrictions which applies to the premises upon which the townhouse development known as Sunnybrook is located, in the Town of Lloyd, Ulster County, New York (and any supplemental Declaration).

ARTICLE II

MEMBERSHIP, VOTING RIGHTS AND MEETINGS

Section 1. Membership: Every Owner of a Lot which is subject to the Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to the Declaration. Ownership of a Lot shall be the sole qualification for membership. Membership in the Association shall lapse and terminate when a member shall cease to be an Owner – however, any delinquent assessments will still be the personal liability of said Owner despite termination of membership.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of Developer and shall be entitled to one vote for each Lot owned. When more than one person (or entity) owns any Lot, their vote shall be exercised as they, among themselves, determine but in no event will split a vote be honored and in no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member(s) shall be the Developer and it shall be entitled to five (5) votes for each Lot owned. An authorized representative of Developer may cast all or part of its votes. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a. When the Developer closes title on (conveys) the last Living Unit in the development; or
- b. Three years after closing title to the first Living Unit conveyed by the Developer to the purchaser.

From and after the happening of either of these events, whichever occurs earlier, the Class B member shall thereupon be entitled to one vote for each Lot or Living Unit it owns. It is the intention of Developer, in creating the two classes of membership and the ratio as described above, that during the early development stages of the Association and of the General Plan of Development, that the Developer have control over each and every transaction of the Association, and that as more lots are sold, the Developer's roll will decrease proportionately.

However, the Developer reserve the right, and shall be entitled to elect a majority of the Board of Directors of the Association until such time as Developer conveys the last Living Unit in the Properties, or 3 years after the conveyance of the first Living Unit, whichever is earlier.

Section 3. Membership Fee: As a condition for taking title, and as consideration for becoming a member in the Association, each Owner of a Living Unit (other than Developer) including successors in title, at or prior to the taking of title, shall pay a prescribed, one time membership fee. Said fee is initially set at \$200.00 but is subject to revision by the Board of Directors. Said fee is also separate from, and in addition to, maintenance assessments referred to in the Declaration and the By-Laws.

Section 4. Proxies: Voting by proxy shall be permitted if in writing and filed with the Association at least two days before the respective meeting. An authorized representative of Developer may cast all its votes or any part thereof.

Section 5. Quorum: The presence of sixty (60%) per cent of all votes of membership wither in person or proxy shall constitute a quorum at any meeting. If a quorum is not forthcoming, another meeting may be called, and at this meeting the quorum required shall be one-half of the quorum necessary at the preceding meeting.

Section 6. Meetings: Annual and special meetings of the Association shall be held at times and places as fixed by the Board of Directors. The first annual meeting shall be held on a date to be fixed by the Board of Directors.

Section 7. Notice of Meetings: Written notice of annual meetings shall be given by the Secretary, in a method deemed reasonable by the Board of Directors. Such written notice shall be given not less then fifteen (15) days before the date of such meeting. Waiver of notice may be made by any member, in writing. Presence at the meeting shall be considered waiver of any formal notice to the member.

Section 8. Membership List: The Secretary of the Association shall keep a complete list of members of the Association, together with their last known post office address. This list shall be kept up to date and shall be open for inspection to all members. The Secretary shall also keep current the minutes of the meetings of the Association, and the resolutions and books of the Association.

Section 9. Special Meetings: The President of the Association shall, if directed or approved by the Directors, call a special meeting. Notice of a special meeting shall be made no later than five (5) days before said meeting. No other membership meetings shall be called other than provided herein, except that in the event that two-thirds of all members desire to call a special meeting and they indicate their desire to the Directors, the President shall be required to call said special meeting.

Section 10. Majority of Votes: As used in these By-Laws means that number of votes which exceeds 50% of all votes cast.

Section 11. Vote Required: Except as otherwise provided herein, a majority vote of the votes cast at any meeting shall be determinative of the subject matter of the vote, provided that the quorum requirements of this Article are met.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Regulated by: The duties, powers, selection, and term of the Board of Directors shall be regulated by these By-Laws, and the Declaration of Covenants and Restrictions.

Section 2. Election and Vacancies: The Board of Directors shall be elected by a majority of the members of the Association present at the annual meeting. There shall be five (5) members of the Board. Vacancies in the Board of Directors shall be filled by the majority of remaining Directors; any such appointed Director to hold office for the unexpired term of his predecessor.

Section 3. Term of Office: The term for a Director shall be three (3) years. However, at the first annual meeting of the Association, two (2) Directors shall be elected to serve three (3) years, two (2) shall be elected to serve (2) years and one (1) shall be elected to serve (1) year. Thereafter, all terms shall be three (3) years, staggered as aforesaid. The term of each Director shall commence at the annual meeting at which he is elected and shall terminate at the annual meeting of the third year thereafter.

Section 4. Removal of Director: a Director may be removed for cause by a majority of Directors, or with or without cause by a two-third vote of ALL the member.

Section 5. Directors Meetings: Meetings of the Board of Directors shall be held at least three (3) times per year. Notice of the meetings shall be given to each Director personally or by mail at least five (5) days before the meeting. Presence of three (3) Directors shall be considered a quorum. Waiver of notice may be made by any Director, in writing. Presence at the meeting shall be considered waiver of any formal notice.

Section 6. Nominating Committee: A committee shall be chosen by the Board to be known as the Nominating Committee, whose function shall be to submit a reasonable number of candidates for Directors. Except for the first meeting, said list of candidates shall be submitted to the Board of Directors thirty (30) days prior to the annual election; said number of candidates shall not be less than the number of vacancies in the Board of Directors. The names of the nominees shall be mentioned in the notice of the annual meeting.

Except as provided in the Certificate of Incorporation, all candidates for the Board of Directors must either be a member of the Association, or an officer, servant, agent, or employee of the Developer. On director must be a resident of the State of New York.

Section 7. Duties of Directors: The affairs of the Association shall be governed by the Board of Directors, except as otherwise provided in the Declaration of Covenants and Restrictions, Certificate of Incorporation, or in other Articles of these By-Laws. The following shall be part of the duties and powers of the Board, on behalf of the Association without limitation:

- a) Maintain, care for, repair, replace, clear, reconstruct, provide sanitation and snow removal for, and protect the Common Areas of the Association, including all realty, private roads, buildings, personality, etc., used by or owned by the Association; in addition, at the Board's discretion, may provide for exterior maintenance of Living Units, their grounds, walks, driveways, parking areas, etc. and to determine that nature and extent thereof.
- b) Pursuant to the Declaration, to establish, levy, assess, and collect assessments, both general and special, from the members and to use said monies for the operation and maintenance of the Common Properties and Facilities, the exteriors of Living Units, their grounds, walks, driveways, parking areas, etc., and to determine the nature and extent thereof.
- c) Buy, sell, mortgage, lease, rent, borrow, or do any other act which may alter or change the assets of the Association; provided, however, that in the event the Association is desirous of substantially altering or changing the capital structure, or property ownership of the Association, then the Association members must consent by a two-thirds vote to said act.
- d) Prepare, prior to each annual meeting, a balance sheet, statement of income, and budget for the Association reflecting the amounts intended to be necessary to meet the cost of operation and maintenance, etc.
- e) To employ and dismiss all employees, agents, servants of the Association, and to determine the compensation for said employees.

- f) To create a Control Committee, as provided for in the Declaration and carry out the determinations of said committee.
- g) To collect delinquent assessments and to employ the provisions and powers set forth in the Declaration, to collect, foreclose, execute, or levy against any member or lot which is delinquent.
- h) Authorize and designate such officer or officers as may be required to execute and deliver any documents, contracts, deeds, mortgages, certificates, bonds, notes, or other instruments of title or other documents of whatsoever nature as may be required in furtherance of the affairs of the Association.
- i) To keep a detailed book of account, of receipts, and expenditures and to employ competent legal council and accountants to maintain the legal status of the Association.
- j) To assure that the provisions of the Association, as embodied in the Certificate of Incorporation, the Declaration and these By-Laws, are carried out.
- k) To insure against loss from fire, vandalism, or any other cause, on any Common Areas; and to maintain public liability insurance the Association and its members against any claims arising from injuries or damages occurring on the Common Areas.
- l) Pay taxes and assessments levied against the Association properties.
- m) Pursuant to the Declaration, add additional properties, either owned by Developer or others, to the scheme of the Declaration and the By-Laws, and which will become subject to the jurisdiction of the Association. Such additional properties may include properties beyond the present boundaries of the Properties as appears on the approved subdivision maps and/or any revisions thereof.
- n) To make, and enforce compliance with, such Rules and Regulations relative to the use and occupancy of the Living Units, the operation and use of the Common Areas and to amend the same from time to time as it deems reasonable and necessary, which Rules and Regulations shall become binding on all owners, occupants, lessees, invitees, members, residents guests, and which may include, although not be limited to the suspension of the privileges of membership and the right to the enjoyment of the Common Areas by the owners, members, guests, residents, occupants, lessees, and invitees.
- o) All other lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association; and the Board, in its discretion, may do or cause to be done all lawful acts and things as are not by law, by these By-Laws or otherwise, directed or required to be done or exercised by members of the Association or owners of Living Units, or by others.

ARTICLE IV

OFFICERS

Section 1. Officers: The officers of the Association shall be President, Vice-President, Secretary and Treasurer and/or others as may be determined by the Board.

Section 2. How Elected: the officers shall be elected annually by the new Board of Directors at or after the annual meeting. A majority vote will be sufficient to elect an officer. However, temporary or acting officers may be chosen by the Board when elected officers are not present.

Section 3. Presiding Officer: The President, or in his absence, the Vice-President, shall preside at meetings of the Association and of the Board.

Section 4. Secretary: The Secretary shall attend all meetings of the Association and Board of Directors and shall record all votes and take minutes of the proceedings, and shall draft resolutions and include all proceedings in a Minutes Book; and shall perform all other duties incident to the Office of Secretary.

Section 5. Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as may, from time to time, be directed by the Board of Directors. Disbursements made in the ordinary course of business shall not need resolutions.

The treasurer shall keep proper books of account and cause annual audit of the Association's books to be made by a Certified Public Accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet and shall present same to the membership.

ARTICLE V

RIGHTS IN THE COMMON PROPERTIES

Section 1. Members Easements of Enjoyment: Pursuant and subject to the provisions of the Declaration, every member shall have a right and easement of enjoyment in and to the Common Areas and Facilities and such easement shall be appurtenant to and shall pass with the title to every Living Unit.

Section 2. Benefits For All: The Common Areas and Facilities in any subsequently added or merged property shall be for the benefit and use of all members of the Association.

ARTICLE VI

FORFEITURE OF VOTING RIGHTS

Members in Default: In the event a member is in default of payment of general or special assessments, his voting rights as defined in Article II shall be forfeited until such default is corrected. This forfeiture in no way relieves said members of any obligations and duties as set forth in the other provisions of these By-Laws, or the provisions of the Declaration.

ARTICLE VII

AMENDMENTS

Amendments to By-Laws: these By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority present, provided that those provisions of these By-Laws which are governed by the Certificate of Incorporation of this Association may not be amended except as provided in said Certificate of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration applicable to the properties may not be amended except as provided in such Declaration. However, there can be no amendment of Article II, Section 2, without the written consent of the Developer.

ARTICLE VIII

MISCELLANEOUS

Section 1. Indemnification of Officers and Directors: The Association shall indemnify every Director and Officer, his heirs, executors, and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association except as to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to indemnified had not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses provided, however that nothing in this Article contained shall be deemed to obligate the Association to indemnify any member, who is or has been a Director or Officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or as an Owner of a Living Unit.

Section 2. Reimbursement by Members: Each member shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the Common Areas damaged solely by the member's negligence or by the negligence of the member's tenants, agents, guests or licensees, promptly upon the receipt of the Association's statement therefor.

Section 3. Ratification: Acquisition of, or occupancy of, a lot or living unit shall be conclusively deemed to mean that such owner or occupant consented to and has ratified these By-Laws and the Declaration, and all their appropriate and respective duties and obligations thereunder.

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