

SCHEDULE C
TO
DECLARATION OF CONDOMINIUM

BY-LAWS
OF
LAKE BREEZE CONDOMINIUM

Prepared by
Ronald S. Shubert, Esq.
PHILLIPS LYTTLE LLP
3400 HSBC Center
Buffalo, New York 14203
716-847-5491

7/27/06

**BY-LAWS OF
LAKE BREEZE CONDOMINIUM**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	PLAN OF UNIT OWNERSHIP..... 1
Section 1.01	Applicability of By-Laws..... 1
Section 1.02	Personal Application 1
ARTICLE II	UNIT OWNERS-VOTING RIGHT AND MEETINGS 1
Section 2.01	Voting..... 1
Section 2.02	Right to Vote 1
Section 2.03	Proxies..... 1
Section 2.04	Annual Meetings 2
Section 2.05	Place of Meetings 2
Section 2.06	Special Meetings 2
Section 2.07	Notice of Meetings 2
Section 2.08	Waiver and Consent 2
Section 2.09	Quorum 2
Section 2.10	Majority Vote 3
Section 2.11	Inspectors of Election 3
Section 2.12	Order of Business at Meetings 3
ARTICLE III	BOARD OF MANAGERS..... 4
Section 3.01	Number and Qualification..... 4
Section 3.02	Powers and Duties..... 4
Section 3.03	Election and Term of Office 6
Section 3.04	Removal of Members of the Board of Managers 6
Section 3.05	Resignation of Members of the Board of Managers 6
Section 3.06	Vacancies 6
Section 3.07	Meetings 6
Section 3.08	Quorum of Board of Managers 7
Section 3.09	No Compensation 7
Section 3.10	Liability of the Board of Managers 7
Section 3.11	Managing Agent and Manager 8
ARTICLE IV	OFFICERS..... 8
Section 4.01	Designation 8
Section 4.02	Election and Appointment of Officers 9
Section 4.03	Removal of Officers 9
Section 4.04	President 9
Section 4.05	Vice-President 9
Section 4.06	Secretary 9
Section 4.07	Treasurer 9

Section 4.08	Agreements, Contracts, Deeds, Checks, etc.....	9
Section 4.09	Compensation of Officers	10
ARTICLE V	COMMON CHARGES AND ASSESSMENTS- DETERMINATION, PAYMENT AND COLLECTION	10
Section 5.01	Determination of Common Charges	10
Section 5.02	Collection of Common Charges and Assessments.....	10
Section 5.03	Rights and Obligations Regarding Foreclosure of Liens for Unpaid Common Charges	11
Section 5.04	Statement of Common Charges	11
Section 5.05	Adjustment of Common Charges and Special Assessments on Transfer	11
Section 5.06	Unit Services and Utilities Funded Through Common Charges.....	12
Section 5.07	Operating Account	12
Section 5.08	Capital Reserve Account.....	12
Section 5.09	Other Accounts.....	12
ARTICLE VI	RECORDS AND AUDITS	12
Section 6.01	Records and Audits	12
Section 6.02	Annual Statement	13
Section 6.03	Availability of Records and Legal Documents	13
ARTICLE VII	THE CONDOMINIUM PROPERTY - USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR	13
Section 7.01	Repairs and Maintenance Which Are the Responsibility of the Board of Managers	13
Section 7.02	Repairs and Maintenance Which Are the Responsibility of the Unit Owners	13
Section 7.03	Quality of Maintenance and Repairs	14
Section 7.04	Right of Access	14
Section 7.05	Restrictions on Use of Units and Common Elements	15
Section 7.06	No Obstruction of Common Elements and Facilities	15
Section 7.07	Rules of Conduct.....	15
Section 7.08	Abatement and Enjoinment of Violations.....	16
Section 7.09	Obligation and Lien for Cost of Enforcement.....	16
Section 7.10	Penalties and Fines.....	16
Section 7.11	Owner Responsible for Tenants	16
ARTICLE VIII	INSURANCE AND INSURANCE TRUSTEE	17
Section 8.01	Insurance	17
Section 8.02	Insurance Trustee	21
Section 8.03	Repair or Reconstruction After Fire or Other Casualty	21
Section 8.04	Actions Which May Increase Insurance Rates Prohibited.....	22
ARTICLE IX	SELLING, MORTGAGING AND LEASING UNITS.....	23
Section 9.01	Selling and Leasing Units	23
Section 9.02	Multiple Leasing of Units	23
Section 9.03	Mortgaging of Units and Notice to Board of Managers	23

Section 9.04	No Severance of Ownership.....	23
Section 9.05	Gifts and Devises, etc.....	23
Section 9.06	Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, or its Designee, on Behalf of All Unit Owners as Tenants in Common	24
ARTICLE X	AMENDMENT	24
Section 10.01	Amendments to By-Laws.....	24
ARTICLE XI	MISCELLANEOUS	24
Section 11.01	Notices.....	24
Section 11.02	Conflicts; Compliance with Article 9-B	25
Section 11.03	No Waiver for Failure to Enforce	25
Section 11.04	Gender	25
Section 11.05	Captions.....	25
Section 11.06	Severability	25

**BY-LAWS OF
LAKE BREEZE CONDOMINIUM**

**ARTICLE I
PLAN OF UNIT OWNERSHIP**

1.01 Applicability of By-Laws. The provisions of these By-Laws are applicable to the Condominium Property as described in the Declaration and to the use and occupancy thereof.

1.02 Personal Application. All present and future owners (hereinafter referred to as "Unit Owners") mortgagees, lessees, and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

**ARTICLE II
UNIT OWNERS-VOTING RIGHT AND MEETINGS**

2.01 Voting. Each Owner of a Unit (including the Board of Managers, if the Board of Managers shall then own or hold title to one or more Units) shall be entitled to vote at all meetings of Unit Owners for each Unit owned by such Unit Owner, but the Board of Managers shall not cast any of its votes for the election of any member to the Board. The vote of each Unit shall be equal. If a Unit is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Unit shall reach agreement as to the matter voted upon and cast their vote for their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Notwithstanding anything to the contrary which may be contained in these By-Laws or in the Declaration, if a mortgage lender whose name appears on the records of the Condominium: (i) holds a mortgage on a Unit which, by its terms, prohibits the mortgagor from voting contrary to the interest of the mortgagee; and (ii) notifies the Board of Managers 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 of the Unit Owner contrary to the position of such mortgage lender shall not be counted in such canvass.

2.02 Right to Vote. At any meeting of the Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

2.03 Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

2.04 Annual Meetings. Annual meetings of the Unit Owners shall be held on the 1st Monday of August each year at 7:00 p.m. or on such other date and such other time and at such place convenient to the Unit Owners as shall be designated by the Board of Managers. At such meetings, the Board of Managers shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.03 of these By-Laws. The Unit Owners may transact such other business at such meeting as may properly come before them.

2.05 Place of Meetings. Meetings of the Unit Owners shall be held at a suitable place convenient to the Unit Owners, as may be designated by the Board of Managers.

2.06 Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 40% in common interest, in the aggregate, of Unit Owners. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

2.07 Notice of Meetings. It shall be the duty of the Secretary to mail by first-class postage a notice of each annual or special meeting of the Unit Owners at least 10 but not more than 30 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Building in which such Owner's Unit is located or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, and to all mortgagees of Units who have requested the same. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or these By-Laws, the notice of meeting shall be mailed at least 30 days and not more than 50 days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

2.08 Waiver and Consent. Whenever the vote of the Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit 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.

2.09 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners having 51% of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present or represented. The quorum required for each reconvened meeting shall be one-half (½) of the quorum required for the previous meeting provided, however, that the quorum in no event shall be less than 10% of the total authorized votes of all Unit Owners.

2.10 Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. The term "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 2.01 of these By-Laws.

2.11 Inspectors of Election. The Board of Managers, in advance of any meeting of Unit Owners, may appoint two (2) or more persons, who need not be Unit Owners, to act as inspectors of election at such meeting or any adjournment thereof. If inspectors of election are not so appointed prior to the meeting, the person presiding at such meeting may, and on the request of any Unit Owner, entitled to vote thereat shall, appoint two (2) or more inspectors of election. In case any person appointed fails to appear or act, the vacancy may be filled in advance of the meeting by the Board of Managers or at the meeting by the person presiding thereat.

The inspectors of election shall (1) determine the Unit Owners entitled to vote at the meeting; (2) determine the existence of a quorum and the validity and effect of proxies; (3) receive ballots or determine votes or consents; (4) hear and determine any challenges or questions arising in connection with any Unit Owner's right to vote; (5) count and tabulate all votes, ballots or consents and determine the result thereof, and (6) do such other acts as may be proper to conduct an election or vote with fairness to all Unit Owners.

2.12 Order of Business at Meetings. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meetings.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers.
- (f) Reports of committees.
- (g) Appointment of Inspectors of Election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

*usually
board reports*

ARTICLE III BOARD OF MANAGERS

3.01 Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall be composed of not less than three (3) or more than nine (9) persons, all of whom shall be Owners or spouses of Owners, in the case of partnership, Owners shall be members or employees of such partnership, or, in the case of corporate Owners, shall be officers, directors, shareholders, employees or agents of such corporations or, in the case of fiduciary Owners, shall be the fiduciaries or officers, agents or employees of such fiduciaries. Only one (1) Unit Owner, or Unit Owners' spouse may serve on the Board at the same time.

3.02 Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Determination and levying of annual assessments ("common charges") payable in monthly installments to cover the cost of common expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Property. The Board of Managers may increase the annual assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective common interests.

b. Collection, use and expending the assessments collected to maintain, care for and preserve the Units, Buildings and common elements.

c. Operation, care, upkeep and maintenance of the common elements.

d. Making of repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

e. Entering into and upon the Units when necessary and with as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the Property.

f. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

g. Obtaining and maintaining insurance for the Property, including the Units, pursuant to the provisions of Section 8.01 of these By-Laws.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Selling, leasing, mortgaging, repairing, maintaining, voting the votes appurtenant to (other than the election of members of the Board of Managers), or otherwise dealing with Units acquired by, and subleasing Units leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

j. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

k. Leasing of portions of the common elements and granting of licenses for vending machines.

l. Bringing and defending actions by or against Unit Owner(s) which are pertinent to the operation of the Condominium, and bringing actions on behalf of Unit Owners as provided for in Section 339-dd of the Real Property Law or in the Condominium Declaration.

m. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however that: (i) the consent of at least 67% in number and in common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of 25% of the amount of the then current annual budget of the Condominium; and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common elements without the consent of the Unit Owner.

If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (m) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the common elements bears to the interest of all the Unit Owners in the common elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

n. Adoption and amendment of reasonable rules and regulations covering the details of operation and use of the Property. Such rules and regulations and amendments shall be binding upon the Unit Owner when the Board has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Unit.

o. Collection of delinquent assessments by suit or otherwise, abatement of nuisances and the enjoinder and/or seeking of damages from the Unit Owners for violations of the rules and regulations referred to herein.

p. Employing and terminating the employment of employees and independent contractors, purchasing supplies and equipment, entering into contracts and generally having the powers of manager in connection with the matters hereinabove set forth.

q. Establishing of reserves for the repair and replacement of the common elements. The amount of such reserves shall be as the Board of Managers deems to be appropriate, shall be adequate to fund the projected cost of such repairs and replacements and shall be sufficient to meet the reasonable requirements of existing or proposed lenders, holders and insurers of first mortgages on the Units.

r. Complying with any change in New York law as it may affect the Condominium.

s. Granting, with or without consideration, easements, rights of way or licenses for utilities or other similar services (e.g., cable television) across the common elements, and for the placement of air conditioner compressors on the common elements.

t. Reviewing and rendering decisions on the applications submitted pursuant to Article VI of the Declaration for proposed alterations of the Units or common elements.

3.03 Election and Term of Office. The term of office of the Board members shall be fixed for three (3) years. The Board members shall hold office until their successors have been elected and hold their first meeting. The terms, of at least one (1) (if a three (3) member Board) or four (4) (if a nine (9) member Board), of the members of the Board of Managers shall expire annually, so as to maintain staggered terms.

3.04 Removal of Members of the Board of Managers. Subject to the limitations set forth below, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers elected by the Unit Owners may be removed, with or without cause, by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

3.05 Resignation of Members of the Board of Managers. A member of the Board of Managers may resign at any time by giving written notice to the Board of Managers, or to the President or Secretary of the Board of Managers. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Board, President or Secretary as the case may be, and acceptance of the resignation shall not be necessary to make it effective.

3.06 Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners or until a successor is elected.

3.07 Meetings. Organizational, regular and special meetings of the Board of Managers shall be held as follows:

- (a) Organizational Meeting - The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter at such date, time and place, as may be practicable.
- (b) Regular Meetings - Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers personally, or by mail, or by e-mail, at least two (2) days prior to the day set for such meeting.
- (c) Special Meetings - Special meetings of the Board of Managers may be called by the President on two (2) days' notice to each member of the Board of Managers either personally, by mail or e-mail, which notice shall state the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Any member of the Board of Managers may, at any time, waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by such member of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.08 Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business and, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws, the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.09 No Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

3.10 Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others

arising out of contracts made by the Board of Managers on behalf of the Condominium 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 Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the Unit Owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or the manager, on behalf of the Condominium, 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 Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all Unit Owners in the common elements.

3.11 Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivision b, c, d and e of Section 3.02 of these By-Laws. The Board of Managers may delegate to the manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions f, g, h, i, j, k, l, m, n, s, t and u of Section 3.02 of these By-Laws.

Any decision to discontinue such independent and professional management and establish self-management for those duties and services previously delegated to said managing agent and/or manager shall require the prior written consent of Owners of Units having a 67% interest in the common elements voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Unit Owners at least 40 days in advance and shall set forth the purpose of said meeting. No such decision shall be made if Eligible Mortgage Holders holding mortgages on Units having a 51% or more interest in the common elements advise the Condominium in writing prior to the date set for voting on the proposed change that they are opposed to such change, which opposition shall not be unreasonable. Written notice of any such proposed change to self-management shall be sent to all lending institution first mortgagees of Units whose names appear on the records of the Condominium at least 40 days prior to said meeting.

ARTICLE IV OFFICERS

4.01 Designation. The principal officers of the Condominium shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, and assistant secretary, and such other officers as in its judgment may be necessary.

PET RULES

A survey conducted in September 2005 by the Board of Managers showed that a clear majority of Unit Owners do not object to visiting dogs. A committee of volunteers was formed to develop a set of rules for visiting dogs. As a result, the Lake Breeze Condominium House Rule #3 relating to pets is amended to read as follows:

3. Pets

- A Resident dogs are prohibited from the Lake Breeze Condominium and its common areas with the exception that the current owner-occupants of Units #1 and #12 are allowed to keep a dog as per the approval of the Board granted April 14, 1988. New occupants or transferees of Units #1 and #12 will not be entitled to keep a dog.

Visiting dogs are allowed subject to the following:

- 1 Dogs that evidence an aggressive behavior are prohibited.
- 2 Dogs shall be kept leashed and under control of a responsible person whenever they are outside of the Unit and shall not be allowed to run free or be unleashed at any time in either the interior or exterior common areas.
- 3 Persons walking the visiting dog must immediately pick up after the dog and dispose of droppings appropriately.
- 4 The length of stay of a visiting dog shall be limited to two weeks. Stays of more than two weeks are permitted only with the prior written approval of the Board. Visiting dogs must be registered for overnight or longer stays. Registration cards will be available in the main entryway by the door and should be placed in the suggestion box on the wall.
- 5 The Board can require the immediate removal of a dog that exhibits an aggressive behavior or causes a nuisance. A failure to comply with the Boards' request is a violation of this visiting dog policy.
- 6 Each instance of violation of any of these rules may subject the Unit Owner to a fine of \$50 and a fine of \$50/day may be assessed by the Board for each day the violation continues. Unpaid fines shall be added to the common charges for the Unit.
- 7 The Unit Owner (whether or not the occupant of the Unit) agrees to be responsible for any damage to person or property caused by the visiting dog and shall be responsible to indemnify, defend and hold harmless the Association, its Board of Managers and other Unit Owners against loss, damages, claims or liability of any kind arising from or growing out of any act of a dog hosted by the Unit.

- B. Cats are permitted if they are confined to the owner's unit, and not allowed to traverse common areas. Other pets will be permitted in an owner's unit, only with the permission of the Board. These are also prohibited from being in common areas.

- C. Disturbance from pets of any kind is subject to action from the Board of Managers.

4.02 Election and Appointment of Officers. The elective officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers. Appointive officers shall be appointed at such time and shall hold their office for such terms as the Board of Managers shall determine from time to time. No one Board member shall concurrently be the President, Treasurer or Secretary.

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

4.04 President. The President shall be the chief executive officer of the Condominium. The President shall preside at all meetings of the Unit Owners and of the Board of Managers. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

4.05 Vice-President. The Vice-President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall, from time to time, be imposed upon the Vice-President by the Board of Managers or by the President.

4.06 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; shall record all votes and the minutes of all proceedings in a book to be kept for that purpose; shall have charge of such books and papers as the Board of Managers may direct; shall give or cause to be given, notice of all meetings of Unit Owners and all special meetings of the Board of Managers; and shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.07 Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.08 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2)

officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

4.09 Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

**ARTICLE V
COMMON CHARGES AND ASSESSMENTS-
DETERMINATION, PAYMENT AND COLLECTION**

5.01 Determination of Common Charges. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the proposed budget to all Unit Owners at least 15 days prior to the adoption thereof. The Board of Managers shall send a copy of the budget as adopted and any supplement thereto to every Unit Owner and such Unit mortgagees as shall have requested the same. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interests appurtenant to such Units. Said common charges or assessments shall be payable monthly in advance unless the Board of Managers establishes other periods for payment. Special assessments, should such be required, shall be levied and paid in such manner as the Board of Managers shall determine for each such special assessment.

5.02 Collection of Common Charges and Assessments. The liability of a Unit Owner for common charges is set forth in the Declaration. If a common charge or assessment or any installment thereof is not paid within 10 days after the due date, the Board of Managers may impose a late charge or charges on such amount or amounts as the Board of Managers deems reasonable not to exceed 5% of the amount of such overdue common charge or assessment or installment thereof, provided such late charges are equitably and uniformly applied.

If the common charge or assessment or installment thereof is not paid within 30 days after the due date: (i) the common charge or assessment shall bear interest from the due date at such rate as may be fixed by the Board of Managers from time to time, such rate not to exceed the maximum rate of interest then permitted by law; (ii) the Board of Managers may accelerate the remaining installments, if any, of such common charges or assessments upon notice thereof to the Unit Owners, which notice shall afford the Unit Owner not less than 10 days to pay such installments of common charges; and (iii) the Board of Managers may bring legal action against the Unit Owner personally obligated to pay the same or foreclose the lien on such Unit pursuant to, and in the manner provided by New York State Law. If the common charge or assessment or installment thereof is not paid within 60 days after the due date, the Board of Managers, if it has not previously done so, shall furnish prompt written notice of such delinquency, if requested, to any holder, insurer or guarantor of the mortgage on the Unit for which the payment of common charges or assessments is delinquent.

The cost of any such proceedings and other costs and expenses incurred in efforts to collect such past due common charges or assessments, including attorney's fees, shall be added to the amount of such common charge or assessment, accelerated installments, if any, late charges and interest. Any amounts collected on past due common charges or assessments shall be applied in the following order: attorney's fees, other costs of collection, interest, late charges, and then the common charges or assessments, beginning with the common charge or assessment past due for the longest period.

5.03 Rights and Obligations Regarding Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of such Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the Unit. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

5.04 Statement of Common Charges. Upon the written request of a Unit Owner or mortgagee with respect to the Unit, the Board of Managers, the Manager or the managing agent, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate: (i) whether or not the common charges due have been paid; (ii) the amount of such common charges, including interest and costs, if any, due and payable; and (iii) whether any other amounts or charges are owing to the Condominium, i.e., for a special assessment for the cost of extinguishing a violation of the Declaration or Rules and Regulations. A reasonable charge, as determined by the Board of Managers, may be made for the issuance of this certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

5.05 Adjustment of Common Charges and Special Assessments on Transfer. Unless otherwise agreed upon between the parties to the transfer, upon the transfer of a Unit, common charges, and any special assessments which: (i) may be payable in installments; or (ii) are specifically applicable to a defined period of time which has not expired, shall be adjusted between the grantor and grantee, with the grantor being entitled to reimbursement from the grantee for the portion of any payment made by the grantor which is applicable to the remainder of the period in which the transfer occurred or to a subsequent period, and the grantee being entitled to a credit from the grantor for the portion of any unpaid payment assumed by the grantee which is applicable to the expired portion of the period in which the transfer occurred or to any prior period. Unless otherwise provided by the Board of Managers of the Condominium in the adoption: (i) a special assessment payable in installments shall be adjusted as if the installment payments apply to a period following the date due, the length of which shall be equal to the interim period between installment due dates; and (ii) a special assessment payable in a single installment shall be the sole responsibility of the Owner of the Unit on the date which such assessment is initially due.

5.06 Unit Services and Utilities Funded Through Common Charges. Electricity for the common elements, cable and satellite television (if desired by the Board), water and trash removal for the Units shall be a common expense, except that the Board of Managers may, at its option, in accordance with Section 5.01 above, allocate and apportion expenses among Unit Owners based on the special or exclusive availability of use of such services by one or more Unit Owners.

5.07 Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operation portion of all common charges and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

5.08 Capital Reserve Account. The Board of Managers shall establish and maintain an adequate reserve account for the replacement of those common element improvements which the Board of Managers is obligated to maintain. Such reserve account shall be funded from common charges. Any funds collected or designated by the Board of Managers as reserves for the replacement of capital items shall be segregated from all other funds of the Condominium in one or more separate accounts. This shall not preclude the Board of Managers from segregating other portions of the Condominium funds in separate accounts for a specific purpose (e.g., reserves for non-capital items) or otherwise. At least two (2) members of the Board of Managers shall be required to sign any checks written on this reserve account, unless this provision is waived by the Board. No manager or managing agent shall have authority to draw checks on or to transfer funds from this reserve account.

5.09 Other Accounts. The Board of Managers shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VI RECORDS AND AUDITS

6.01 Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the dates when installments are due, the amounts paid thereon, and the balance remaining unpaid.

6.02 Annual Statement. Promptly after the end of each fiscal year, (September 1 - August 31) a full and correct statement of the financial affairs of the Condominium, including a balance sheet and a financial statement of operation for the preceding fiscal year prepared and signed by a public or certified public accountant to the effect that the financial statement presents fairly the financial position of the Condominium and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period except as specified therein, shall be distributed to all Unit Owners and to all mortgagees of Units who have requested the same. Taking into consideration the cost of an audit vs. a review, the complexity and volume of the Condominium's financial affairs, and such other factors the Board of Managers deems relevant, the Board of Managers of the Condominium shall determine each year whether such statement shall be in the form of an audit or review, except that: (i) an audit, at the expense of the Condominium shall be required if authorized in writing by at least two-thirds (2/3) of all Unit Owners, or, if the holder, insurer or guarantor of any first mortgage that is secured by a Unit in the Condominium submits a written request for such an audit to the Board of Managers; and (ii) any Unit Owner or mortgage holder shall be entitled to obtain an audited statement at such Unit Owner's or mortgagee's own expense.

6.03 Availability of Records and Legal Documents. The Board of Managers shall make available for inspection upon reasonable notice and during normal business hours, to existing and prospective purchasers, mortgagees, mortgage insurers and mortgage guarantors, current copies of the Condominium's Declaration, By-Laws, Rules and Regulations, budget, schedule of assessments and any other books, records and financial statements of the Condominium. The Board may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

ARTICLE VII THE CONDOMINIUM PROPERTY - USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR

7.01 Repairs and Maintenance Which Are the Responsibility of the Board of Managers. Unless: (i) otherwise provided in the Condominium Declaration or these By-Laws; or (ii) performed by any governmental entity or independent authority, all maintenance, repairs and replacement to the common elements of the Property including but not limited to landscaped areas, parking areas, driveways, exterior walls, roof and roof members, walks and fences, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and other utility lines as are located in the common elements and not owned by an Owner of any Unit, shall be made by the Board of Managers. The cost of all such maintenance, repairs and replacements shall be common expense unless occasioned by a negligent or willful act or omission as provided in Section 7.02 below.

7.02 Repairs and Maintenance Which Are the Responsibility of the Unit Owners. All maintenance (including painting and decorating of the Units), repairs, and replacements to the Units including windows (including all glass breakage), doors (except painting of the exterior surface of windows and doors which open from a Unit, which painting is the responsibility of the Board of Managers), and maintenance and repairs to lines, pipes, ducts, wires, cables, chutes,

conduits, connections and fittings which are contained within the Unit, which service the Unit, shall be made by the respective Unit Owners at their own expense.

All irrevocably restricted common elements shall be maintained and repaired by the Unit Owner to whom such common element is restricted in use.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 7.01 above, but which is occasioned by a negligent or willful act or omission of a Unit Owner, (including any family member, or tenant, or employee of such Unit Owner, or any guest or invitee of such Unit Owner, member of such Unit Owner's family or tenant of such Unit Owner) shall be made at the cost and expense of such Unit Owner. If such maintenance, repair or replacement is the responsibility of the Board of Managers, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Unit and such cost shall be added to that Unit Owner's common charges and, as part of those common charges, shall constitute a lien on the Unit to secure the payment thereof.

In the event that a Unit Owner fails to make any maintenance or repair, which maintenance or repair is necessary to protect any of the common elements or any other Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so, weather permitting, after reasonable notice, except that, in the event of an emergency situation, e.g., to prevent immediate damage to the Unit, other Units or the common elements, no notice), and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to such Unit Owner's Unit or for repairs to any common element and which the Unit Owner is obligated to maintain pursuant to these By-Laws or the Declaration or Rules and Regulations, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon, and, in such event, the Unit Owners shall be liable for the attorney's fees and costs of such suit or proceeding together with interest on all sums due.

7.03 Quality of Maintenance and Repairs. All repairs, painting and maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of any Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such manner so as to conform to the materials, style and color shall be compatible with the architectural design of the Building(s).

7.04 Right of Access. The Board of Managers and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, shall have a right of access to the Units and common elements, for the purpose of correcting any condition originating in a Unit and threatening another Unit or a common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in a Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner, except that, in case of an emergency, e.g., to prevent immediate damage to the Unit, other Units or the common elements, such right of entry may be immediate, without notice and without regard to whether the Unit Owner is present at the time or not.

7.05 Restrictions on Use of Units and Common Elements. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. Except as allowed in the Declaration, each Unit, whether occupied or leased out by the Unit Owner, shall be used for residential purposes only; and shall be resided in by not more persons (including children) than two (2) times the number of bedrooms in the Unit, except that this shall not apply to persons who have a child after they have commenced occupancy. Furthermore, unless determined to be illegal if such Unit is resided in by three (3) or more persons (including children), such persons shall be members of the same family (or if the Unit Owner or lessee is a partnership, a corporation or a trust, as the case may be). "Same family" shall be defined as persons related to one another as husband, wife, mother, father, brother, sister, stepbrother, stepsister, daughter, son, stepdaughter, stepson; together with their children. This restriction requiring three (3) or more residents to be members of the same family may be waived by written consent obtained from the Board of Managers prior to occupancy.

b. The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of the Units.

c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or occupants or which interfere with the peaceful possession or proper use of the Property by its residents or occupants.

d. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, ordinances, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

7.06 No Obstruction of Common Elements and Facilities. A Unit Owner shall not obstruct the common elements. The common elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. Common halls and stairways in a Building shall be used for no purpose other than normal transit through them or for uses reasonably related to occupancy of and access to the Units.

7.07 Rules of Conduct. Rules and regulations concerning the use of the Units and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A to these By-Laws.

7.08 Abatement and Enjoinment of Violations. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers (and each aggrieved Unit Owner with respect to any violation or breach by any other Unit Owner or by the Board of Managers) the right, in addition to any other rights set forth in these By-Laws: (a) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity and at the expense of the defaulting party, the continuance of any such breach; or (b) give the Board of Managers the right to establish a penalty in accordance with Section 7.10 below. Prior to exercising such right, the Board of Managers or Unit Owner or Owners, as the case may be, shall, if reasonably possible, notify the Owner and mortgagee (if known) of the Unit or Units involved and provide a reasonable amount of time for the cure of such violation or breach. In any case of flagrant or repeated violation by a Unit Owner (or one for whom he is responsible), such Owner may be required by the Board of Managers to give sufficient surety for future compliance.

All rights, remedies and privileges granted to the Board of Managers and to aggrieved Unit Owners herein shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising such right or rights from exercising such other and additional rights, remedies or privileges as may be granted by the Condominium Declaration, these By-Laws or the Rules and Regulations at law or in equity.

7.09 Obligation and Lien for Cost of Enforcement. If an action is successfully brought to extinguish a violation of any rule or regulation adopted by the Board of Managers or to successfully enforce the provisions of the Declaration or By-Laws, the cost of such action, including legal fees, shall become a binding personal obligation of the violator. If such violator is: (1) the Unit Owner; or (2) any family member, tenant or guest or invitee of such Unit Owner; or (3) a family member, guest or invitee of a tenant of such Unit Owner; or (4) a guest or invitee of (i) any member of such Unit Owner's family or (ii) any family member of the tenant of such Unit Owner; such cost shall also be a lien upon the Unit or Units of such Unit Owner.

7.10 Penalties and Fines. In addition, or as an alternative to an action at law or suit in equity, the Board of Managers may, with respect to any violation of the Declaration or of these By-Laws or of any rules and regulations of the Condominium or of any committee of the Condominium, and after affording the alleged violator a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other person. Monetary penalties imposed against a Unit Owner or occupant shall be deemed an assessment against the Unit of such Owner and, as such, shall be a charge and continuing lien upon such Unit, shall constitute a personal obligation of the Unit Owner, and shall be collectible in the same manner as common charges and special assessments under these By-Laws and the Declaration.

7.11 Owner Responsible for Tenants. Any lease of a Unit shall be for an initial term of not less than four (4) months and shall be in such format and on such lease form, if any, as supplied and approved from time to time by the Board of Managers. Any such lease shall provide for full compliance by the tenant with the Declaration, By-Laws and Rules and

Regulations of the Condominium and be filed with the Board at the time of execution. Should a tenant be in violation thereof at any time, the Board of Managers of the Condominium may send the Owner of the Unit which said tenant occupies written notice of such violation by certified mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within 14 days after the Owner has received notice of such violation, or if the eviction proceedings are not reasonably diligently pursued thereafter, the Board of Managers may pursue any remedies which it may have under this Article VII.

ARTICLE VIII INSURANCE AND INSURANCE TRUSTEE

8.01 Insurance. The Board of Managers shall obtain and maintain, to the extent obtainable: (1) fire and casualty insurance, (2) liability insurance, (3) directors' and officers' liability insurance, (4) a fidelity bond, (5) workers' compensation insurance and (6) flood insurance. Such coverages shall be sufficient to comply with the reasonable requirements of holders, insurers and guarantors of individual Unit mortgages. In the event of any lapse, cancellation or material modification of any of such coverages, timely written notice of same shall be given to all Unit Owners and all holders, insurers and guarantors of mortgages on Units who have requested such notice.

The Board of Managers may also obtain such other insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

Subject to the foregoing, coverages shall be as follows:

1. Fire and Casualty. The policies shall cover the interests of the Condominium, the Board of Managers and all Unit Owners and mortgagees as their interests may appear. Coverage shall be for the full replacement value of the Units and other improvements (without deduction for depreciation) under the "single entity" concept, *i.e.*, covering the Units as initially sold and including all machinery servicing the Units and common facilities, and the wall to wall carpeting, lighting fixtures, bathroom fixtures, kitchen appliances, wall coverings (including paint) in the Unit as initially sold excluding the land, foundations, and the personal property of Unit Owners and occupants in the Unit. At the option of the Board of Managers, such insurance coverage shall also include any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, built-ins and wall coverings) made by present or prior Unit Owners or occupants.

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, including sprinkler leakage (if applicable), debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; (ii) "agreed amount" (unless not obtainable) and inflation guard; (iii) coverage for loss of common charges from Unit Owners forced to vacate because of fire or other insured against casualty; (iv) waiver of any right to claim by way of subrogation against individual Unit Owners and the members of their households and families, the Condominium, the members of the Board of Managers, the officers of the Condominium, and the managing agent, if any, for the Condominium, and waiver of any

defenses based on co-insurance or any invalidity based on acts of the insured; (v) an exclusion from the "no other insurance" clause of individual Unit Owners' policies, so that the insurance purchased by the Board of Managers on behalf of the Condominium shall be deemed primary coverage and any policy obtained by the individual Unit Owners or mortgagees shall be deemed excess coverage and that the insurance obtained by the Board of Managers on behalf of the Condominium shall in no event be brought into "contribution" with insurance purchased by individual Unit Owners or mortgagees; (vi) a provision that the policy cannot be cancelled, invalidated or suspended because of the conduct or neglect of someone over whom the Condominium Board of Managers has no control, or because of any failure to comply with any warranty or condition in the policy regarding any portion of the premises over which the Board of Managers has no control; (vii) cross-liability giving the Unit Owners the right to sue the Board of Managers and vice-versa with the insuring company agreeing to defend the defendant; (viii) a provision that the policy may not be cancelled (including cancellation for nonpayment of premium) or substantially modified without at least 30 days' prior written notice to all of the insured, including all known mortgagees of Units; (ix) a provision requiring periodic review at least every two (2) years to assure the sufficiency of coverage; and (x) a provision that adjustment of loss shall be made by the Board of Managers. Any deductible provision shall apply only to each occurrence rather than to each item of damage.

Prior to obtaining any new fire and casualty insurance policy, the Board of Managers shall obtain an appraisal from an insurance company or from such other source as the Board of Managers shall determine to be acceptable as to the full replacement value (exclusive of land, foundations and improvements made by present or prior Unit Owners or occupants) for the purpose of determining the amount of fire and casualty insurance to be effected pursuant to this Section.

The proceeds of all policies of physical damage insurance including flood insurance shall be payable to the Board of Managers if they are \$50,000 or less and, if in excess of \$50,000, to the Insurance Trustee selected by the Board of Managers, to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Unit Owners as hereinafter set forth. (This \$50,000 limit shall automatically be increased each calendar year by 5% over the limit of the previous year.) The policy must provide that any right of the insurer to elect to restore damage in lieu of cash settlement may not be exercised without the consent of the Insurance Trustee. The policy shall contain the standard mortgagee clause in favor of each mortgagee (or the servicer of the mortgage and "its successors and assigns") of a Unit which shall provide that any loss shall be payable to the mortgagee as its interest shall appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as set forth below. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.

Duplicate originals of the policy and of all renewals of the policy, together with proof of payment of premiums, shall be furnished to all known institutional mortgagees of Units requesting the same.

2. Liability. The liability insurance shall cover the Board of Managers, the officers of the Condominium, the managing agent, if any, and all Unit Owners, but not the liability of Unit Owners arising from occurrences within such Owner's Unit or within any common elements exclusive to such Owner's Unit. The policy shall include the following endorsements: (i) comprehensive general liability (including libel, slander, false arrest and invasion of privacy); (ii) personal injury; (iii) medical payments; (iv) cross liability under which the right of a named insured under the policy shall not be prejudiced with respect to such insured's action against another named insured; (v) "severability of interest" precluding the insurer from denying coverage to a Unit Owner because of negligent acts of the Condominium Board of Managers or any other Unit Owner; (vi) contractual liability; (vii) water damage liability; (viii) hired and non-owned vehicle coverage; (ix) liability for the property of others; (x) host liquor liability coverage with respect to events sponsored by the Condominium; and (xi) deletion of the normal products exclusion with respect to events sponsored by the Condominium.

Coverage may not be cancelled or suspended (including cancellation for non-payment of premium) or substantially modified without at least 30 days prior written notice to the insured, including all known mortgagees of Units as shown on the records of the Condominium. Any deductible provision shall apply only to each occurrence rather than to each item of damage.

The Board of Managers shall review such coverage at least once each year. Until the first meeting of the Board of Managers elected by the Unit Owners, this public liability insurance shall be in a combined single limit of \$1,000,000.00 covering all claims for bodily injury and property damage arising out of a single occurrence.

3. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a member of the Board of Managers or officer of the Condominium. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Managers, and any deductible provision shall apply only to each occurrence rather than to each item of damage. The policy shall provide for "participation" by the Condominium or by the members of the Board of Managers or officers of the Condominium only to the minimum extent permitted by law or applicable governmental regulations.

4. Fidelity Bond. The fidelity bond shall name the Condominium as obligee and shall cover all members of the Board of Managers, officers and employees of the Condominium and of the Condominium's managing agent, if any, who handle Condominium funds. The bond shall be in an amount not less than the estimated maximum amount of funds, including reserves, in the custody of the Condominium or managing agent at any given time, but in no event less than a sum equal to three (3) months' aggregate common charges on all Units, plus reserves. It shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression and shall provide that the bond shall not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days prior written notice to the Board of Managers, Insurance Trustee, if any, and all institutional first mortgagees of Units as listed on the books and records of the Condominium.

Notwithstanding the limitation set forth herein, the Board of Managers shall, upon the request of any Unit Owner, Unit mortgagee, or prospective Unit Owner or mortgagee increase the amount of such bond to meet the reasonable requirements of any existing or proposed purchaser or insurer of any mortgage made or to be made on any Unit.

5. Workers' Compensation Insurance. Such insurance shall cover any employees of the Condominium, as well as any other person performing work on behalf of the Condominium.

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

Deductible Amounts.

In the event of damage or destruction of any Unit or common elements as a result of fire or other casualty covered by insurance obtained by or through the Board of Managers, the deductible amount of any insurance proceeds shall apply to each occurrence, not to each item of damage, and shall be funded as follows:

1. If the damage is from a cause which emanates from the common elements, the Condominium shall be responsible for the deductible amount, except that, if the cause of such damage is the result of gross negligence or the wantonly malicious act of any Owner (or of a member of such Owner's family or of a tenant of such Owner or of a guest or invitee of such Owner or of a member of such Owner's family) the Owner shall be responsible for such deductible amount;
2. If the property is damaged from a cause which emanates from or within a Unit (other than from a utility line or conduit which passes through the Unit and which services two (2) or more Units) including from any utility line, conduit, terrace or patio which services only such Unit, whether located within or without the Unit, the Owner or Owners of such Unit shall be responsible for the deductible amount. The Condominium may pay the deductible portion for which a Unit Owner is responsible, and the amount so paid, together with interest and costs of collection (including attorneys' fees) shall be a charge and continuing lien upon the Unit involved, shall constitute a personal obligation of the Unit Owner, and shall be collectible in the same manner as common charges and assessments under the Declaration and these By-Laws.

Unit Owners' Insurance. Unit Owners shall be required to obtain and maintain H.O.-6 or equivalent coverage, and not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

8.02 Insurance Trustee. The Insurance Trustee shall be any law firm, bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a law firm, bank or trust company located in the State of New York.

8.03 Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings or common elements as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration), the insurance proceeds, if any, shall be payable to the Board of Managers if they do not exceed the limit established pursuant to Section 8.01 hereof; and if in excess of such limit, then to the Insurance Trustee as the Board of Managers shall select, subject to the reasonable approval of the mortgagee's representative, if any. The Board of Managers shall notify all holders, insurers or guarantors of mortgages of such Unit or Units (or of all Units if a material portion of the project has been damaged or destroyed) as indicated on the records of the Condominium and shall arrange for the prompt repair and restoration of the damaged building and common elements (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein, but excluding, unless covered by the insurance obtained by the Board of Managers, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, appliances or equipment installed by present or prior occupants or Owners of the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit and for a completion bond for such deficit as part of the common charges.

In the event of any damage or destruction as hereinabove described, the Board of Managers shall promptly send written notification of the casualty to all institutional first mortgagees of Units as they appear on the books and records of the Condominium.

If there shall have been a repair or restoration pursuant to the first paragraph of this Section, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on such Unit in the order of priority of such liens.

If 75% percent or more of the Units are destroyed or substantially damaged as determined by the Board of Managers and 75% percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration, the Property shall be subject to an action for partition upon the suit of any Unit Owner or lienor, as if owned in common, in which event, the net proceeds of sale, together with the net proceeds of insurance policies shall be held in escrow by the Board of Managers or the Insurance Trustee, as the case may be, to be divided

among all Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in the order of the priority of such liens.

Wherever in this Article the words "promptly repair" are used, it shall mean repairs are to begin weather permitting, not more than 60 days from the date the Insurance Trustee notifies the Board of Managers and the Unit Owners that it holds proceeds of insurance sufficient to pay the estimated costs of such work; or not more than 90 days after the Insurance Trustee notifies the Board of Managers and the Unit Owners that such funds are insufficient to pay said estimated costs and advises them of the amount of the required completion bond, if necessary, or in the event the amount of the required completion bond, if necessary, or in the event there is no Insurance Trustee, not more than 60 days from the date of receipt of insurance funds on account of such damage or destruction, and wherever the words "promptly resolve" are used, it shall also mean not more than 60 days from the date of receipt of said insurance funds.

Any repair or restoration as hereinabove described shall be in substantial accordance with the plans and specifications of the damaged improvements as originally built. Any proposed substantial deviation therefrom shall require the written consent of Eligible Mortgage Holders holding mortgages on 51% or more of the Units subject to mortgages held by Eligible Mortgage Holders.

The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and the same shall constitute a common expense of the Condominium.

8.04 Actions Which May Increase Insurance Rates Prohibited. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in such Unit Owner's Unit which will increase the insurance rates on such Unit or on any other Unit or on the common elements.

ARTICLE IX
SELLING, MORTGAGING AND LEASING UNITS

9.01 Selling and Leasing Units. No Unit Owner shall convey, mortgage, pledge, sell or lease such Owner's Unit unless and until all unpaid common charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid common charges can be paid, at the time of closing, out of the proceeds of the sale of a Unit or by the grantee. Further, a Unit Owner may convey such Owner's Unit and the common interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any common charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this Section shall be voidable at the election of the Board of Managers.

Any lease or rental of a Unit shall be for a minimum of four (4) months and shall provide for full compliance by the tenants with the Declaration, By-Laws and Rules and Regulations of the Condominium. The Owner shall be responsible for violations by such Owner's tenant and shall be subject to actions by the Board of Managers in accordance with Section 7.11 of these By-Laws.

9.02 Multiple Leasing of Units. No Unit Owner, including other persons owning Units who are related to or acting in combination with or on behalf of the Unit Owner, such that the Units are constructively owned by the Unit Owner, shall lease more than two (2) Units in total at any one time.

9.03 Mortgaging of Units and Notice to Board of Managers. Each Unit Owner shall have the right to mortgage his Unit without restriction. The Unit Owner who mortgages his Unit shall notify the Board of Managers in writing of the name and address of the mortgagee. The Board of Managers shall maintain such information in a book entitled "Mortgagees of Units." No Unit Owner shall mortgage, pledge or hypothecate his Unit unless and until all unpaid common charges assessed against his Unit have been paid to the Board of Managers.

9.04 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein the appurtenant common interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant common interest of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant common interests of all Units.

9.05 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer the Unit owned by gift or to devise the Unit by will, or to pass the same by intestacy, without restriction.

9.06 Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, or its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Owners shall be deemed to have waived all rights of partition with respect to such Unit and if the Board should so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord.

ARTICLE X AMENDMENT

10.01 Amendments to By-Laws. Except as hereinafter provided otherwise, these By-Laws may be modified, altered, amended or added to at any duly called meeting of Unit Owners provided that:

- (a) a notice of the meeting containing a full statement of the proposed modification, alteration, amendment or addition, and the canvass period, if any, for voting on the amendment, has been sent at least 30 and not more than 50 days prior to the date set for said meeting, to all Unit Owners and to all Eligible Mortgage Holders; and
- (b) owners of 67% or more of the Units in number and in common interest approve the change; and
- (c) the Board of Managers does not, prior to the first date established for voting on the proposed change, receive written notification of opposition to the change from Eligible Mortgage Holders of 51% or more of the number of Units subject to first mortgages held by Eligible Mortgage Holders; and
- (d) the change is set forth as an amendment to the Declaration duly recorded in the Monroe County Clerk's Office.

Notwithstanding the above, the Board of Managers during the time it owns any Unit, may make amendments to these By-Laws consistent with the current provisions of the Condominium Act, the Declaration and these By-Laws to correct omissions or errors, which amendments shall not adversely modify substantial rights of any Unit Owner or Eligible Mortgage Holder without the written permission of such Unit Owner or Eligible Mortgage Holder. Such amendments need only be signed by the Board of Managers.

ARTICLE XI MISCELLANEOUS

11.01 Notices. All notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, if to go to the Board

of Managers, at the office of the Board of Managers, and if to go to a Unit Owner or Unit Mortgagee, to the address of such Unit Owner or mortgagee at such address as appears on the books of the Condominium. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. 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 thereof.

11.02 Conflicts; Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

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.

11.04 Gender. The use of the masculine gender in these By-Laws shall be deemed to include the masculine, feminine or neuter and the use of the singular shall be deemed to include the plural, whenever the context so requires.

11.05 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.

11.06 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.

RSSset/ks
BFLO Doc. # 1593967.1

SCHEDULE A

LAKE BREEZE CONDOMINIUM HOUSE RULES

General Rules and Regulations

The following rules and regulations have been approved and enacted by the Board of Managers of the Lake Breeze Condominium so that the residents of this community can enjoy their homes and the lifestyle which a condominium affords.

Unit Owners shall be responsible for any violations of these Rules and Regulations by individuals leasing/renting/using/visiting the unit or common areas.

Any violation of these rules and regulations should be reported directly to the Management Company.

1. Obstructing or Encumbering Common Areas

- A. The sidewalks, entrances, driveways, hallways and any other common element of the condominium must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.
- B. No bicycles, strollers, sleds, grills or other obstructing objects shall be allowed to stand on the sidewalks, entrances, driveways, hallways or other common areas of the condominium.
- C. Vehicles shall not be unattended in front of the main door. This area is for loading and unloading.

2. Noise and Disturbances

No Unit Owner shall make or permit any disturbing noises in the condominium Unit by family, employees, agents, visitors, or lessees. No Unit Owner shall play or permit to be played upon, any musical instrument or operate or permit to be operated any sound producing systems (e.g. TV, stereo, radio, etc.), in any unit or common area, from 11 p.m. to 7 a.m., if the same shall disturb or annoy other occupants of the building.

3. Pets

- A. Dogs are prohibited from the Lake Breeze Condominium and its common areas with the exception of units #1 and #12, as approved by the Board on 4/14/88. New occupants or transferees of those units will not be entitled to have dogs therein.
- B. Other pets will be permitted on the premises only with written approval from the Board of Managers.
- C. Pets are not to disturb other residents, and are not allowed in common areas.

4. Trash, Garbage and Recyclables

- A. Trash gondolas are in place at the northwest and northeast corners of the property. Trash should be carefully placed inside the dumpster to keep the areas around it clean. Recyclables should be placed in the appropriate recycling bin.
- B. Do not place trash on the ground area next to the dumpster. If the dumpster is full, please deposit trash in another dumpster, or wait for the next day. The disposal company will not remove trash left beside the gondolas.
- C. Trash will not be left anywhere in the common areas. Should a homeowner leave trash or refuse in a common area, it will be removed by the management company, and the cost of this removal will be assessed against the homeowner.

5. Gardening and Landscaping

- A. Residents are encouraged to plant flowers in flowerbeds, however, planting of vegetables in flowerbeds is not permitted.
- B. Other plantings may be made with prior written approval from the Board of Managers.

6. Building Appearance and Structure

- A. Nothing shall be done in any unit or to the common areas which shall impair the structural integrity of the building or which would structurally or architecturally alter any of the building except upon the prior written consent of the Board of Managers.
- B. Nothing shall be installed or constructed on the roof or outside walls without the prior written consent of the Board of Managers.
- C. No awnings or other projections shall be attached to the exterior of the building or any of the common areas without prior consent of the Board of Managers.

- D. No garbage cans, supplies or other articles shall be placed in the common areas.
- E. Nothing may be hung from the windows or placed on the outside windowsills. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any of the windows or doors.

7. Air-Conditioners

- A. Air-conditioning and heat pump line sets are built into each unit for installation of either heat pumps or air-conditioners. These line sets are the responsibility of individual Unit Owners.
- B. Many units have heat pumps or roof-mounted air-conditioners. This is the only authorized type of air-conditioning unit. No window or wall-mounted air-conditioners may be installed in a unit.

8. Fireplaces

No fireplaces are allowed on the first floor, other than in unit #17, which had a fireplace prior to this regulation. Fireplaces are allowed on the second floor only with the prior written consent of the Board of Managers. The Board will stipulate on a case-by-case basis the assurances required regarding the safety of the unit.

9. Cable Television

Cable television outlets have been installed in all of the units. The Unit Owner is responsible for hook-up, maintenance, repair and cable TV charges if he chooses to subscribe to this type of service. The Condominium has no responsibility for the cable TV hook-up, disconnecting, wiring or maintenance/repair in any unit.

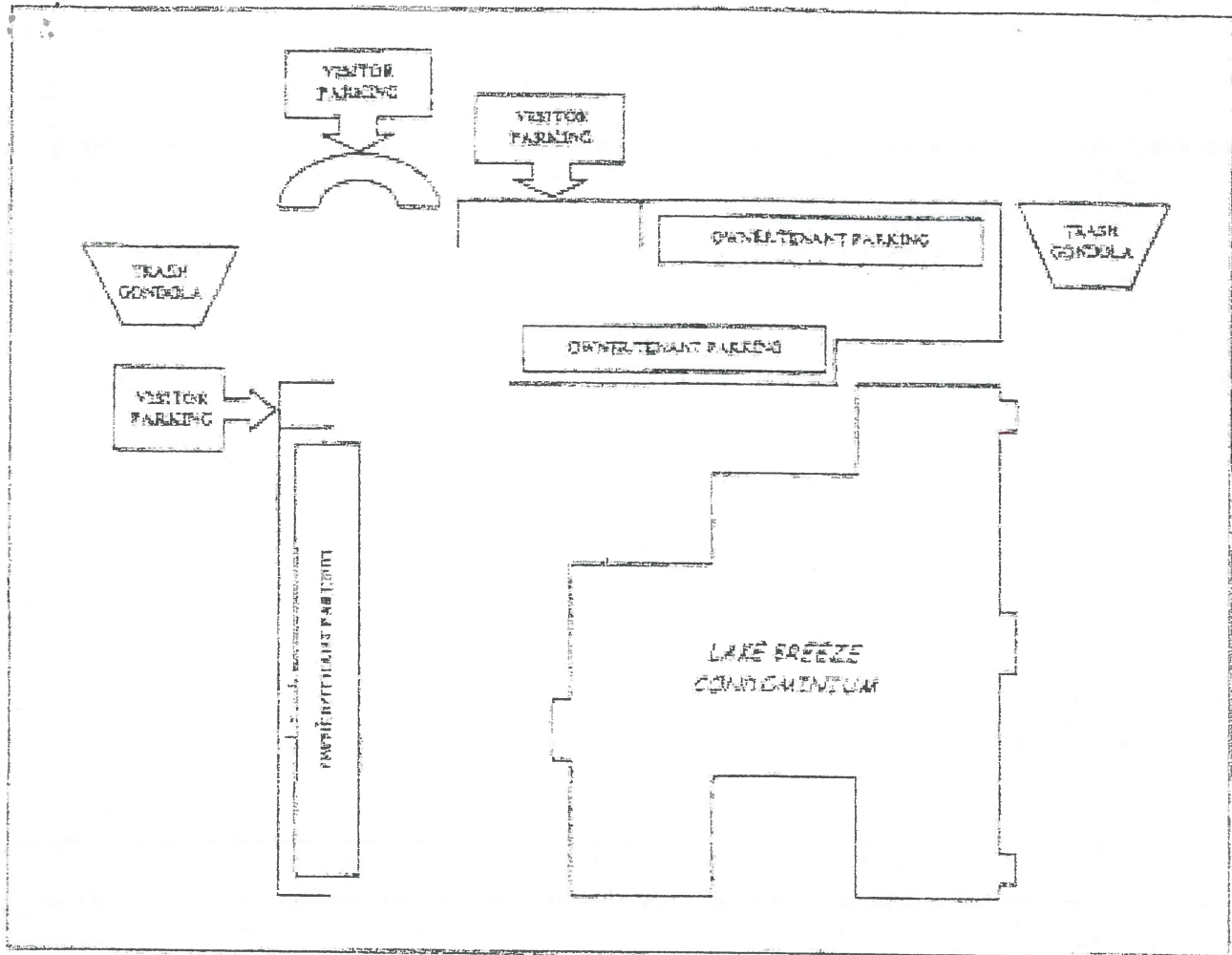
10. Recreation Room

- A. Only Unit Owners or their tenants may reserve the basement recreation room.
- B. The room must be reserved at least one week in advance through the Board President. Please use the reservation calendar posted on the bulletin board near the main entranceway to verify an opening.
- C. The reservationist will collect a \$25 per day usage fee (\$10 for cleaning supplies and \$15 for deposit per day).
- D. Please instruct guests to use the doorbell to gain access and to park in visitor parking spaces. For the security of your guests and other residents, do not prop open the outside door.

- E. As the owner/tenant, you are responsible for your guests. Children under 16 years of age require adult supervision in the recreation room at all times.

11. Parking

- A. There are two parking spaces assigned to each of the thirty-three units at Lake Breeze Condominium. Each unit's parking spaces are marked with the unit number. the remaining seventeen spaces are for visitors and are clearly labeled as such (see diagram below). Visitors parking spaces are not for the regular use of owner or tenant's vehicles.
- B. Owners and residents must not park in another unit's assigned parking spaces without the owner's permission. Your guests must park in either your parking spaces or in the designated visitor's parking area.
- C. Parking of oversized vehicles, commercial vehicles, trailers, mobile home or boats is strictly prohibited without written consent from the Board of Managers.
- D. All vehicles in the parking lot must have current license and registration and must be operable at all times. Long-term storage of any vehicle is prohibited.
- E. The Board of Managers has assigned parking spaces and the Board must approve any request for a change in writing. If a change is desired, it is the responsibility of the Unit Owner to obtain the written approval of each affected owner.



12. Vehicle Maintenance

- A. Maintenance of a vehicle, which takes longer than 24 continuous hours or disturbs other residents, is strictly prohibited.
- B. Unit Owners are responsible for the costs of any cleanup or repair to parking areas or driveways needed due to damage (such as damage due to dripping or leaking fluids), caused by any vehicle operated by themselves, their family, guests or tenants.
- C. All vehicles must be properly muffled in compliance with state and local ordinances.

13. Vehicle Operating Restrictions

- A. No unlicensed operator shall operate a motor vehicle on common areas at any time.
- B. Unlicensed motor vehicles (except authorized maintenance vehicles) are not to be operated anywhere in the common areas (including roads) at any time.

- C. Speeding and careless driving on the property will not be tolerated.
- D. Motor vehicles may only be operated in the parking lot and roadway. Except for authorized maintenance vehicles, no motor vehicles may go onto sidewalks, lawns, etc. Individual Unit Owners may not authorize delivery trucks, moving vans, etc. to drive on the sidewalks, lawns, etc.
- E. No snowmobiles, all-terrain vehicle or other recreational vehicle deemed a nuisance by the Board shall be operated on any portion of condominium property at any time.

14. Maintenance

- A. Unit Owners are financially responsible for any damages to common areas caused by themselves, their family, guests or tenants.
- B. If you experience a problem on the exterior of your unit (with the exception of doors, windows, screens and hardware), or any maintenance problem in common areas of the condominium or property, please call or write the Management Company promptly. Unit Owners are responsible for maintenance within their units.
- C. If a repair or maintenance need, which impacts on the common areas or any other unit, originates within a unit, the Unit Owner is responsible for the maintenance or repair. Written notice will be furnished to the Unit Owner by the Management Company (verbal notice in an emergency). If the Unit Owner fails to make the repair or do the maintenance within 10 days (or promptly in an emergency), the Board will be obligated to contract for the repair or maintenance. All costs incurred will be charged to the Unit Owner.

15. Compliance

- A. Each Unit Owner shall be governed by and shall comply with the terms of the Condominium Documents, including the Rules and Regulations, as amended from time to time. Failure to comply with any of the terms listed shall be grounds for relief which may include, without intending to limit the same, fines, legal action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the aggrieved Unit Owner by following the procedures outlined in the attached Principles of Operation of the Grievance Committee.
- B. After written notice to a Unit Owner in violation of any of these rules and regulations, an additional assessment may be made against the offending Unit in the amount of up to \$100.00 for the first offense, up to \$300.00 for the second

offense, and up to \$500.00 for the third offense. This additional assessment shall be added to the regular monthly assessment for the Unit. If the additional assessment remains unpaid for more than ten days, the Board may, at its option, commence suit to recover the additional assessment or file a lien against the unit for the same. Payments of regular monthly assessments shall first be applied to collection expenses, such additional assessments and then to the regular monthly assessments. In the event that any legal action is commenced to recover such additional assessments, the Unit Owner shall be responsible for all costs incurred by the Board, including attorney's fees.

BFLO Doc. # 1593967.1

Grievance Committee Principles of Operation

- The Grievance Committee provides a process for Unit Owners who have a complaint against another Unit Owner to initiate LBA Board action that may result in fines being imposed. It assumes the Unit Owner with the complaint, has already exhausted non-confrontational contact, and tried other reasonable means to resolve the issue with no success.
- The Grievance Committees meets with the complainant and the alleged violator and prepares a recommendation for final Board action.
- Experience has shown that not all complaints are justified – both sides of the story must be heard before the Board levies a fine.
- The complaint must be based on a violation defined in LBA Declaration, Bylaws, or House Rules.
- Meetings with complainants and accused will occur before fines are levied.
- Three meetings may be required – a minimum of two.
 - Meetings will all be held on Tuesdays at 6:30 in the basement meeting room.
 - Kenrick will notify the committee chair that a new complaint has been received and schedule the meeting with the complainant on the first available Tuesday. If the complainant will not attend the meeting, the complaint will not be acted upon by the committee or the board. Kenrick will notify all committee members of the meeting date.
 - The committee will assume that Kenrick has scheduled a meeting with the accused for the following week unless informed otherwise. If the accused refuses to attend the meeting, the committee will still meet to determine a fine to be imposed.
 - Kenrick will inform both parties that a 3rd meeting may be required.
 - The first meeting will be with the complainants.
 - The purpose of the meeting is to obtain a documented statement of facts and reference to the Declaratory By Law, or House Rule (3) that is being violated.
Will require a written summary of all facts leading to the complaint by the complainant – may be updated during the meeting.
At least 4 copies are required – one for each committee member.
The complainant will be asked if he/she is willing to attend the 3rd meeting (that may or may not be scheduled – see below – that the accused will also attend).
 - The second meeting will be with the accused.
 - The purpose of the meeting is to give the accused a chance to respond to the complaint and secondly for the committee to determine required action to be taken.
 - The accused will be give a copy of the summary of the facts developed in the first meeting prior to the second meeting.

- After hearing from the accused the committee will decide whether a fine will be levied and, if so, the amount of the fine. Kenrick will be informed to send the required letter for the fine and perform necessary follow-up. If no fine is to be imposed, the committee will decide the best way to handle the feedback required to the complainant. The 3rd meeting could be used for this purpose or the complainant could be informed by letter or other means.
- The committee will provide the accused the option of attending a 3rd meeting where the complainant is present to mediate a permanent solution in order to avoid future fines.
- Committee members must remain unbiased and non-judgmental in all meetings with unit owners.
- The committee will consist of non-board members and one member of the board who will only vote in tie-breaker situations.

BFLO Doc. # 1593967.1

Lake Breeze Condominium
VARIANCE REQUEST

(Please Use Pen ONLY)

RETURN FORM TO:
Kenrick Corporation
3495 Winton Place, D-4
Rochester, NY 14623

NAME: _____

ADDRESS: _____

PHONE: _____

TO: THE BOARD OF MANAGERS

I request permission to make the following changes to the exterior of my home or to the common area of the community. I have attached a sketch of proposed changes, listed materials to be used, and indicated who will do the work. (Please be explicit. Extra sheets may be attached)

Reason for variance request: _____

Length of guarantee (if applicable): _____

Date

Homeowner Signature

BOARD OF MANAGERS: Approved Denied More Information Required

Date

Signature

Signature

COMMENTS: _____

Latest completion date after which any approval is automatically revoked and new variance request is necessary: _____

Date acted-on variance request mailed to homeowner: _____

Date of compliance inspection: _____ Inspected by: _____

COMMENTS: _____

SCHEDULE B

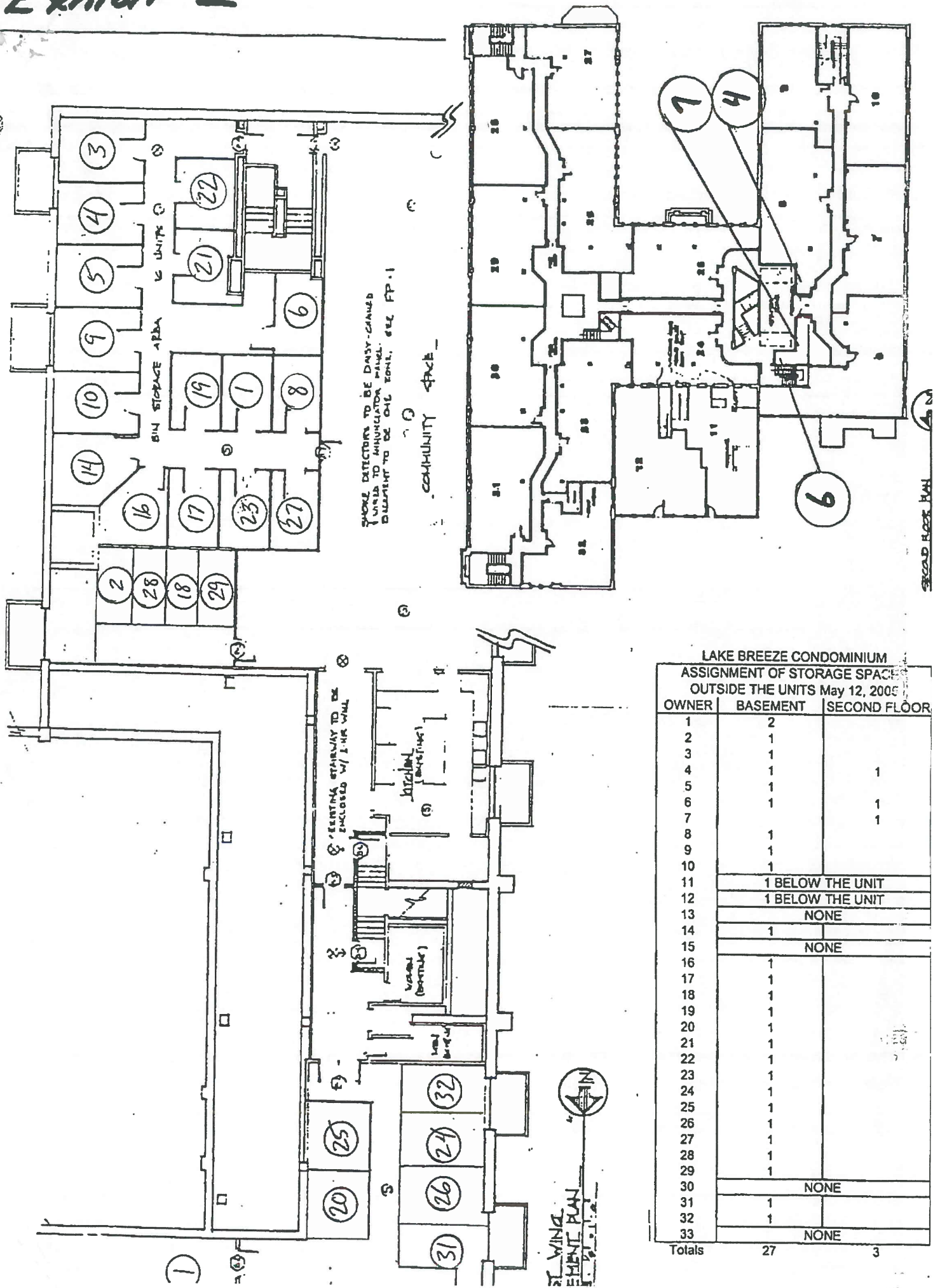
UNIT DESIGNATIONS/SQUARE FOOTAGE/PERCENTAGE INTERESTS
IN COMMON ELEMENTS/ACCESS TO COMMON ELEMENTS

<u>Residential Unit</u>	<u>Address</u>	<u>Floor Area in sq. ft.</u>	<u>Percent Interest</u>
1	270 Latta Road	2020	3.98%
2	270 Latta Road	1446	2.85%
3	270 Latta Road	1535	3.01%
4	270 Latta Road	1275	2.51%
5	270 Latta Road	1476	2.91%
6	270 Latta Road	2040	4.02%
7	270 Latta Road	1480	2.92%
8	270 Latta Road	1725	3.40%
9	270 Latta Road	1340	2.64%
10	270 Latta Road	1515	2.98%
11	270 Latta Road	1120	2.21%
12	270 Latta Road	2020	3.98%
13	270 Latta Road	1650	3.25%
14	270 Latta Road	1510	2.98%
15	270 Latta Road	1525	3.01%
16	270 Latta Road	1510	2.98%
17	270 Latta Road	1470	2.90%
18	270 Latta Road	1420	2.80%
19	270 Latta Road	1760	3.50%
20	270 Latta Road	1505	2.97%
21	270 Latta Road	1725	3.40%
22	270 Latta Road	1405	2.77%
23	270 Latta Road	1160	2.29%
24	270 Latta Road	1440	2.84%
25	270 Latta Road	1440	2.84%
26	270 Latta Road	1680	3.31%
27	270 Latta Road	1456	2.87%
28	270 Latta Road	1415	2.78%
29	270 Latta Road	1520	3.00%
30	270 Latta Road	1520	3.00%
31	270 Latta Road	1415	2.78%
32	270 Latta Road	1460	2.88%
33	270 Latta Road	1748	3.44%

The percentage interest of each Unit in the common elements has been determined upon the basis of the approximate proportion of the floor area of the Unit to the aggregate floor area of all Units.

Each Unit has access to the common areas, driveways, parking areas and lawns.

Exhibit 1



**LAKE BREEZE CONDOMINIUM
ASSIGNMENT OF STORAGE SPACE
OUTSIDE THE UNITS May 12, 2009**

OWNER	BASEMENT	SECOND FLOOR
1	2	
2	1	
3	1	
4	1	1
5	1	
6	1	1
7		1
8	1	
9	1	
10	1	
11	1 BELOW THE UNIT	
12	1 BELOW THE UNIT	
13	NONE	
14	1	
15	NONE	
16	1	
17	1	
18	1	
19	1	
20	1	
21	1	
22	1	
23	1	
24	1	
25	1	
26	1	
27	1	
28	1	
29	1	
30	NONE	
31	1	
32	1	
33	NONE	
Totals	27	3