

DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
BY-LAWS
RULES AND REGULATIONS
As Amended in 2003

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

THIS DECLARATION, made this 20th day of October 1972 by LEISURE KNOLL ASSOCIATION, INC., a New York Corporation, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer, is the owner of the real property referred to in Article III and described in Exhibit "A" of this declaration, and desires to develop thereon a Planned Adult Community, together with common lands and facilities for social, recreational and cultural purposes for the sole use and benefit of all unit owners and their guests and;

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common lands and facilities and, to this end, desires to subject the real property referred to in Article III and described in Exhibit "A" to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof, and;

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the community facilities and common areas, administering and enforcing the covenants and restrictions, and levying, collecting and disbursing the assessments and charges hereinafter created, and;

WHEREAS, Developer has incorporated under the laws of the State of New York, as a not-for-profit corporation, Leisure Knoll Association, Inc. for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, Developer declares that the real property referred to in Article III hereof, and more particularly described in Exhibit "A", attached hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

**ARTICLE I
DEFINITIONS**

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

A "Association" shall mean and refer to the Leisure Knoll Association, Inc and its successors and assigns.

B "The Properties" shall mean and refer to all properties, both Lots and Common Areas, as are subject to this Declaration, and which are described in Exhibit "A".

C "Common Areas" shall mean and refer to those areas of land including the facilities to be constructed thereon shown on the recorded subdivision map of The Properties filed in the Office of the Clerk of Suffolk County on _____ as Map No. _____ and attached hereto as Exhibit "B".

Said areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public.

D "Lots" shall mean and refer to any plot of land intended and subdivided for residential use, shown upon one of the proposed subdivision maps of The Properties, but shall not include the Common Areas as herein defined.

E "Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities of the fee simple title to any Lot, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

F "Party Fence" shall mean and refer to a fence situated, or intended to be situated, on the boundary line between adjoining properties.

G "Party Wall" shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support of each adjoining property situated, or intended to be situated, on the boundary line between adjoining properties.

H "Member" shall mean and refer to all those Unit Owners who are members of the Association as provided in Article IV, Section 1 thereof.

ARTICLE II RESTRICTION ON OCCUPANCY

In order to preserve the character of Leisure Knoll Association, Inc. as a Planned Adult Community, anything to the contrary herein notwithstanding, occupancy of all units shall be restricted as follows:

- 1 To any person of the age of 55 years or over;
- 2 A husband or wife, regardless of age, residing with his or her spouse, provided the spouse of such person is of the age of 55 years or over;
- 3 The child or children, or grandchild or grandchildren residing with a permissible occupant, provided the child or children, or grandchild or grandchildren is or are of the **age of 19 years or over**;
- 4 The individual or individuals, regardless of age, residing with and providing physical or economic support to a permissible occupant.

The foregoing occupancy restrictions shall not be construed to prohibit the occupants of any of the units from entertaining guests, of any age, in their units, including temporary residency not to exceed three months. Full time occupancy, in any event, shall be limited to three occupants per unit.

ARTICLE III
PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. ADDITIONS TO THE PROPERTY BY DEVELOPER. Developer, its successors or assigns shall have the right, until December 31, 1987, to bring within the scheme of this Declaration additional properties for development as extensions of the planned retirement community in which Developer proposes to construct units in substantially the same price range as those to be constructed by it on the land described in Exhibit "A". However, neither Developer nor its successors and assigns shall be bound to make such additions. The additions under this section shall be made by filing of record a Supplemental Declaration with respect to the additional property, which shall extend the scheme of this Declaration to such property. Such Supplemental Declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplemental Declaration revoke, modify or add to the covenants established by this Declaration within The Properties.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. Every person who is a record Unit Owner, as defined in Article I (E), of any Unit which is subjected by this Declaration to assessment by the Association shall be a Member of the Association.

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

- **Class A** Class A Members shall be all Unit Owners except the Developer and any other person or entity which acquires title to all or a substantial portion of The Properties for the purpose of developing thereon a residential planned adult community. Class A Members shall be entitled to one vote for each unit in which they hold the interest required for membership. When more than one person holds such interest or interests in any Unit all such persons shall be Members and the vote for such Unit shall be exercised as they among themselves determine but in no event shall more than one vote be cast with respect to any such Unit.
- **Class B** The Class B Member shall be the Developer, its successors and assigns. The Class B membership shall be entitled to five votes for each Unit whether constructed or planned (provided that no unit shall be deemed to be a "Planned Unit" for this purpose unless an Offering Statement has been filed covering said unit with the Attorney General of New York), provided the Class B membership shall cease and be converted to Class A membership on October 1, 1982.

When a purchaser of an individual Unit takes title thereto from Developer, he becomes a Class A Member and the membership of Developer with respect to such unit shall cease.

ARTICLE V
PROPERTY RIGHTS IN THE COMMON AREAS

Section 1 MEMBERS' EASEMENTS OF ENJOYMENT Subject to the provisions of Section 3 of this Article V, every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2 TITLE TO COMMON AREAS. Developer hereby covenants for itself, its successors and assigns, that on October 1, 1972, it will convey to the Association, by Bargain and Sale Deed, with Covenant against Granter's Acts, fee title to the Common Areas as shown on the recorded map of _____ free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration.

Section 3 EXTENT OF MEMBERS' EASEMENTS. The rights and easements created hereby shall be subject to the following:

A The rights of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof, to mortgage said lands, and the rights of such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder.

B The right of the Association to take such steps as is reasonably necessary to protect the above described lands against foreclosure.

C The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty days for any infraction of its published rules and regulations.

D The right of the developer, and of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities, and the right of the Developer to grant and reserve easements and rights-of-way through, over, upon and across the Common Areas for the completion of Developers work under Section 1 of Article VI and for the operation and maintenance of the Common Areas under Section 2 of Article VI.

E The right of the general public to ingress and egress in and over those portions of the Common Area that lie within the private roadways, parking lots and/or driveways to the nearest public highway.

Section 4 PARKING RIGHT. The Developer shall provide and the Association shall maintain upon the Common Areas at least one driveway for each Lot containing a private garage, subject to reasonable rules and conditions .

**ARTICLE VI
MAINTENANCE AND OPERATION OF
COMMON AREAS AND FACILITIES AND
COVENANT FOR ASSESSMENTS THEREFORE**

**Section 1 ASSESSMENTS, LIENS AND PERSONAL OBLIGATIONS THEREFORE,
AND OPERATION AND MAINTENANCE OF COMMON AREAS SOLELY BY THE ASSOCIATION.**

A Each Unit Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agrees to pay to the Association:

1. Annual assessments or charges.
2. Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as are hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

B The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties, including outdoor lighting, private streets and roadways, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, and the cost of lawn and landscaping maintenance, snow removal and refuse collection, all as contemplated by an Offering Statement dated _____ of the Association and all of which obligations the Association hereby assumes as of the date of conveyance of title of the Common Areas by Developer.

Section 4 AMOUNT AND PAYMENT OF ANNUAL ASSESSMENT. The Association shall at all times fix the amount of the annual assessment at an amount sufficient to pay the costs of maintaining and operating, the Common Areas as contemplated by Section I (B) of this Article VI. Each annual installment shall be payable in equal monthly installments in advance on the first day of each calendar month.

Section 5 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized by Section 4 of this Article VI, the Association may levy, in any assessment year, a special assessment (which must be fixed at a uniform rate for all Lots) applicable to that year only, in an amount no higher than the maximum annual assessment then permitted to be levied hereunder for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days or more than sixty days in advance of the meeting, setting forth the purpose of the meeting. The due date of any specified assessment shall be fixed in the Resolution authorizing such assessment.

Section 6 DUTIES OF THE BOARD OF DIRECTORS. In the event of any change in the annual assessment as set forth above, the Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any owner.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall, upon demand at any time, furnish to any owner liable for said assessment, a certificate in writing, signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7 EFFECT OF NON-PAYMENT OF ASSESSMENT; THE PERSONAL OBLIGATION OF UNIT OWNER; THE LIEN, REMEDIES OF ASSOCIATION. If any assessment is not paid on the date when due (being the dates specified in Section 4 hereof), then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, continue as a lien on the Lot, which shall bind such Lot in the hands of the then unit Owner, his heirs, devisees, personal representatives, successors and assigns.

If the assessment is not paid within thirty days after the delinquency date the Association may bring legal action against the then Unit Owner personally obligated to pay the same or may enforce the lien against the property and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

Section 8 All charges and expenses chargeable to any lot shall constitute a lien against said lot in favor of LEISURE KNOLL ASSOCIATION, INC. which lien shall be prior to all other liens except:

1. Assessment, liens and charges for taxes past due and unpaid on the lot;
2. A bona fide mortgage lien, if any, to which the lot is subject;
3. Any other lien recorded prior to recording the claim of lien. Such lien shall be effective from and after the time of recording in the public records of Suffolk County of a claim of lien stating the description of the lot, the name of the record owner, the amount due and the date when due. Such claim of lien shall include only sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien.

Section 9 EXEMPT PROPERTY. The following lands subject to this Declaration shall be exempted from the assessments, charges, and liens created therein:

A All properties dedicated to and accepted by a governmental body, agency or authority, and devoted to public use;

B All Common Areas as defined in Article I Section 1 (C) hereof.

Notwithstanding any provisions herein, no land or improvements, devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VII PARTY WALLS OR PARTY FENCES

Section 1 GENERAL RULES OF LAW TO APPLY. To the extent not inconsistent with the provisions of this Article VII, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions, shall apply to each party wall or party fence which is built as part of the original construction of the Units upon The Properties and any replacements.

In the event that any portion of any structure, as originally constructed by Developer, including any party wall or fence, shall protrude over an adjoining lot, such structure, party wall or fence shall be deemed to be an encroachment upon the adjoining lot or lots, and Unit Owners shall neither maintain any action for the removal of a party wall or fence or projections nor any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Unit owners have granted perpetual easements to the adjoining Unit Owner or Owners for continuing maintenance and use of the projection party wall or fence. The foregoing shall also apply to any replacements of any structures, party walls or fences, if same are constructed in conformance with the original structure, party wall or fence constructed by Developer. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 2 SHARING OF REPAIR AND MAINTENANCE. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared equally by the Unit Owners who made use of the wall or fence in proportion to such use.

Section 3 DESTRUCTION BY FIRE OR OTHER CASUALTY. If a party wall or party fence is destroyed or damaged by fire or other casualty, any Unit Owner who has used the wall or fence may restore it, and if the other Unit Owners thereafter made use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Unit Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4 WEATHERPROOFING. Notwithstanding any other provisions of this Article, a Unit Owner who by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements

Section 5 RIGHT TO CONTRIBUTION RUNS WITH LAND. The right of any Unit Owner to contribution from any other Unit Owner under this Article shall be appurtenant to the land and shall pass to such Unit Owner's Successors in title.

Section 6 ARBITRATION In the event of any dispute arising concerning a party wall or party fences, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and be binding upon the parties.

ARTICLE VIII ARCHITECTURAL CONTROL

Section 1 No building, fence, wall or other structure, or change in landscaping, shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition to or change or alteration thereto be made until the

plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee fails to approve or disapprove such design and location within sixty days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with.

ARTICLE IX USE OF PROPERTY

Section 1 USES AND STRUCTURES. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one attached or detached, single-family unit and attached garage not exceeding one story in height. No additional accessory building may be erected. The unit or any part thereof shall not be used for any purpose except as a private unit for one family, nor shall any business of any kind be conducted therein. No motor vehicle other than private passenger type shall be garaged or stored in any garage, on any Lot, parking compound or regularly parked in residential areas. No business or trade of any kind nor noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No boat, trailer, tent, shack or other such structure shall be located, erected or used on any Lot, or parking areas, roadway and/or driveway, temporarily or permanently.

Section 2 ALTERATIONS. No alteration or addition to or repainting of the exterior thereof shall be made unless it shall conform in architecture, material and color to the unit as originally constructed by Developer.

Section 3 SIGNS. No sign of any kind shall be displayed to the public view on any unit or lot, except a one-family name of not more than two hundred forty square inches. No such sign shall be illuminated except by non-flashing white light emanating from within or on the sign itself and shielded from direct view.

Section 4 DRILLING AND MINING. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 5 ANIMALS. No animals, livestock or poultry of any kind shall be raised, bred or kept in any dwelling or on any Lot, except that dogs, cats or other domesticated household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that not more than one pet may be kept in any such unit or Lot.

Section 6 GARBAGE AND RUBBISH. Garbage and rubbish shall not be dumped or allowed to remain on any Lot, except in receptacles placed outside the unit for collection in accordance with the regulations of the collecting agency and the Association.

Section 7 LAUNDRY LINES. Laundry poles and lines outside of units are prohibited.

Section 8 ANTENNAE. No radio, television or similar towers shall be erected on any Lot or attached to the exterior of any unit.

Section 9 FENCE. No fence shall be erected on any Lot or attached to the exteriors of any unit except for those ornamental dividers to be erected by Developer, in front of the buildings, for aesthetic purposes, provided, however, that this paragraph shall not prohibit the erection, repair and maintenance of the perimeter fence to be erected around the exterior boundary of the Planned Adult Community, and any fence which may be erected around the swimming pool and/or community building.

Section 10 No permanent benches, barbecues, beach umbrellas or structures of any kind shall be erected in the rear of the Lots and buildings.

Section 11 There shall be no obstruction of the Common Areas nor shall anything be stored in the Common Areas without the prior consent of the Board of Directors.

Section 12 Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a unit and no awning or canopy shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof, or exposed on or at any window, without the prior written consent of the Board of Directors.

Section 13 No Owner or occupant shall plant or install any trees, bushes, shrubs or other plantings, or authorize the same to be done, on any portion of his Lot designated as Common Area, without written approval of the Board of Directors.

Section 14 Owners shall not cause or permit any unusual or objectionable noise or odors to emanate from their units.

Section 15 No Owner or occupant, or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his unit any inflammable, combustible or explosive fluid, material, chemical or substance.

Section 16. EASEMENTS

A Perpetual easements for the installation and maintenance of sewer, water, gas, television transmission and drainage facilities, for the benefit of the adjoining land owners and/or the municipality and/or municipal or private utility company ultimately operating such facilities, are reserved as shown on the subdivision map of The Properties, filed with the county Clerk of Suffolk County, New York. Also, easements in general, in and over each Lot, for the installation of electric, gas, television transmission and telephone facilities. No building or structure shall be erected within the easement areas occupied by such facilities.

B Perpetual easements for the construction, paving, maintenance, repair and replacement of walkways for pedestrian use are hereby reserved in and over each Lot for the exclusive benefit of the Association, its Members, their invitees and licensees. The easements are located as shown on the subdivision maps of The Properties, filed with the County Clerk of Suffolk County, New York.

The aforesaid perpetual easement area and paving shall be maintained by the Association, and no building, fence or structure shall be erected in or over same.

C Owners shall have a right of ingress or egress to the nearest public highway over and through all Common Areas, including, but not limited to, private roads, ingress or egress to private roads, streets, walkways and driveways.

Section 17. This entire Article IX shall not be amended as provided for in Article XI, Section 1.

ARTICLE X EXTERIOR MAINTENANCE

Section 1 EXTERIOR MAINTENANCE. In addition to maintenance on the Common Areas, the Association shall provide exterior maintenance upon each Lot which is subject to assessment under Article VI hereof as follows: maintaining walks, front yards, side yards on corner Lots and rear yards, cutting grass and the clearance of snow, trash and garbage. The Association shall be responsible for cutting grass and clearance of snow, trash and garbage from the Common Areas.

Section 2 DISREPAIR OF LOTS. In the event the Owner of any Lot in The Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, upon direction of the Board of Directors, it shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the building and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

Section 3 ACCESS AT REASONABLE HOURS. For the purpose solely of performing the exterior maintenance required by this Article, the Association, through its duly authorized agents and employees, shall have the right to enter upon any Lot at reasonable hours on any day except Sundays and holidays.

Section 4 FAILURE OF ASSOCIATION TO MAINTAIN FACILITIES. In the event that the Association fails to maintain the streets, sidewalks, lawns, buildings, pool, outdoor lighting, fences and green areas in such a manner as, in the sole opinion of the Board of the Town of Brookhaven is reasonably necessary for the health, safety and general welfare of the Members of the Association and the general public, then the Town Board shall have the right to cause such maintenance to be performed on behalf of and at the expense of the Association and its Members. If the Town Board makes an

official determination that such a defective condition exists, it shall serve written notice the Secretary of the Association, affording the Association a period of thirty days to remedy the said defective condition. If the Association does not remedy the said condition to the satisfaction of the Town Board within said thirty-day period, then and in that event the Town Board shall at any time thereafter have the right to have the defective condition remedied and to assess the cost against the Association and its members. The Town of Brookhaven, their employees and agents shall have the right to enter upon all of The Properties covered by this Declaration, whether common lands or individually owned, in order to do all work necessary to remedy the said condition. The cost of remedying said defective condition shall be assessed against the Members ratably in accordance with the percentage of common expenses which each is responsible to pay under this Declaration. The assessment shall be payable to the Town Controller of the Town of Brookhaven within thirty days after the defective condition is remedied and said assessment shall constitute a lien against every dwelling unit covered by this Declaration. In the event of non-payment of the assessment, the said lien may be foreclosed by the Town of Brookhaven in the same manner as the foreclosure of a lien for non-payment of taxes.

Section 5 This entire Article X shall not be amended as provided for in Article XI, Section 1.

**ARTICLE XI
GENERAL PROVISIONS**

Section 1 DURATION AND AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration their respective, heirs, successors and assigns, until December 31st, 2002, unless otherwise expressly limited herein, after which time the said covenants and restrictions shall be automatically extended for successive periods of ten years each unless an instrument signed by the then Owners of two-thirds of the Lots has been recorded, agreeing to change said covenants and restrictions, in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded two years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety days in advance of any action taken. Unless specifically prohibited herein, Article I and III through X of this Declaration may be amended by an instrument signed by Owners holding not less than ninety percent of the votes of the membership at any time until December 31st, 2002 and thereafter by an instrument signed by the Owners holding not less than two-thirds of the votes of the membership. Any amendment must be properly recorded to be effective.

Section 2 NOTICES. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3 ENFORCEMENT. The Association, the Town of Brookhaven or any Owner shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violations, to require specific performance and/or recover damages and against the land to enforce any lien created by these covenants; and failure by the Association, the Town of Brookhaven or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association or the Town of Brookhaven shall be chargeable to the Owner of the Lot, violating these Covenants and restrictions and shall constitute a lien on the Lot collectible in the same manner as assessments hereunder. In the event that the Town of Brookhaven shall bring an action against the Association to enforce these covenants and restrictions, then the cost of enforcement shall be chargeable against the Association.

Section 4 SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the validity of any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned being the Developer herein, has caused its seal to be hereunto affixed in the presence of its officer hereunto duly signed and authorized, the day and year first above written.

LEISURE KNOLL, INC

By: _____
JUSTIN A.SEGAL, President

ATTEST: SEAL

Marvin A. Davis, Assistant Secretary

LEISURE KNOLL ASSOCIATION, INC.

**BY-LAWS
RULES AND REGULATIONS
AS AMENDED DECEMBER 10, 1987 AND AUGUST 15, 2003**

**ARTICLE I
APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITIONS**

SECTION 1 These By-Laws shall be applicable to Leisure Knoll Association, Inc., a non-profit, non-stock corporation of the State of New York, hereinafter defined, to the community and recreational facilities owned by the Association, and to all other lands and improvements thereon which now or may hereafter be owned by the Association as part of the Planned Adult Community known as Leisure Knoll in the Town of Brookhaven, New York.

SECTION 2 The Association shall have one class of voting membership, which shall be all Unit Owners. Members shall be entitled to one vote per Unit in which they hold the interest required for membership. When more than one person holds such interest or interests in any Unit, all such persons shall be members and the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Unit.

SECTION 3 All present and future Owners and tenants, and any other person or persons that shall be permitted the use of the property and facilities of the Association, shall be subject to these By-Laws and to Rules and Regulations issued by the Association to govern the conduct of its members. Ownership, by reason of re-sale or otherwise, or rental or occupancy of any of the Units in Leisure Knoll shall be conclusively deemed to mean that said Owner, tenant or occupant has accepted and ratified these By-Laws and Rules and Regulations of the Association and will comply with them. Upon any re-sale or transfer of ownership, the seller or transferor shall deliver to the purchaser or transferee a copy of the Covenants, By-Laws and Rules and Regulations.

SECTION 4 Unless it is plainly evident from the context that a different meaning is intended, as used throughout these By-Laws:

- A "Member" means the owner or co-owners of a dwelling unit in Leisure Knoll.
- B "Majority of Members" means more than 50% of the membership of the Association entitled to vote at any annual or special meeting of the Association.
- C "Manager of the Association" means one or more persons duly authorized by the Board of Directors of the Association to act as its duly authorized representative for specified purposes.
- D "Unit" means the lot and dwelling unit located thereon owned in fee simple.
- E "Unit Owner" means the person or persons owning a unit in fee simple.

SECTION 5 The rights of membership are subject to the payment of annual assessments (paid monthly) and special assessments levied by the Association, the obligation of which assessments is imposed against each Unit Owner and becomes a lien upon the Unit against which such assessments are made. During any period in which a Member shall be in default in the payment of any annual or special assessments levied by the Association, the voting rights and right to use the Association's facilities of such member may be suspended by the Board of Directors until such assessment has been paid including any interest and penalty imposed by the Board of Directors. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed thirty days for violation of any Rules and Regulations established by the Board of Directors governing the use of the Common Areas and facilities.

SECTION 6 Except as otherwise provided, membership in the Association shall be limited to the members or co-owners of units. In the event that a Member shall lease or permit another to occupy his Unit, the tenant or occupant shall be permitted to enjoy the recreational and community facilities of the Association, but shall not vote in the affairs of the Association except as the Member shall permit the tenant or occupant to exercise the proxy vote of the Member. Use of the community and recreational facilities of the Association shall be limited to occupants of Units and their guests.

In the event that a member shall mortgage his unit, the lien of the mortgage shall be deemed to attach to the member's rights, privileges, and obligations in the Association, including the right to vote in the affairs of the Association so that if the member should be in default of any of the terms of the mortgage and such default shall result in foreclosure thereof, the member's membership in the Association shall automatically terminate and all of the rights, privileges and obligations of membership shall inure to the mortgagee and its assigns.

Every lawful transfer of title to the member's unit shall include membership in the Association and, upon making such transfer, the previous owner's membership shall automatically terminate.

Except as provided above, membership in the Association may not be assigned or transferred and any attempted assignment or transfer thereof shall be void and of no effect.

SECTION 7 Evidence of membership and ownership in the Association shall be a membership card issued to each member of the Association. In the event there is more than one owner of a particular unit, the vote for that unit may be voted by any one of such co-owners. Membership cards shall be surrendered to the designated representative of the Association whenever ownership of the unit designated thereon shall terminate.

ARTICLE II PRINCIPAL OFFICE

SECTION 1 The principal office of the Association shall be located at 710 Whiskey Road, Ridge, New York 11961.

ARTICLE III MEETINGS OF MEMBERS VOTING

SECTION 1 All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

SECTION 2 Annual meetings of the Members of the Association shall be held on the second Wednesday of September of each year, becoming effective in 2004. One day prior to the Annual

Meeting, there shall be elected by a ballot of a plurality of the votes cast by the Members entitled to vote, the Directors of the Association in accordance with the provisions of Article V, Section 2 of these By-Laws. The members may also transact such other business as may properly come before the meeting.

SECTION 3 The Secretary shall mail notices of annual meetings to each member of the Association, directed to his last known post office address as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than 10 days nor more than 30 days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand to the members or left at their residence in their absence.

SECTION 4 It shall be the duty of the President to call a special meeting of the members of the Association whenever he is directed to do so by resolution of the Directors or upon presentation to the Secretary of a petition signed by 20% of the members entitled to vote at such meeting.

SECTION 5 The Secretary shall mail notice of such special meeting to each member of the Association in the manner provided in Section 3 of this Article, except that notice of such special meetings shall be mailed not less than 5 or more than 20 days before the date fixed for such meetings. In lieu of mail notice as herein provided such notice may be delivered by hand to the members or left at their residence in their absence. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds of the members present, either in person or by proxy.

SECTION 6 Not less than 30 days prior to the date of any annual or special meeting of the Association, the Secretary shall compile and maintain at the principal office of the Association, an updated list of members and their last known post office addresses. Such list shall also show opposite each member's name the number of the unit owned by him. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Directors.

SECTION 7 Each member in good standing and entitled to vote shall be entitled to one vote for his particular unit provided that where a unit is owned jointly by two or more persons said vote may be split equally among the co-owners. Cumulative voting shall not be permitted.

SECTION 8 A member shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all assessments made or levied against him and his unit by the Directors as hereinafter provided, together with all costs, attorney's fees, penalties, and other expenses, if any, properly chargeable to him and against his unit, at least 3 days prior to the date fixed for such annual or special meetings.

SECTION 9 Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the members of the Association shall constitute a quorum at any annual or special meeting of members.

If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members.

SECTION 10 Votes may be cast either in person or by proxy. Proxies must be in writing on forms prescribed by the Secretary and filed with the Secretary not later than the time prescribed for such filing in the Notice of Meeting.

SECTION 11 All decisions of the Board of Directors involving a single major capital expenditure, in excess of 5 percent of the current year's total budget, shall require for passage the affirmative vote of members representing at least 51 percent of the membership in good standing and entitled to vote. Accumulated contracts for one project must represent one expenditure.

SECTION 12 The order of business at all meetings of the members of the Association shall be as follows:

- A** Roll call
- B** Proof of notice of meeting or waiver of notice.
- C** Reading of minutes of preceding meeting.
- D** Reports of officers and committees.
- E** Election of Directors.
- F** Unfinished business.
- G** New business.
- H** Adjournment.

ARTICLE IV OBLIGATIONS OF MEMBERS

SECTION 1 Each member shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the property of the Association damaged solely by his negligence or by the negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Association's statement thereof.

SECTION 2 Each member is bound to contribute to the common expenses of administration and of maintenance, replacement and repair and the expenses of administering and maintaining the Association and all of its real and personal property in such proportions and amounts as shall from time to time be fixed by the Directors, and to any other expense that may be lawfully agreed upon. No member may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the property or the community or recreational facilities of the Association or by abandonment of the unit owned by him.

SECTION 3 Payment by the member of his share of the expenses aforesaid, shall be made monthly on the first day of each month, in the amount from time to time fixed by the Directors, to the Treasurer of the Association at the principal office of the Association or such other place as shall be designated by the Directors.

SECTION 4 All charges and expenses chargeable to any unit shall constitute a lien against said unit in favor of Leisure Knoll Association, Inc. which lien shall be prior to all other liens, except:

- A Assessments, liens and charges for taxes past due and unpaid on the unit.
- B A bona fide mortgage lien, if any, to which the unit is subject.
- C Any other lien recorded prior to recording the claim of lien. Such lien shall be effective from and after the time of recording in the public records of Suffolk County of a claim of lien stating the description of the unit, the name of the record owner, the amount due and the date when due. Such claim of lien shall include only sums which are due and the date when due. Such claim of lien shall include only sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien and a preparation fee of \$25.00, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense.

Liens for unpaid assessments may be foreclosed by a suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The Association shall have the power to bid on the unit at foreclosure sale and to acquire, hold, lease, mortgage and convey. Suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. The title acquired by any purchaser following any such foreclosure sale shall be subject to all of the provisions of this instrument, the By-Laws, and Rules and Regulations of Leisure Knoll Association, Inc., and by so acquiring title to the unit, said purchaser covenants and agrees to abide and be bound thereby.

SECTION 5 Upon any voluntary conveyance of a unit, the Grantor and Grantee of such unit shall be jointly and severally liable for all unpaid assessments pertaining to such unit duly made by the Association or accrued up to the date of such conveyance, without prejudice to the right of the Grantee to recover from the Grantor any amounts paid by the Grantee but the Grantee shall be exclusively liable for those accruing while he is the unit owner. Any unit owner or any purchaser of a unit prior to completion of a voluntary sale may require from the Association a certificate showing the amount of unpaid assessments pertaining to such unit and the Association shall provide such certificate within ten days (10) after request therefore. The holder of a mortgage or other lien on any unit may request a similar certificate with respect to such unit. Any person other than the unit owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon and his liability shall be limited to the amounts set forth in such certificate.

SECTION 6. If a mortgagee of a first mortgage of record or other purchaser of a unit acquires title to such unit as a result of foreclosure of the first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of common expenses or other assessments by the Association pertaining to such unit or chargeable to the former unit owner which became due prior to acquisition of

title as a result of the foreclosure. Such unpaid share of common expenses and other assessments shall be deemed to be common expenses collectible from all of the remaining unit owners including such acquirer, his successors and assigns.

SECTION 7. All units shall be utilized for residential purposes only, unless otherwise specifically authorized in writing by the Board of Directors. A member shall not make exterior structural modifications or alterations to his unit without consent of the Directors.

SECTION 8. Each member shall comply strictly with these By-Laws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens and in the Deed to his unit. Failure to comply with any of the same shall be grounds for a civil action to recover sums due, if any, for damages or injunctive relief, or both, maintainable by the Association on behalf of the unit owners.

ARTICLE V BOARD OF DIRECTORS

SECTION 1

A The affairs of the Association shall be governed by a Board of Directors consisting of seven persons, each of whom shall be a member of the Association and a resident of the State of New York.

B A Director must be in residence in Leisure Knoll at least ten (10) months of the calendar year.

C A Director must be in good standing. Good standing shall be defined as current in all monetary obligations to the Association: i.e., regular assessments (common charges), special assessments, fines, legal fees, and any other charges.

D Any candidate running for election to the Board of Directors must be a resident and homeowner for at least one (1) year as of the date of the election.

E Directors must not hold any office, title or position that might constitute a conflict of interest or interfere with the duties as a member of the Board of Directors.

In the event any Director fails to comply with any of the requirements in A through E above, such Director may be removed by a two-thirds vote of all remaining Directors.

SECTION 2 At the expiration of a Director's term, his successor, who may be himself, shall be elected for a term of three years. There shall be no limitation as to how many times a Director may be re-elected. Any Directors added by election to the present number of seven on the Board, shall also serve for a three-year terms. Directors shall serve without compensation.

SECTION 3 If the office of any Director shall become vacant by reason of his death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for such purpose, shall choose a successor, who shall hold office until the next Annual Meeting of the members and his re-election or the election of his Successor at such meeting. The person so elected shall serve for the unexpired term in respect to which such vacancy occurred.

SECTION 4 Except as provided for in Section 1 of this Article, members of the Association may be nominated for election to the Board of Directors in one of the following ways:

A. In the event that an Association member has previously been appointed or elected as Director in accordance with Section 3 of this Article, he shall be deemed to have been nominated for re-election to that position by his signifying his intention to seek re-election in writing addressed to the Board of Directors.

B. In the event that an Association member who has not previously held the position of Director, desires to run for election to that position, he shall be deemed to have been nominated for election as a Director upon his filing with the Board of Directors a written petition of nomination bearing the genuine signatures of not less than twenty-five (25) members of the Association.

C. In the event that any member nominated for the position of Director is unopposed for election, said nominee or nominees shall be duly elected by the Secretary of the Association casting one vote at the Annual Meeting of the members of the Association rendering unnecessary a general election.

SECTION 5. Directors may be removed with or without cause, by the affirmative vote of two-thirds of the members entitled to vote at any meeting of members duly called for such purpose.

SECTION 6. The first or organizational meeting of each newly elected Board of Directors shall be held not later than 20 days from the date of the Annual Meeting at which they were elected.

SECTION 7. Regular meetings of the Board of Directors may be held at such time and place permitted by law, as from time to time may be determined by the Directors. Notice of regular meetings of the Board shall be given to each Director personally by telegram, telephone or by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Association, at least five days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

SECTION 8. Special meetings of the Board of Directors may be called by the President of the Association on three days notice to each Director, given in the same manner as provided in Section 7 of this Article. Special meetings of the Board shall be called by the President or Secretary in like manner upon the request of any two Directors.

SECTION 9. Before any meeting of the Board of Directors whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance

by a Director at any meeting of the Board shall likewise constitute a waiver by him of such notice. If all Directors are present at any meeting of the Board no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these By-Laws.

SECTION 10. Any action by the Board of Directors may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 11. At all duly convened meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Directors present at such meeting at which a quorum is present, shall be the acts of the Board of Directors.

If at any meeting of the Board of Directors there shall be less than a quorum present, the Director or Directors present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to any Director.

SECTION 12. The Board of Directors shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of Association property and may do or cause to be done all such other lawful acts and things as are to be done or exercised by members of the Association or owners of units, or by others. In the performance of its duties as the administering body of the Association, the Board of Directors shall have powers and duties including, but not limited to, the following:

A. The operation, maintenance, cleaning, sanitation, renewal, replacement, care, upkeep, protection and surveillance of the real and personal property of the Association and services of the community and recreational facilities and all other property, real or personal, of the Association.

B. Consistent with law, to fix the common expenses and assess the same against the units and members in such fair and equitable proportions and amounts as shall from time to time be deemed necessary to the proper functioning of the Association.

C. By majority vote of the Board, to adjust or increase the amount of any such assessments, and to levy and collect in addition thereto, special assessments in such amounts as the Board may deem proper, whenever the Board is of the opinion it is necessary to do so, in order to meet increased operating or maintenance costs or additional capital expenses, or because of emergencies, subject, however, to the limitations as to SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS in ARTICLE VI, Section 5, of the DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, and CHARGES AND LIENS.

D To use and expend any sums collected from such assessments or levies for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the property, community and recreational facilities of the Association and all of its real and personal property.

E. To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any unit or otherwise properly chargeable to the owners thereof.

F. To employ and dismiss such clerks, stenographers, workmen, janitors, gardeners, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors may from time to time be necessary for the proper operation and maintenance of the property and the community and recreational facilities of the Association. The Board of Directors may also employ a Manager for the Association, at such compensation as may be established by the Board, to perform such duties and services as the Board may lawfully delegate.

G. To collect delinquent levies or assessments made by the Association through the Board of Directors against any units and the owners thereof, together with such costs and expenses incurred in connection therewith including, but not limited to, court costs and attorney's fees, whether by suit or otherwise to abate nuisances and enforce observance of the Rules and Regulations relating to Leisure Knoll, by injunction or such other legal action or means as the Board of Directors may deem necessary or appropriate.

H. To employ or retain legal counsel, engineers and accountants and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of the Association, including but not limited to those hereinbefore or hereinafter referred to in these By-Laws.

I. To cause such operating accounts, and escrow and other accounts, if any, to be established and opened as the Board of Directors may deem appropriate from time to time and as may be consistent with good accounting practices.

J. To cause a complete audit of the books and accounts of the Association to be made by a competent independent public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary.

K. To maintain accounting records in accordance with generally accepted accounting principles.

L. To make and enforce compliance with such reasonable rules and regulations relative to the operation, use and occupancy of Association facilities and property and to amend the same from time to time, as when approved by appropriate resolutions, shall be binding on the owners and occupants of units, their successors in title and assigns. A copy of such rules and regulations and copies of any amendments thereof shall be delivered or mailed to each owner of a unit promptly upon the adoption thereof.

M. The Board of Directors shall keep all buildings, fixtures, equipment and personal property owned by the Association, insured for the benefit and protection of the Association in amounts equal to their maximum insurable values, excluding foundation and excavation costs, as determined annually by the insurance carrier or carriers, against the following hazards, casualties and contingencies:

(1) Loss or damage by fire and other casualties covered by a standard extended coverage endorsement.

(2) Such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other buildings, fixtures and equipment similar to construction, design, use and location to the buildings and other property hereinbefore mentioned. All such policies shall provide that in the event of loss or damages the proceeds shall be payable to the Association.

The Board of Directors shall also maintain public liability insurance insuring the Association against liability for any negligent act of commission or omission attributable to the Association and which occurs on or in any of the property of the community or recreational facilities of the Association. The Board shall also maintain workmen's compensation insurance, boiler, glass, burglary, theft and such other insurance as will protect the interest of the Association, its employees and the members. All insurance premiums shall be paid by the Association as common expenses.

ARTICLE VI
OBSOLESCENCE OF COMMUNITY A11D
RECREATIONAL FACILITIES

SECTION 1. In the event that the Board of Directors shall determine that any of the community and recreational facilities or any other real or personal property of the Association are obsolete, the Board, at any regular or special meeting of the members of Leisure Knoll Association, Inc. may call for a vote by the Association members to determine whether or not the said property should be demolished and replaced. In the event 80% of the Association membership with the consent of all mortgagees, shall determine that the said property should be demolished and replaced, the costs thereof shall be assessed against all of the members of the Association equally.

ARTICLE VII
OFFICERS

SECTION 1 The Officers of the Association shall be a President, one or more Vice Presidents, Secretary and a Treasurer. The Secretary may be eligible to the office of Treasurer. The President and Vice Presidents shall be members of the Board of Directors. An Assistant Secretary, who need not be a member of the Board of Directors, may be appointed by the Board of Directors.

SECTION 2 The officers of the Association shall be elected annually by the Board of Directors at the organization of each new Board and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Directors and may be removed either with or without cause and his successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the Members of the Board. The Board of Directors may, from time to time appoint such other officers as in its judgment are necessary.

SECTION 3 The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Directors. He shall have the general powers and duties usually vested in the office of President of an Association, including but not limited to, the power to appoint committees from among the members, from time to time as he may deem appropriate, to assist in the conduct of the affairs of the Association. He shall execute such deeds, contracts and other instruments, in the name of and on behalf of the Association and under its corporate seal, when a seal is required, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the association.

SECTION 4 The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform the duties for any committees when required. He shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of Secretary, including the sending of notice of meetings to

the members, the Board of Directors and committees and such other duties as may be prescribed by the By-Laws or by the Board of Directors or the President. He shall also have custody of the corporate seal and when authorized by the Board, affix the same to any instrument requiring it and attest the same when appropriate.

SECTION 5 The Treasurer shall have the responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. He shall invest such funds of the Association as may from time to time be ordered by the Board or by the President, in investments similar to those permitted by law to be made by trustees or other fiduciaries and he shall disburse the funds of the Association as ordered and approved by the Board or by the President, and he shall render to the President and Directors at the regular meetings of the Board or whenever they or either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Association.

SECTION 6 The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE VIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE IX FISCAL YEAR

SECTION I The fiscal year of the Association shall begin on the first day of September in each year.

ARTICLE X CORPORATE SEAL

SECTION 1 The corporate seal of the Association shall consist of two concentric circles between the circumferences of which shall be inscribed the name "Leisure Knoll Association, Inc." and within the circumference of the inner circle the words Incorporated, New York and the year of incorporation.

ARTICLE XI AMENDMENTS TO BY-LAWS

SECTION 1 These By-Laws and the form of administration set forth herein may be amended from time to time, within the limitations prescribed by law, by the affirmative vote of 51% of the Association membership. Amendments will be affirmed or denied by closed and secret ballots cast by the membership.

ARTICLE XII DISSOLUTION

SECTION 1 In the event it shall be deemed advisable and for the benefit of the members that the Association should be dissolved, the procedures concerning dissolution set forth in the Not-For-Profit Corporation Law of the State of New York shall be followed.

SECTION 2 In the event of dissolution, the assets including common surplus, if any, of the Association, after payment of all debts including mortgages and other encumbrances, shall be distributed to the members of the Association on a pro-rata basis.

ARTICLE XIII COMMITTEES

SECTION 1. There shall be the following standing committees: Budget and Finance and Architectural (as provided in ARTICLE VIII of the Declaration of Covenants, Restrictions, Easements, Charges and Liens), all of whose powers and duties shall be prescribed by the Board of Directors. The Board may establish such additional committees as it deems necessary.

ARTICLE XIV MISCELLANEOUS

SECTION 1 The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances and, unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 2 The Association shall keep in its principal office the original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 3 The membership register and minutes of proceedings of the members and Directors shall be open to inspection upon demand of any member at any reasonable time during office hours, and for a purpose reasonably related to his interest as a member.

SECTION 4 The rules contained in Robert's Rules of Order, revised, shall govern all members' meetings and Directors' meetings of the Association, except in instances of conflict between said Rules of Order and the Articles or By-Laws of the Association or provisions of law.

SECTION 5 Number and gender as used in these By-Laws shall extend to and include both singular and plural and all genders as the context and construction required.

SCHEDULE A

The monthly charges payable by members of Leisure Knoll Association Inc. shall be used by the Association to provide the following benefits and services to the members:

- A** The payment of all local and county real estate taxes and assessments imposed or levied upon any and all property, real or personal owned or used by the Association;
- B** Payment of all costs for electric power for lighting, heating, air conditioning, miscellaneous electric fixtures and appliances and for water and sewerage service for the recreational buildings and grounds owned or used by the Association.
- C** Payment of all costs of maintenance and operation of the swimming pool, including lifeguard salaries, costs of supplies, etc.
- D** Payment of all premiums for insurance as provided under the requirements of ARTICLE V, Section 12M.
- E** Maintenance, upkeep and care of the interior and exterior of all buildings owned or used by the Association and including janitorial services, supplies, etc.
- F** Providing for and payment of all costs for such security guard service as may be provided.
- G** Providing and paying the cost of necessary machinery, equipment, tools, materials, supplies and payroll necessary to the fulfillment of all the Association's maintenance and operation obligations to its members.
- H** Maintenance, care and upkeep, including seeding, re-seeding, lawn cutting of residence properties, landscaping, planting (sidewalks, walkways and roads) etc for the exterior grounds of all real property, owned, used or controlled by the Association.
- I** Maintaining the books and accounts of the Association and causing the same to be audited by a public accountant at the end of each fiscal year and thereafter to prepare and deliver to all members of the Association, an annual financial statement.

The monthly charges paid by members of the Association to cover the cost of the foregoing and any of the above mentioned services and facilities are subject to change from time to time as determined by the Board of Directors of Leisure Knoll Association, Inc.