

**BY-LAWS
OF
SILO RIDGE
HOMEOWNERS ASSOCIATION, INC.**

CERTILMAN BALIN ADLER & HYMAN, LLP

Attorneys for the Sponsor
Attn: Richard Herzbach, Esq.
90 Merrick Avenue
9th Floor
East Meadow, New York 11554

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

**BY-LAWS
OF
SILO RIDGE
HOMEOWNERS ASSOCIATION, INC.**

TABLE OF CONTENTS

		<u>Page</u>
<u>ARTICLE I.</u>	<u>NAME, LOCATION AND PRINCIPAL OFFICE</u>	1
<u>ARTICLE II.</u>	<u>DEFINITIONS</u>	1
<u>ARTICLE III.</u>	<u>PURPOSE</u>	1
<u>ARTICLE IV.</u>	<u>APPLICABILITY</u>	1
<u>ARTICLE V.</u>	<u>USE OF FACILITIES</u>	1
<u>ARTICLE VI.</u>	<u>MEMBERSHIP AND VOTING RIGHTS</u>	2
<u>Section 1.</u>	<u>Membership</u>	2
<u>Section 2.</u>	<u>Voting Rights</u>	2
<u>Section 3.</u>	<u>Suspension of Membership</u>	3
<u>Section 4.</u>	<u>Ingress and Egress</u>	3
<u>Section 5.</u>	<u>Transfer of Membership</u>	3
<u>ARTICLE VII.</u>	<u>QUORUM, PROXIES AND WAIVERS</u>	4
<u>Section 1.</u>	<u>Quorum</u>	4
<u>Section 2.</u>	<u>Vote Required to Transact Business</u>	4
<u>Section 3.</u>	<u>Right to Vote</u>	4
<u>Section 4.</u>	<u>Number of Votes</u>	5
<u>Section 5.</u>	<u>Proxies</u>	5
<u>Section 6.</u>	<u>Waiver and Consent</u>	5
<u>Section 7.</u>	<u>Place of Meeting</u>	5
<u>Section 8.</u>	<u>Annual Meetings</u>	5
<u>Section 9.</u>	<u>Special Meetings</u>	5
<u>Section 10.</u>	<u>Notice of Meetings</u>	6
<u>Section 11.</u>	<u>Order of Business</u>	6
<u>ARTICLE VIII.</u>	<u>BOARD OF DIRECTORS</u>	6
<u>Section 1.</u>	<u>Number and term</u>	6
Section 2.	Voting and Right of Developer to Designate Certain Board Members	8
<u>Section 3.</u>	<u>Vacancy and Replacement</u>	8
<u>Section 4.</u>	<u>Removal</u>	9
<u>Section 5.</u>	<u>Resignation</u>	9
<u>Section 6.</u>	<u>Powers</u>	9
<u>Section 7.</u>	<u>Compensation</u>	13
<u>Section 8.</u>	<u>Meetings</u>	13
<u>Section 9.</u>	<u>Annual Statement</u>	14
<u>Section 10.</u>	<u>Fidelity Bonds</u>	14
<u>ARTICLE IX.</u>	<u>OFFICERS</u>	15
<u>Section 1.</u>	<u>Elective Officers</u>	15
<u>Section 2.</u>	<u>Election</u>	15

Section 3.	<u>Appointive Officers</u>	15
Section 4.	<u>Term</u>	15
Section 5.	<u>The President</u>	15
Section 6.	<u>The Vice President</u>	16
Section 7.	<u>The Secretary</u>	16
Section 8.	<u>The Treasurer</u>	16
Section 9.	<u>Agreements, etc.</u>	16
ARTICLE X.	<u>NOTICES</u>	17
Section 1.	<u>Definitions</u>	17
Section 2.	<u>Service of Notice Waiver</u>	17
ARTICLE XI.	<u>MAINTENANCE CHARGES</u>	17
Section 1.	<u>Creation of the Lien and Personal Obligation of Assessments</u>	17
Section 2.	<u>Purpose of Maintenance Charges</u>	17
Section 3.	<u>Basis of Maintenance Charges</u>	17
Section 4.	<u>Date of Commencement of Association Maintenance Charges: Due Dates</u>	17
Section 5.	<u>Effect of Non-Payment of Association Maintenance Charges: Remedies of the Association</u>	18
Section 6.	<u>Subordination of Lien to Mortgages</u>	18
Section 7.	<u>Checks</u>	18
Section 8.	<u>Operating Account</u>	18
Section 9.	<u>Other Accounts</u>	18
ARTICLE XII.	<u>INSURANCE</u>	18
ARTICLE XIII.	<u>AMENDMENTS</u>	18
ARTICLE XIV.	<u>SELLING, LEASING AND GIFTS OF HOMES OR UNITS</u>	20
Section 1.	<u>Selling</u>	20
Section 2.	<u>Leasing Requirements</u>	21
Section 3.	<u>Power of Attorney / Remedies of Board of Directors</u>	22
Section 4.	<u>Tenant Bound by Declaration</u>	23
Section 5.	<u>Lenders</u>	23
Section 6.	<u>Developer</u>	23
Section 7.	<u>Gifts, etc.</u>	23
ARTICLE XV.	<u>INDEMNIFICATION</u>	24
Section 1.	<u>Indemnification to Officers and Directors</u>	24
Section 2.	<u>Indemnification to Employees and Agents</u>	24
Section 3.	<u>Indemnification to Others</u>	24
Section 4.	<u>Other Rights</u>	24
ARTICLE XVI.	<u>RULES AND REGULATIONS</u>	25
ARTICLE XVII.	<u>GENERAL PROVISIONS</u>	25
Section 1.	<u>Fiscal Year</u>	25
Section 2.	<u>Seal</u>	25
Section 3.	<u>Design Committee/Design Guidelines</u>	25
Section 4.	<u>Examination of Books and Records</u>	26
Section 5.	<u>Construction</u>	26
Section 6.	<u>Severability</u>	26

**BY-LAWS
OF
SILO RIDGE
HOMEOWNERS ASSOCIATION, INC.**

A New York Not-for-Profit Corporation

ARTICLE I. NAME, LOCATION AND PRINCIPAL OFFICE

These are the By-Laws of Silo Ridge Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the Association shall be located in the Town of Amenia, Dutchess County, and State of New York.

ARTICLE II. DEFINITIONS

The definitions contained in the Declaration of Covenants, Restrictions, Easements, Charges and Liens shall be applicable to these By-Laws unless otherwise stated.

ARTICLE III. PURPOSE

This Association is formed to operate, manage, maintain and control and to perform certain maintenance and repairs to the Properties, including the Common Area of the Association, for the benefit of the Members of the Association.

ARTICLE IV. APPLICABILITY

All present and future Members, their family members, tenants and lessees, occupants, guests, licensees, agents, employees and any other person or persons that shall be permitted to use the Properties shall be subject to these By-Laws and to the Rules and Regulations issued by the Association to govern the conduct of its Members.

ARTICLE V. USE OF FACILITIES

The Properties subject to the Declaration of Covenants and Restrictions, shall be limited to the use by the Members, their family members, their tenants, lessees, licensees, occupants and their guests. In the event that a Member shall lease or permit another to occupy the Member's Home or Unit, however, the tenant, lessee, licensee or occupant shall at the option of the Member, be permitted to enjoy the use of the Properties in lieu of and subject to the same restrictions and limitations as said Member. Any Member, tenant, lessee, licensee or occupant entitled to the use of the Association facilities may extend such privileges to members of their family residing in their Home or Unit by notifying the Secretary in writing of the names of any such persons and of the relationship of such Member, tenants, lessees, licensees or occupant to such persons. The Board of Directors may establish a limitation on guest privileges and/or establish a guest fee for the use of the Properties by guests of Members or tenants, lessees, licensees or occupants of Homes or Units and their respective family members.

Developer shall have the right, on an equal basis with other Members to use all or any of the Properties, including any Association owned Building and/or any recreational facilities or permit all or any of the Properties including any Association

owned Building and/or any recreational facilities to be used by any Successor Developer or any prospective purchaser of a Home or Unit or any tenants, lessees, licensees or occupants of Unsold Home or Unsold Units, without charge, in accordance with and subject to these By-Laws and any Rules and Regulations promulgated by the Board of Directors. In addition, Developer shall have the right, until all Unsold Homes or Unsold Units are sold, including all Homes or Units in all Phases subject to the Declaration of Covenants and Restrictions to use any or all of the Properties or any Homes in any subsequent phase brought into the Association under a Supplement Declaration of Covenants and Restrictions, including any Association owned Building and/or recreational facilities without charge, for exhibitions or other promotional functions with respect to Developer's sales programs. Developer shall also have the right to use any Association Building or recreational facilities, if any, or portion thereof as; (i) offices for the promotion, sale, rentals, management and/or operation of the Unsold Homes or Units; (ii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Developer with respect to the Properties and/or the Homes or Units or Unsold Homes or Units; and/or (iii) for any other purpose. In no event, however, shall Developer be entitled to use any portion of the Properties in such a manner as will unreasonably interfere with the use of the same or of any Home or Unit for its permitted purposes. This provision regarding Developer may not be amended without the written consent of the Developer.

ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership.

The Association will have two (2) classes of Membership as follows:

Class A Member – Each Homeowner of a detached single family Home and/or Townhouse on an individual Lot in the Community.

Class B Member – Each Condominium Unit Owner of a Unit in a Condominium that is subject to this Declaration and any Supplemental Declaration

Section 2. Voting Rights.

Each Member is entitled to one (1) vote regardless of the number of Homes, Units or Unsold Homes or Unsold Units owned by a Member except as provided for in the election of Directors as described in Article VIII, Section 2 of the By-Laws. When more than one person or entity holds such interest in the membership, the one (1) vote attributable to such membership shall be exercised as such persons mutually determine but not more than one (1) vote may be cast with respect to any such Member. No Member shall split or divide its votes on any motion, resolution or ballot. For the purposes of this section the Developer shall have one (1) vote for all Unsold Homes or Unsold Units for the Members subject to the Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions that the Developer retains.

Section 3. Suspension of Membership.

The rights of a Member or tenant, lessee, licensee or occupant of a Home or Unit, and their respective family members, guests and invitees, to the use and enjoyment of the Properties are subject to the payment of periodic Maintenance Charges levied by the Board of Directors, the obligation of which Maintenance Charges is imposed against each Member and becomes a lien upon the property of any Homeowner or Unit Owner against which such Maintenance Charges are made as provided for by Article VI of the Declaration of Covenants and Restrictions. If a Member shall be in default in the payment of the Maintenance Charges assessed against such Member's Home or Unit, and fails to cure such default within five (5) days after receipt of written notice from the Board of Directors, the Board of Directors, in its sole discretion, shall have the option to prohibit all privileges of the Association by such Member, tenant, lessee, licensee or occupant, and the respective family members, guests and invitees of the foregoing, and until such Member is reinstated in good standing in the Association, to take such other legal action as may be permitted by applicable law or these By-Laws. In addition to the foregoing, any Member so in default shall lose all voting privileges, shall be ineligible to be considered for membership to the Board of Directors and, if on the Board of Directors, shall be suspended thereto until such time as all Maintenance Charges, together with late fees, interest and expenses, if any, are paid to the Association. This Section 2 of Article VI shall not apply to Developer.

Section 4. Ingress and Egress.

The Board of Directors shall not prevent a Homeowner or Unit Owner, Member, tenant, lessee, licensee or occupants or anyone else needing access to a Home or Unit from ingress and egress in, over and through any portion of the Properties to and from a Home or Unit in the Community. This provision is not subject to amendment.

Section 5. Transfer of Membership.

Membership in the Association shall be appurtenant to, and may not be transferred except in conjunction with the lawful sale or conveyance of a Home or Unit. No Homeowner or Unit Owner shall be permitted to sell or convey the Homeowner or Unit Owner's Home or Unit unless and until the Homeowner or Unit Owner shall have paid in full to the Board of Directors all unpaid Maintenance Charges and/or Special Assessments, late fees, interest and expenses and other amounts required by the Board of Directors to be paid and assessed by the Board of Directors against such Home or Unit. Upon such sale or conveyance, the seller of such Home or Unit shall relinquish seller's membership in the Association and the purchaser of such Home or Unit shall automatically become a Member, subject to the Declaration of Covenants and Restrictions, the By-Laws and the Rules and Regulations of the Association.

ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 1. Quorum.

So many Members as shall represent at least fifty-one (51%) percent of all Members whose Homes or Units are then subject to the Declaration of Covenants and Restrictions present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration of Covenants and Restrictions, the Certificate of Incorporation of the Association or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, so many Members as shall represent at least thirty three and one third (33 $\frac{1}{3}$ %) percent of all Members whose Homes or Units are then subject to the Declaration of Covenants and Restrictions shall constitute a quorum. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. If, however, such reduced quorum shall not be present or represented at such adjourned meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, so many Homeowner or Unit Owner as shall represent at least twenty-five (25%) percent of the total authorized votes of all Members whose Homes or Units are then subject to the Declaration of Covenants and Restrictions shall constitute a quorum. Any business may be transacted which by might have been transacted at the meeting originally called.

Section 2. Vote Required to Transact Business.

When a quorum is present at any meeting, the vote of a majority of the Members present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Members, unless the question is one upon which by express provision of the Statute, Declaration of Covenants and Restrictions, Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 3. Right to Vote.

Members shall be entitled to vote either in person or by proxy at any meeting of the Association. Any such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Any Member in default of the payment of their Maintenance Charges, Special Assessments, late fees or penalties shall be prohibited from voting at any annual, general or special meeting of the Members.

Section 4. Number of Votes.

Each Member shall be entitled to one (1) vote regardless of the number of Home or Units owned by such Member except as provided in Article VIII, Section 2 of these By-Laws regarding the election of Directors.

Section 5. Proxies.

All proxies shall be in writing signed by the owner, 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.

Section 6. Waiver and Consent.

Wherever the vote of the membership at a meeting is required or permitted by Statute or by any provision of the Declaration of Covenants and Restrictions, Certificate of Incorporation or by these By-Laws to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 7. Place of Meeting.

Meetings shall be held at any suitable place convenient to the Members as may be designated by the Board of Directors and designated in the notices of such meetings.

Section 8. Annual Meetings.

The initial Board of Directors will call for the first annual meeting of the Members to elect a new Board of Directors within one (1) year of the closing of the first Home or Unit. At such meeting, Directors of the Board of Directors shall be elected by the Members, other than the Directors of the Board the Developer shall have the right to designate, and the former Directors of the Board of Directors shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year or such other date as the Board of Directors determines within a reasonable time thereof. At such meetings there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Article VIII of these By-Laws. The Homeowners or Unit Owners may also transact such other business of the Association as may properly come before them. The Developer will have voting control and may designate a majority of the Board of Directors until the last Home or Unit in all Phases of the Association is sold and titled. At such time as Developer no longer owns a Home or Unit in any Phase of the Association, Developer may not hold a seat on the Board of Directors.

Section 9. Special Meetings.

It shall be the duty of the President to call a special meeting of the Association, if so directed by the Board of Directors, or upon the presentation to the Secretary of a

petition signed by a majority of the Members. The Secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 10 of this Article to each member of record of the Association entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Directors and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 9 unless a later date is agreed to in writing by the Members or the Board of Directors, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Members of the Association are present in person or by proxy. Any or all of the Directors of the Association, other than those designated by the Developer may be removed without cause by vote of the Members at a special meeting called pursuant to this section if the meeting is called for such purpose.

Section 10. **Notice of Meetings.**

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 11. **Order of Business.**

The order of business at all meetings 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) Report of officers
- (e) Report of committees
- (f) Appointment of inspectors of election (in the event there is an election)
- (g) Election of Directors (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE VIII. **BOARD OF DIRECTORS**

Section 1. **Number and term.**

The initial Board of Directors, consisting of three (3) Directors, shall be designated by the Developer to serve until the first annual meeting of the Association. Thereafter, the number of Directors which shall constitute the whole Board of Directors shall be a total of seven (7) voting Directors to be elected by the Homeowners or Unit Owners or to be designated by the Sponsor and the non-voting representative of each

Condominium regime or other legally permitted residential community subject to the Declaration of Covenants and Restrictions. At the first annual meeting and at all subsequent annual meetings, the Members of the Association shall elect those Directors to be elected at said meeting. All Directors, other than those designated by the Sponsor and the non-voting representative of each Condominium regime or other legally permitted residential community subject to the Declaration of Covenants and Restrictions, shall be elected by the Members.

The term of office of three (3) of the Directors shall be fixed for three (3) years, the term of office of two (2) of the Directors shall be fixed at two (2) years, and the term of office of two (2) of the Directors shall be fixed at one (1) year. The two (3) Homeowners or Unit Owners receiving the highest number of votes shall be elected to the three (3) year term, the two (2) Homeowners or Unit Owners receiving the next highest number of votes shall be elected to the two (2) year term and the two (2) Homeowners or Unit Owners receiving the next highest number of votes shall be elected to a one (1) year term. At the expiration of the initial term of office of each respective Director, the Director's successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

In addition, the President of each Condominium regime or other legally permitted residential community located on the Properties and subject to the Declaration of Covenants and Restrictions shall automatically become a non-voting member of the Board of Directors, unless said person is elected to the Board of Directors by the Members of the Association. In such an event the Board of Managers of the respective Condominium or board of any other legally permitted residential community subject to the Declaration of Covenants and Restrictions can designate a representative of the respective Board to be the non-voting representative of the Condominium or other legally permitted residential community subject to the Declaration of Covenants and Restrictions of the Board of Directors.

All Directors, other than those the Developer shall have the right to designate, must be either Members of the Association or immediate family members residing in the Member's Home or Unit. As required by law, each Director shall be at least nineteen years of age.

In no event shall any Member be eligible for election to the Board of Directors if such Member is then in default, beyond any applicable grace period, in the payment of Maintenance Charges or any other amounts required to be paid by the Board of Directors.

At the first annual meeting, in the event Sponsor is in control of the Board of Directors, three (3) of the Sponsor representatives shall be appointed for a one (1) year term and three (3) of the Sponsor representatives shall be appointed for a two (2) year term. Sponsor representatives shall thereafter be appointed to the same length of term until such time as Sponsor is required to relinquish the seat or Sponsor voluntarily resigns a position on the Board of Directors. At such time as a Sponsor representative

is required to relinquish a seat or resigns a position on the Board of Directors either (a) a special meeting of the Homeowners or Unit Owners shall be held to elect a Homeowner or Unit Owner to fulfill the balance of the term or (b) the remaining Directors of the Board of Directors shall appoint a Homeowner or Unit Owner to fulfill the balance of the term. At the expiration of the term an election shall be held to elect a Homeowner or Unit Owner to the Board of Directors for a full three (3) year term.

Section 2. Voting and Right of Developer to Designate Certain Board Members.

In an election of Directors, each Member who is eligible to vote shall be entitled to as many votes as shall equal the number of Directors to be elected on each ballot, but not more than one (1) vote can be given by any Member to any one (1) person who is seeking a position on the Board of Directors.

The Developer shall have the right to designate six (6) of the seven (7) Directors, or one (1) less than a majority of the total Directors if the total number is changed, until the last Home or Unit in the entire Development (all Phases of the Development) is sold and Closed by the Developer. When the Developer no longer owns any Unsold Home or Unit in the Development it may not designate any Directors.

In addition to the Directors designated by the Developer, Developer may vote as Developer so determines for any other Directors, so long as the Directors are Members and are not on Developer's slate of Directors of the Board of Directors, payroll or as long as they did not receive other financial backing from the Developer or a Director of the Board of Directors other than a mortgage, if applicable.

The provisions of Article VIII Sections 1 and 2 may not be amended without the written consent of the Developer.

Section 3. Vacancy and Replacement.

If the office of any Director becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred and until the Director's successor is duly elected and qualified. In the event of the failure to hold any election of Directors at the time designated for the annual election of Directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of the Members to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Members. In the event a Director appointed by Developer resigns, the Developer shall have the sole right to appoint another Director in his or her place. In the event the Director who represents one (1) of the Condominium regimes or legally permitted residential communities subject to the Declaration of Covenants and Restrictions resigns, the Board of Managers of the Condominium regime or board of the legally permitted residential

community subject to the Declaration of Covenants, Restrictions, Easement, Charges and Liens shall appoint the non-voting Director's replacement.

Section 4. Removal.

Directors (other than Developer's designated Directors) may be removed with or without cause by an affirmative vote of a minimum of two-thirds (2/3rds) of the Members of the Association at a special meeting called pursuant to Article VII, Section 9 of these By-Laws. No Director, other than a designee of the Developer, shall continue to serve on the Board of Directors if, during the Director's term of office, the Director shall cease to be a Member or no longer resides in a Member's Home or Unit, as part of the Member's immediate family. In the event a Developer designee resigns, the Developer shall have the sole right to designate a replacement. The elected Directors may in their sole discretion remove any non-voting member of the Board of Directors representing a Condominium or other legally permitted residential community subject to the Declaration of Covenants and Restrictions with or without cause by an affirmative vote of the Directors entitled to vote. In such an event the respective Condominium or other legally permitted residential community Board shall designate a representative of the respective Board to replace the non-voting Director who has been removed. Any Director of the Board of Directors in default of the payment of Maintenance Charges shall be suspended from the Board of Directors until such time as all Maintenance Charges, together with late fees, interest and expenses, if any, are paid in full to the Association.

Section 5. Resignation.

Any Director may resign at any time by written notice delivered in person or sent by certified mail to the president or secretary of the Corporation. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 6. Powers.

(a) The property and business of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are not by Statute, Declaration of Covenants and Restrictions, Certificate of Incorporation or by these By-Laws, directed or required to be exercised or done by the Members or Homeowners or Unit Owners personally. These powers shall specifically include, but not be limited to the following items:

1. To determine and levy monthly assessments ("Maintenance Charges") to cover the cost of operating and maintaining the Common Areas and other maintenance requirements ("Common Expenses") of the Association payable in advance. The Board of Directors may increase the monthly Maintenance Charges or vote a Special Assessment in excess of the Association Maintenance Charges, if required, to meet any additional necessary Common Expenses of the Association

2. To collect, use and expend the Maintenance Charges collected to pay for Common Association Expenses, maintain, care for and preserve the Common Area and other maintenance requirements of the Association.
3. To make repairs, restore or alter the Common Area after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
4. To open bank accounts and to designate the signatories to such bank accounts.
5. To borrow money on behalf of the Association when required in connection with the operation, care, upkeep, maintenance and replacement of the Common Area of the Association, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Home or Unit without the written consent of the Homeowner or Unit Owner of said Home or Unit.
6. To collect delinquent Association Maintenance Charges and/or Special Assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the Rules and Regulations herein referred to.
7. To make reasonable Rules and Regulations and to amend the same from time to time. Such Rules and Regulations and amendments thereto shall be binding upon the Members when the Board of Directors has approved them in writing and delivered a copy of such Rules and Regulations and all amendments to each Member. Such Rules and Regulations may without limiting the foregoing, include reasonable limitations on the use of the Properties by guests of the Members as well as reasonable admission and other fees for such use. The Rules and Regulations are contained in Exhibit "C" of the Declaration of Covenants and Restrictions.
8. To impose fines or penalties upon any Member who violates the Declaration of Covenants and Restrictions, its Rules and Regulations or By-Laws as per Article XVI of the By-Laws.
9. To employ workers, contractors and supervisory personnel, and to purchase supplies and equipment, to enter into contracts to provide maintenance, refuse removal and other services, and generally to have the power of Directors in connection with the matters hereinabove set forth.
10. To bring and defend actions by or against one or more Members any of their family members, residents and occupants and any Member's tenants, lessees, and/or licenses and their respective

family members pertinent to the operation of the Association and to assess Special Assessments to pay the cost of such litigation. Notwithstanding said rights, pursuant to Article VIII, Section 6(c) of these By-Laws, so long as the Developer shall continue to own one (1) or more unsold Home or Unit in any Phase of the Development, the Board of Directors may not utilize Association funds or assess the Developer for any lawsuit by the Association against the Developer or any of its principals.

11. To hire a Managing Agent to perform and exercise the powers of the Board of Directors in the management of the Development.
12. To execute, acknowledge and deliver (i) any declaration or other instrument affecting the Properties, which the Board of Directors deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any public authority, applicable to the occupancy, maintenance, demolition, construction, alteration, repair or restoration of the Properties (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Properties which the Board of Directors deems necessary or appropriate.
13. To obtain and review insurance for the Association.
14. To grant utility or other easements over or through the Properties subject to the Declaration of Covenants and Restrictions as may, at any time, be required for the benefit of the Community and the Homeowners or Unit Owners without the necessity of the consent thereto, or joinder therein, by the Homeowners or Unit Owners or any mortgagee.
15. To establish a Reserve Fund or funds which fund(s) shall be used strictly and solely for capital expenditures of the Association. The funding of the Reserve Fund will not commence until the items for which it is to be utilized are complete.
16. To require purchasers of Homes or Units to pay a working capital fee to the Association equivalent to two (2) months Maintenance Charges or such other reasonable fee determined by the Board of Directors.
17. To amend, modify or repeal the Rules and Regulations attached to the Declaration of Covenants and Restrictions as Exhibit B as they may be added to, amended, repealed, revised, modified or promulgated by the Board of Directors as may be necessary to carry out the intent of the Rules and Regulations without obtaining

the approval, consent or signature of the Members of the Association and shall have the right to bring lawsuits to enforce the Rules and Regulations promulgated by the Board of Directors.

18. To file any Declarations, Covenants, Restrictions, Easements and Liens required by Town of Amenia, Dutchess County or any other municipal entity or agency.

(b) The Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board of Directors, designate one or more committees, in addition to any committee required by these By-Laws, each of such committees to include at least one (1) Director, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board of Directors as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws until the Developer sells and closes title on the last Home or Unit in the Development in all Phases of the Development, the Board of Directors may not, without the Developer's prior written consent (i) make any addition, alteration or improvement to the Properties or (ii) assess any Association Maintenance Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund or, (iii) charge any Special Assessment for a non-budgeted item unless required by law, emergency, municipal agency or for the health and safety of the Association and its Members, (iv) hire any additional employees or enter into any service or maintenance contract for work not covered by contracts in existence on the date of the Closing of Title to the first Home or Unit or, (v) borrow money or otherwise create a security interest on behalf of the Association or on any portion of the Association property or, (vi) increase or decrease the services or maintenance of the Association as set forth in the proposed first year budget of the Association, the Declaration of Covenants and Restrictions or the By-Laws or otherwise provide services in excess of those contemplated by the proposed first year budget or elsewhere in an Offering Plan or any amendments thereto for any Condominium or other legally permissible residential community subject to the Declaration of Covenants and Restrictions, or, (vii) purchase any materials, equipment or other goods costing in excess of \$1,000, or (viii) increase the Maintenance Charges of the Association more than ten (10%) percent from the prior year's budget, unless required by law, emergency, municipal agency, the health and safety of the Association and its Members or if documentation is provided to the Developer in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent or (ix) use any Association funds to sue the Developer or any Successor Developer.

So long as there are any Unsold Homes or Units in the Development, the Board of Directors and the Homeowners or Unit Owners shall not take any action that will interfere, impair or adversely affect the rights of the Developer to sell and construct any Unsold Homes or Units.

The Board of Directors of the Association shall not take any action that will interfere or have any impact on the operation, maintenance, repair and/or replacement of any part of the Club Property and any the Club Property's facilities and services.

Notwithstanding the above provisions, Developer will not exercise veto power over expenses described in the projected budget for the first year of operation of the Association, or over expenses required:

- (i) to comply with applicable laws or regulations;
- (ii) to remedy any notice of violation;
- (iii) to remedy any work order by an insurer; or
- (iv) necessary for the preservation or safety of the Community or for the safety of occupants of the Community or required to avoid the suspension of any necessary service to the Community.

This subparagraph (c) may not be amended without the written consent of the Developer.

Section 7. Compensation.

Directors and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

- (a) The first meeting of each Board of Directors newly elected by the Members 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 as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the annual meeting of Association Members and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board of Directors shall be set.
- (b) Regularly scheduled meetings of the Board of Directors may be held without special notice.
- (c) Special meetings of the Board of Directors may be called by the President on two (2) days notice to each Director either personally or by mail or electronic mail. 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) Directors.

- (d) At all meetings of the Board of Directors, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by Statute or by the Declaration of Covenants and Restrictions or by these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present.
- (e) Before or at any meeting of the Board of Directors, 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 of Directors shall be a waiver of notice by the Director of the time and place thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.
- (f) Members of the Board of Directors may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 9. Annual Statement.

The Board of Directors shall furnish to all Members within four (4) months of the end of each fiscal year and shall present annually and when called for by a vote of the Members at any special meeting of the Members, a full and clear statement of the business conditions and affairs of the Association, including a balance sheet and profit and loss statement provided by an accountant and a statement regarding any taxable income attributable to the Members and a notice of the holding of the annual meeting of Association Members. During the period the Developer retains a majority of the Board of Directors of the Association the annual statement shall be required to be in the form of an audited annual statement by a qualified certified public accountant.

Section 10. Fidelity Bonds.

The Board of Directors shall require that all officers and employees of the Association (except Developer or Developer's representatives) handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense of the Association.

ARTICLE IX. OFFICERS

Section 1. Elective Officers.

The officers of the Association shall be elected by the Board of Directors and shall consist of a President, a Vice President, a Secretary and a Treasurer. All officers must be either members of the Board of Directors or Members of the Association except for the President who must also be a Director of the Board of Directors and except as provided in Article IX, Section 3 of these By-Laws. Two (2) or more offices may be held by the same person, except for the President who may only hold the office of President.

Section 2. Election.

The Board of Directors, at its first meeting after each annual meeting of Association Members, shall elect a President, a Vice President, a Secretary and a Treasurer. Only the President must be a member of the Board of Directors.

Section 3. Appointive Officers.

The Board of Directors may appoint such other officers and agents, including Assistant Secretaries and Assistant Treasurers, as it shall deem necessary that shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Such appointee officers do not need to be Members of the Association.

Section 4. Term.

The officers shall hold office for a period of one year or until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed with or without cause, at any time, by the affirmative vote of a majority of the Board of Directors, provided prior notice was given to all Directors of the Board of Directors that this item was on the agenda for such meeting. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President.

The President shall be the chief executive officer of the Association; the President shall preside at all meetings of the Association Members and the Board of Directors, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Association, shall see that all orders and resolutions of the Board of Directors are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a corporation organized under the Not-for-Profit Corporation Law of the State of New York.

Section 6. The Vice President.

The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a corporation organized under the Not-for-Profit Corporation Law of the State of New York.

Section 7. The Secretary.

The Secretary and/or Assistant Secretary shall attend all sessions of the Board of Directors and all meetings of Association Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of Association Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or by the President, under whose supervision the Secretary shall be.

Section 8. The Treasurer.

The Treasurer and/or Assistant Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Association including the vouchers for such disbursements, and shall deposit all monies, and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. These duties may also be exercised by the Managing Agent, if any. However, such Managing Agent shall not replace the Treasurer.

The Treasurer shall disburse the funds of the Association as the Treasurer may be ordered by the Board of Directors, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meeting of the Board of Directors or whenever they may require it, an account of all the Treasurer's transactions as Treasurer, and of the financial condition of the Association.

The Treasurer shall keep detailed financial records and books of account of the Association, including a separate account for each Member, which among other things, shall contain the amount of each assessment, the date when due, the amount paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc.

All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Directors.

ARTICLE X. NOTICES

Section 1. Definitions.

Whenever under the provisions of the Declaration of Covenants and Restrictions or of these By-Laws, notice is required to be given to the Board of Directors or to any Director or Association Member, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Directors, such Director, or Member, at such address as appears on the books of the Association.

Section 2. Service of Notice Waiver.

Whenever any notice is required to be given under the provisions of the Declaration of Covenants and Restrictions, 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.

ARTICLE XI. MAINTENANCE CHARGES

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The creation of the lien and personal obligation of Maintenance Charges is governed by Section 1 of Article VII of the Declaration of Covenants and Restrictions.

Section 2. Purpose of Maintenance Charges.

The purpose of Maintenance Charges is as specified in Section 2 of Article VII of the Declaration of Covenants and Restrictions.

Section 3. Basis of Maintenance Charges.

The basis of the Association Maintenance Charges is as specified in Section 3 of Article VII of the Declaration of Covenants and Restrictions.

Section 4. Date of Commencement of Association Maintenance Charges: Due Dates.

The date of commencement and the due dates of Association Maintenance Charges are as specified in Section 4 of Article VII of the Declaration of Covenants and Restrictions.

Section 5. Effect of Non-Payment of Association Maintenance Charges: Remedies of the Association.

The effect of non-payment of Association Maintenance Charges and the remedies of the Association shall be as specified in Section 5 of Article VII of the Declaration of Covenants and Restrictions.

Section 6. Subordination of Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinated pursuant to the provisions of Section 5 of Article VII of the Declaration of Covenants and Restrictions.

Section 7. Checks.

All checks or demands for money and notes of the Association shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 8. 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 operating portion of all monthly and special Maintenance Charges as fixed and determined for all Members. 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 community.

Section 9. Other Accounts.

The Board of Directors shall maintain any other accounts it shall deem necessary to carry out its purposes including but not limited to a Reserve Fund and Working Capital Fund.

ARTICLE XII. INSURANCE

The insurance the Board of Directors is required to obtain and maintain on behalf of the Association shall be as provided for in Section 1, Article VIII of the Declaration of Covenants and Restrictions.

ARTICLE XIII. AMENDMENTS

Except as otherwise provided, these By-Laws may be altered, amended or added to at any duly called meeting of Association Members provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment and (2)

that the amendment shall be approved by vote of at least sixty six and two-thirds ($66\frac{2}{3}$ ^{rds}) of the total Members whose Homes or Units are then subject to the Declaration subject to the following:

- (i) No amendment shall be passed which will affect or impair the validity of the Homeowners or Unit Owners' interest in a Home or Unit.
- (ii) No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall be effective in any way against Developer, any Successor Developer or any Unsold Home or Unit, as long as the Developer or any Successor Developer owns an Unsold Home or Unit in the Association unless Developer or Successor Developer has given its prior written consent thereto. This provision is not subject to amendment.
- (iii) The Board of Directors shall have the right to amend these By-Laws without the consent of the Members to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and technical errors or to comply with any Federal, State or local law and/or regulation.
- (v) No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights and priorities of a mortgagee.
- (vi) No amendment to the By-Laws shall be passed which shall interfere or have any impact on the operation, maintenance, repair and/or replacement of the Club Property or any part of the Club Property or the Club Property's facilities and services.
- (vii) Any material changes to the By-Laws must obtain the approval of first mortgage holders representing at least fifty-one (51%) percent of the votes of Homes or Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of the Properties as detailed in Article VIII, Section 6 hereof; responsibility for maintenance and repairs; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project except as provided for in Article V, Section 2 of the Declaration of Covenants, Restrictions, Easements, Charges and Liens; insurance or fidelity bonds; imposition of any restrictions on a Homeowner or Unit Owner's right to sell or transfer the Homeowner or Unit Owner's Home or Unit; a decision by the Association to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to these By-

Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Association a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

- (viii) The Developer shall have the right to amend the By-Laws without the consent of the Homeowners or Unit Owners or the Board of Directors to (a) make corrections that are patent errors, inconsistencies, scrivener's errors, technical errors, to conform to other documents, or (b) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home or Unit Loan Mortgage Corporation ("Freddie Mac"), State of New York Mortgage Agency ("SONYMA") and/or any other Federal, State or Local Funding Agencies, or (c) to reduce the Sponsor control period of the Board of Directors; or (d) to comply with any Federal, State or local law or regulation.

ARTICLE XIV. SELLING, LEASING AND GIFTS OF HOMES OR UNITS

Section 1. Selling.

Any Home or Unit may be conveyed by a Member free of any restrictions, except that no Member shall convey, mortgage, pledge, hypothecate or sell the Homeowner or Unit Owner's Home or Unit unless and until all violations against the Home or Unit are removed and all unpaid Association Maintenance Charges and/or Special Assessments assessed against the Home or Unit shall have been paid as directed by the Board of Directors. Such unpaid Association Maintenance Charges and/or Special Assessments, however, may be paid out of the proceeds from the sale of a Home or Unit, or by the Grantee.

All Class A Members' Homes that are rented and any leases applicable to a Class A Member's Home must comply with all the requirements contained in Section 2 below. All Class B Members must comply with the applicable provision regarding selling, leasing and gifts of Condominium Units contained in the By-Laws of each Condominium subject to the Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions or the By-Laws of any other legally permissible residential community subject to the Declaration of Covenants and Restrictions or Supplemental Declaration of the Covenants and Restrictions. Failure to comply will be deemed an automatic violation of the By-Laws of the Association.

Any sale or rental of a Home or Unit in violation of this section or the applicable Article provision of the By-Laws of each Condominium subject to the Declaration of

Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions shall be voidable at the election of the Board of Directors.

Upon the written request of a Homeowner or Unit Owner or the Homeowner or Unit Owner's mortgagee, the Board of Directors or its assignee and/or designee shall furnish a written statement of the status of any violation and the unpaid Association Maintenance Charges and/or Special Assessments due from such Homeowner or Unit Owner which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement. A reasonable charge may be made by the Board of Directors for the issuance of such statements.

Notwithstanding any other provision in the Declaration of Covenants and Restrictions for the Association or these By-Laws any mortgagee of an Institutional Mortgage as defined in Article IV of these By-Laws who obtains title to a Home or Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Home or Unit's unpaid Association Maintenance Charges accrued before acquisition of the title to the Home or Unit by the mortgagee unless otherwise required by New York law. If the Association's lien priority includes costs of collecting unpaid Association Maintenance Charges, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Maintenance Charges. The unpaid balance of such Association Maintenance Charges and/or Special Assessments that may be waived will be charged to all other Homeowners or Unit Owners as a Common Association Expense. Upon acquiring title to a Home or Unit such holder of an Institutional Mortgage; its successors and assigns shall be liable for all Association Maintenance Charges and Special Assessments due and payable thereafter.

Whenever the term "Home or Unit" is referred to in this Section, it shall include the Home or Unit, the Member's interest in the Association and the Member's interest in any Homes or Units acquired by the Association.

Section 2. Leasing Requirements.

All Class A Members Homes are subject to the following Rules and Regulations, regardless of whether stated in the lease:

- (a) the lease must be in writing;
- (b) No later than thirty (30) days prior to execution of a lease, the Homeowner must provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant and terms of the lease, credit and background check (including criminal background), a minimum of two (2) referrals and any other information that may be requested by the Board of Managers;

- (c) the lease must be for the entire Home;
- (d) the lease must have a minimum term of at least one (1) year. Renewals shall also have a minimum term of at least one (1) year unless otherwise provided in any Condominium;
- (e) the form of the lease and any renewal lease must contain a provision that the tenant agrees to be subject to the Declaration of Covenants and Restrictions, By-Laws of the Association and Rules and Regulations of the Association and agrees to accept the power of attorney of the Association to evict the tenant for any violation by the tenant of the Declaration of Covenants and Restrictions and By-Laws and Rules and Regulations of the Association;
- (f) the use of the Home is subject to the Declaration of Covenants and Restrictions, By-Laws and Rules and Regulations of the Association;
- (g) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Directors of the Association;
- (h) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Managing Agent or if no Managing Agent the Board of Directors of the Association;
- (i) the Home cannot be used as a motel or hotel or otherwise for transient tenants;
- (j) if any Homeowner (landlord) or tenant is in violation of any of the provisions of the Declaration of Covenants and Restrictions, By-Laws or Rules and Regulation of the Association, the Board of Directors of the Association may bring an action in its own name or in the name of the Homeowner to have the tenant evicted or to recover damages, or both.

Section 3. Power of Attorney / Remedies of Board of Directors

In order to carry out the provisions of this Article XIV of the By-Laws of the Association each Class A Member shall upon becoming a Homeowner shall be deemed to have granted an irrevocable power of attorney, to nominate, designate, constitute and appoint the Directors of the Board of Directors of the Association and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Class A Member's Home including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions the Declaration of Covenants and

Restrictions, By-Laws and Rules and Regulations of the Association The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Directors of the Association. If permitted by present or future law the Association may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Class A Member's Home that shall bind the Home in the hands of the then Class A Member and the Class A Member's successors and assigns. The Board of Directors of the Association shall give the tenant and the Class A Member written notice of the nature of the violation of the applicable Rule or Regulation and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Directors of the Association may file for eviction. Class B Members who lease their Condominium Unit shall be subject to any Power of Attorney provisions contained in the Condominium Documents of the Condominium subject to the Declaration of Covenants and Restrictions that the Class B Member's Unit is a part of.

Section 4. Tenant Bound by Declaration.

Tenants of any Home or Unit subject to a rental shall be bound by the Declaration of Covenants and Restrictions, By-Laws and Rules and Regulations of Silo Ridge Homeowners Association, Inc. All leases shall contain a provision that the tenant agrees to be subject to the Declaration of Covenants and Restrictions, By-Laws and Rules and Regulations of Silo Ridge Homeowners Association, Inc.

Section 5. Lenders.

To protect mortgagees of an Institutional Mortgage and to encourage mortgagees of Institutional Mortgages to make loans on Class A Member's Homes, any mortgagee of an Institutional Mortgage who acquires a Class A Member's Home by foreclosure or deed in lieu of foreclosure shall have the right to lease the Class A Member's Home and shall only be subject to the provisions of subsections (c), (f), (g) and (h) Section 2 of this Article XIV. Any subsequent purchaser from the mortgagee of an Institutional Mortgage shall be subject to the requirements contained in this Article XIV.

Section 6. Developer.

The terms of Section 2 of this Article XIV shall not be applicable to the Developer of any Successor Developer.

Section 7. Gifts, etc.

Any Homeowner or Unit Owner may convey or transfer the Homeowner or Unit Owner's Home or Unit by gift during the Homeowner or Unit Owner's lifetime or devise the Homeowner or Unit Owner's Home or Unit by will or pass the same by intestacy without restriction.

ARTICLE XV. INDEMNIFICATION

Section 1. Indemnification to Officers and Directors.

To the fullest extent allowed by law, the Association shall indemnify any person, made a party to an action by or in the right of the Association to procure a judgment in its favor by reason of the fact that he, his testator or, intestate, is or was or has agreed to become a Director or Officer of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by the Director in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such Director or Officer is adjudged to have breached his duty to the Association, as such duty is defined in Section 717 of the Not-For-Profit Corporation Law. To the extent allowed by law, the Association shall also indemnify any person, made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Association to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which the Director served in any capacity at the request of the Association by reason of the fact that the Director, Director's testator or intestate was a Director or Officer of the Association or served it in any capacity against judgment, fines, amounts paid in settlement, and reasonable attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director or Officer acted, in good faith, for a purpose which he reasonably believed to be in the best interests of the Association and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that the Director's conduct was unlawful.

Section 2. Indemnification to Employees and Agents.

The Association may, to the extent authorized from time to time by the Board of Directors or by a committee comprised of Directors of the Board of Directors, provide indemnification to employees or agents of the Association who are not Officers or Directors of the Association with such scope and effect as determined by the Board of Directors, or such committee.

Section 3. Indemnification to Others.

The Association may indemnify any person to whom the Association is permitted by applicable law to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the New York Not-For-Profit Corporation Law or other rights created by (i) a resolution of the Members, (ii) a resolution of Directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

Section 4. Other Rights.

The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in advance of its final disposition

authorized by this Article XV shall not be exclusive of nor limit any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of Members or disinterested Directors or otherwise.

Nothing contained in this provision shall limit any right to indemnification to which any Director or any Officer may be entitled to contract or under any law now or hereinafter enacted.

ARTICLE XVI. RULES AND REGULATIONS

The use of a Home or Unit by a Member or other occupant shall be subject to the provisions of the Rules and Regulations of the Association attached to the Declaration of Covenants and Restrictions as Exhibit "C" as they may be added to, amended, repealed, revised, modified or promulgated by the Board of Directors.

In the event it becomes necessary for Developer or the Board of Directors of the Association to enforce any provisions of this Declaration, the By-Laws or Rules or Regulations against a Homeowner, Unit Owner tenant, licensee, guest or occupant, such Homeowner, Unit Owner tenant, licensee, guest, or occupant will be required to reimburse the Developer or the Board of Directors of the Association for any costs incurred in connection herewith, including reasonable attorneys fees, interest and costs of suit. The Homeowner or Unit Owner shall at all times be and remain responsible for the Homeowners' or Unit Owner's tenants', guests' licensees', or occupants' actions or omissions.

ARTICLE XVII. GENERAL PROVISIONS

Section 1. Fiscal Year.

The fiscal year of the Association shall be fixed by resolution of the Board of Directors and unless otherwise specified shall be based on the calendar year.

Section 2. Seal.

The Association seal shall have inscribed thereon the name of the Association and the year of its incorporation under the laws of the State of New York. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 3. Design Committee/Design Guidelines

The Association shall establish a Design Review Committee, which will be responsible for the establishment and administration of Design Guidelines as contained in Exhibit "D" of the Declaration of Covenants and Restriction to facilitate the purposes and intent of the overall appearance of the Community. The Committee may amend, repeal and augment the Design Guidelines from time to time, in the Committee's sole discretion. The Design Guidelines will be binding on the Homes of the Class A Members and the Board of Managers of the Condominiums subject to the Declaration of

Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions and all other persons governed by the Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions.

Section 4. Examination of Books and Records.

Every Homeowner or Unit Owner or the Homeowner or Unit Owner's representative and mortgagee shall be entitled to examine the books and records of the Association at such location determined by the Board of Directors, on reasonable notice to the Board of Directors and at convenient hours on weekdays (except legal holidays) but not more often than once a month. Said hours are to be determined by the Board of Directors or Managing Agent.

Section 5. Construction.

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

In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate shall control; and in the case of any conflict between the Declaration of Covenants and Restrictions and these By-Laws, the Declaration of Covenants and Restrictions shall control.

Section 6. Severability.

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

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

DECLARANT: **SILO RIDGE VENTURES PROPERTY A LLC**

DATE OF DECLARATION OF COVENANTS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS:

Record and Return to:

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Developer
90 Merrick Avenue, 9th Floor
East Meadow, New York 11554

TABLE OF CONTENTS

	<u>Page</u>
<u>ARTICLE I.</u>	<u>DEFINITIONS</u>..... 2
<u>ARTICLE II.</u>	<u>PROPERTY SUBJECT TO THIS DECLARATION OF COVENANTS AND RESTRICTIONS</u> 6
<u>Section 1.</u>	<u>Properties</u> 6
<u>Section 2.</u>	<u>Additions to the Properties</u> 6
<u>ARTICLE III.</u>	<u>MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION</u> 8
<u>Section 1.</u>	<u>Membership</u> 8
<u>Section 2.</u>	<u>Voting Rights</u> 8
<u>Section 3.</u>	<u>Transfer of Membership</u> 8
<u>ARTICLE IV.</u>	<u>PROPERTY RIGHTS IN THE PROPERTIES</u>..... 9
<u>Section 1.</u>	<u>Members' Easement of Enjoyment</u> 9
<u>Section 2.</u>	<u>Title to Common Areas</u> 9
<u>Section 3.</u>	<u>Additions to Common Area</u> 9
<u>Section 4.</u>	<u>Disrepair of Homes</u> 9
<u>Section 5.</u>	<u>Club Property</u> 10
<u>ARTICLE V.</u>	<u>DEVELOPMENT OF PHASE I AND SUBSEQUENT PHASES</u> 10
<u>Section 1.</u>	<u>Phase I</u> 10
<u>Section 2.</u>	<u>Subsequent Phases</u> 10
<u>ARTICLE VI.</u>	<u>EASEMENTS</u> 11
<u>Section 1.</u>	<u>General Easements</u> 11
<u>Section 2.</u>	<u>Reservation of Easements to Developer</u> 14
<u>Section 3.</u>	<u>Easement for Emergency Access</u> 16
<u>Section 4.</u>	<u>Vehicular Rights of Access in Favor of the Declarant</u> 16
<u>Section 5.</u>	<u>Rights of Access in Favor of the Association</u> 16
<u>Section 6.</u>	<u>Encroachments on Common Area</u> 17
<u>Section 7.</u>	<u>Easement for Signs</u> 17
<u>Section 8.</u>	<u>Easement for Club Property Owner</u> 18
<u>Section 9.</u>	<u>Restriction of Class A Members</u> 18
<u>Section 10.</u>	<u>Future Easements</u> 18
<u>Section 11.</u>	<u>Public Easements</u> 19
<u>ARTICLE VII.</u>	<u>MAINTENANCE AND OTHER OBLIGATIONS</u> 19
<u>Section 1.</u>	<u>General</u> 19
<u>Section 2.</u>	<u>Class A Member's Maintenance Obligations</u> 20
<u>Section 3.</u>	<u>Disrepair of Class A Members Homes</u> 20
<u>Section 4.</u>	<u>Class B Members</u> 21
<u>ARTICLE VIII.</u>	<u>COVENANT FOR ASSOCIATION MAINTENANCE CHARGES</u> 21
<u>Section 1.</u>	<u>Creation of the Lien and Personal Obligation</u> 21
<u>Section 2.</u>	<u>Purpose of the Assessment</u> 21

<u>Section 3.</u>	<u>Common Expenses</u>	21
<u>Section 4.</u>	<u>Due Dates; Duties of the Board of Directors</u>	23
<u>Section 5.</u>	Effect of Non-Payment of Maintenance Charges, The Personal Obligation of the Member; The Lien, Remedies of the Association.	23
<u>ARTICLE IX.</u>	<u>DESIGN REVIEW COMMITTEE</u>	25
<u>ARTICLE X.</u>	<u>INSURANCE</u>	25
<u>Section 1.</u>	<u>Common Areas</u>	25
<u>Section 2.</u>	<u>Class A Member’s Homes</u>	26
<u>Section 3.</u>	Repair or Reconstruction of Common Area after Fire or Other Casualty.....	28
<u>Section 4.</u>	<u>Right to Convert to Common Expense</u>	28
<u>Section 5.</u>	<u>Class B Members</u>	28
<u>ARTICLE XI.</u>	<u>USE OF PROPERTY/RULES AND REGULATIONS</u>	29
<u>ARTICLE XII.</u>	<u>GENERAL PROVISIONS</u>	29
<u>Section 1.</u>	<u>Beneficiaries of Easements, Rights and Privileges</u>	29
<u>Section 2.</u>	<u>Duration and Amendment</u>	29
<u>Section 3.</u>	<u>Disposition of Assets Upon Dissolution of Association</u>	32
<u>Section 4.</u>	<u>Notices</u>	33
<u>Section 5.</u>	<u>Administration</u>	33
<u>Section 6.</u>	<u>Severability</u>	33
<u>Section 7.</u>	<u>Special Rights of Developer</u>	33
<u>Section 8.</u>	<u>Town of Amenia Requirements</u>	34
<u>Section 9.</u>	<u>Club Responsibilities</u>	35
<u>ARTICLE XIII.</u>	<u>GENERAL</u>	36

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

Declaration of Covenants and Restrictions made as of this ____ day of _____, 20____, by Silo Ridge Ventures Property A LLC, a Delaware limited liability company with offices at 14605 North 73rd Street, Scottsdale, Arizona 85260, hereinafter referred to as “Developer” or “Declarant” or “Sponsor”.

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration of Covenants and Restrictions which Developer desires to develop as a residential community including single family detached Homes and/or Townhouses on an individual Lot, Condominium Units in multiple Condominium developments or other permitted residential developments or any mixture thereto with various common facilities for the benefit of said Community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said Community and for the maintenance of said common facilities; and, to this end, desires to subject the real property described in Article II to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said Community and each Homeowner and Unit 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 should be delegated and assigned the powers of maintaining and administering the Community property and improvements and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated Silo Ridge Homeowners Association, Inc. under the Not-For-Profit Corporation Law of the State of New York for the purpose of exercising the aforesaid functions.

NOW THEREFORE, the Developer, for itself and any Successor Developer declares that the real property described in Article II 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

The following words when used in this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions shall, unless the context otherwise prohibits, have the meanings set forth below:

1. “Association” – Silo Ridge Homeowners Association, Inc., a Not-for-Profit Corporation organized to own and maintain certain Association Common Area Facilities.
2. “Common Area” or “Association Common Properties” - The land and improvements which are to be conveyed to the Association for the common use, benefit and enjoyment of the Members and such other persons as may be permitted to use the Common Area under the terms of this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions.
3. “Association Common Expenses” or “Common Expenses” – The Common Expenses of the operation of the Association.
4. “Association Maintenance Charges” or “Maintenance Charges” - Each Member’s proportionate share of the Common Expenses of the Association.
5. “Association Reserve Fund” - Funds of the Association held in an account that is to be used by the Board of Directors for capital improvements of the Common Area owned by the Association.
6. “Board of Directors” - The governing body of the Homeowners Association responsible for its affairs.
7. “Board of Managers” - The governing body of each Condominium regime that is subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions and which is responsible for the Condominium’s affairs, if not delegated to the Board of Directors of the Association.
8. “Building” – A structure containing two (2) or more Units in a Condominium regime subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions.
9. “By-Laws” - The documents governing the operation of the Association.
10. "Certificate" or "Certificate of Incorporation". The certificate of incorporation of the Silo Ridge Homeowners Association, Inc., which has been filed with the Secretary of State of the State of New York, as such certificate may be amended from time to time.

11. "Class A Member" – Each Homeowner of a detached single family Home and/or Townhouse on an individual Lot in the Community.
12. "Class B Member" – Each Condominium Unit Owner of a Unit in a Condominium that is subject to this Declaration and any Supplemental Declaration.
13. "Club" - Silo Ridge Golf and Membership Club, Inc., a New York not-for-profit corporation, which shall own and operate the Club Property. The Club will be privately owned and the Association may not have any impact on its daily operations.
14. "Club Property". The real property owned by the Club or its successors or assigns plus all of the recreational and social facilities constructed thereon, which will be operated by the Club or its successors or assigns and commonly known as the Silo Ridge Golf & Membership Club, including without limitation, the golf course, the golf clubhouse, golf practice facilities, and any other recreational, social or other facilities offered by the Club. THE CLUB PROPERTY IS NOT SUBJECT TO THIS DECLARATION OF COVENANTS AND RESTRICTIONS AND IS NOT COMMON AREA of the Association.
15. "Community", "Development" or "Properties" - As used herein includes Silo Ridge Condominium I, Silo Ridge Homeowners Association and all Subsequent Phases that are or become subject to this Declaration of Covenants and Restrictions.
16. "Condominium" – Any condominium regime that is subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions and may consist of residential, hotel and club types of Condominiums.
17. "Condominium Common Charges" - Each Condominium Unit Owner's proportionate share of the common expenses of each Condominium that is subject to this Declaration of Covenants and Restrictions in accordance with its Common Interest in the Condominium.
18. "Condominium Documents" – The Declaration of Condominium, Condominium By-Laws, Rules and Regulations, As-Built floor plans and Unit Designation Map of any Condominium subject to the Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions.
19. "Silo Ridge Condominium I" or "Condominium I" – Silo Ridge Condominium I which will contain the 20 Units and the Common Elements in that Condominium.

20. "Declaration of Condominium" - The instrument by which each Condominium that is subject to this Declaration of Covenants and Restrictions is submitted to the provisions of the Condominium Act, and such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.
21. "Declaration of Covenants, Restrictions, Easements, Charges and Liens" or "Declaration of Covenants and Restrictions" - The instrument to be recorded among the land records of the County Clerk of Dutchess County, New York which will encumber Silo Ridge Condominium I, the Class A Members Homes and Lots, the Common Area of the Association and which may be amended to include any Subsequent Phase property if not encumbered upon the initial recording of this Declaration of Covenants and Restrictions and as said document may from time to time be further amended.
22. "Design Guidelines" – The guidelines and rules published and amended and supplemented from time to time by the Design Review Committee.
23. "Design Review Committee" or "Committee" – The committee formed pursuant to Article IX to maintain the quality and architectural harmony of improvements in the Development.
24. "Director" – One (1) of the individual representatives of the Board of Directors of Silo Ridge Homeowners Association.
25. "Home" or "Homes" - All units of residential housing situated upon the Properties consisting of the Class A Members single family detached Homes and/or Townhouses located on an individual Lot and Residential Units within each residential Condominium regime subject to this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions.
26. "Homeowner" - The Owner of each Home that is subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions.
27. "Hotel Unit" - A condominium unit as defined in Article 9-B of Real Property Law of the State of New York that is located in a Hotel Condominium regime that is subject to this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions.
28. "Hotel Unit Owner" - The owner of each Hotel Unit in a Hotel Condominium that is subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions.

29. "Hotel Condominium" - A condominium that is to utilized as a hotel.
30. "Lot" – Any plot, piece or parcel of land intended for single family detached residential use shown on the overall site plan of the Properties as it may be revised. A Lot shall not include the Common Area of the Association.
31. "Member" - Each holder of a membership interest in the Association as set forth in the Declaration of Covenants and Restrictions.
32. "Phase I" - The portion of the Community which will include the twenty (20) Class B Members and Condominium residential Units in a Condominium to be known as Silo Ridge Condominium I and the eighty seven (87) Class A Members and Homes including single family homes, townhomes and estate homes as shown on the site plan for the overall development and the Common Area of the Association located thereon.
33. "Properties" – All properties currently or subsequently subject to this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions as described in Article II of the Declaration of Covenants and Restrictions.
34. "Rules and Regulations" – The Rules and Regulations referred to in Article ___ of this Declaration of Covenants and Restrictions and attached to as Exhibit C of the Declaration of Covenants and Restrictions, as they may be amended, modified, added to or repealed by the Board of Directors as provided for in Article ___, Section __.
35. "Special Assessment" – A Common Expense of the Association that is not included in the monthly Association Maintenance Charges.
36. "Sponsor" or "Developer" or "Declarant" – Silo Ridge Ventures Property A LLC, a Delaware limited liability company, with an address at 14605 North 73rd Street, Scottsdale, Arizona 85260, and its successors, assignees and designees. ‘
37. "Subsequent Phases" - The portion of the Community upon which the Developer has the right to construct additional Communities consisting of single family detached Homes and/or Townhouses or Units, residential Condominiums, a Hotel Condominium and a Condominium that includes residential and non-residential units. The overall Community will include a maximum of 245 Units and Homes together unless the Town of Amenia permits additional Homes or Units to be included in the Community. Each Subsequent Phase will be referred to in sequential order (i.e. Phase 2, 3, 4 etc.). Each Subsequent Phase will also include any Homeowners Association Common Area located therein that has not previously been conveyed to the Association.

38. "Successor Developer, Declarant or Sponsor" - Any party or entity to whom Developer assigns any or all of its rights, obligations or interest as Developer in one (1) or more of the Communities that are subject to this Declaration or Supplemental Declaration, as permitted herein. Upon such assignment of Developer's rights, obligations or interest, Developer's rights and obligations under the Declaration as to the Community or Communities that have been assigned will cease and terminate to the extent provided in such assignment, and all such rights and obligations shall be transferred to and assumed by the Successor Developer to the extent provided in such document.
39. "Supplemental Declaration of Covenants and Restrictions" – The Supplemental Declaration of Covenants and Restrictions of Covenants, Restrictions, Easements, Charges and Liens which is to be recorded in the Dutchess County Clerk's Office in order to bring any Subsequent Phase within the scheme of the Declaration of Covenants and Restrictions pursuant to Article II, Section 2.
40. "Unit"- A Condominium Unit as defined in Article 9-B of the Real Property Law of the State of New York and may include residential units, hotel units, club units and any other type of non-residential units.
41. "Unit Owner"- The owner of a Unit in a Condominium subject to this Declaration of Covenants and Restrictions.
42. "Unsold or Untitled Unit" – Any Unit in the Community that is subject to the Declaration of Covenants and Restrictions in which title is retained by the Developer and any Successors Developer until such time as the same has been sold and title conveyed to a third party. It shall not include a Home or Unit which is used for personal occupancy of the Developer, any of its principals or any Successor Developers or their principals.

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION OF COVENANTS AND RESTRICTIONS

Section 1. Properties.

The real property which is subject to this Declaration of Covenants and Restrictions is all those plots, pieces or parcels of land situate, lying and being in the Town of Amenia, County of Dutchess and State of New York, being more particularly bounded and described in Exhibit "A" annexed hereto.

Section 2. Additions to the Properties.

The Developer shall have the right, at its sole option, to annex and bring within the scheme of this Declaration of Covenants and Restrictions all or any portion of the Properties located in Subsequent Phases in whatever order Developer desires, in any

configuration, in future stages of development so that such property shall become subject to the terms and conditions of this Declaration of Covenants and Restrictions.

The Developer or any Successor Developer shall not be obligated to bring the proposed additional property within the scheme of this Declaration of Covenants and Restrictions.

The additions authorized under this subsection shall be made by the Developer prior to the conveyance or lease of any Home or Unit within each Subsequent Phase, without the consent of the Association, its Members or any mortgagees, by the recording in the Dutchess County Clerk's Office of a Supplemental Declaration of Covenants and Restrictions of Covenants, Restrictions, Easements, Charges and Liens with respect to each Subsequent Phase, which shall extend the scheme of the covenants, restrictions, easements, charges and liens of this Declaration of Covenants and Restrictions to such additional Properties and Subsequent Phases.

Subject to any municipal approvals and applicable zoning, the Developer shall be permitted to construct any legally permissible type of residential, mixed use, hotel and non-residential community, model type or model mix it so determines in each Subsequent Phase brought within the scheme of this Declaration of Covenants and Restrictions.

Such Supplemental Declaration of Covenants and Restrictions may contain such complimentary additions and modifications of this Declaration of Covenants and Restrictions as may be necessary to reflect the different character, if any, of the added property. Each such Supplemental Declaration of Covenants and Restrictions may revoke, modify or add to the Covenants, Restrictions, Easements, Charges and Liens establishing this Declaration of Covenants and Restrictions within the Properties as is necessary to reflect the different character of the added property.

Upon the filing of a Supplemental Declaration of Covenants and Restrictions and conveyance of a Home or Unit in each Subsequent Phase, the Homeowner or Unit Owner of any such Home or Unit shall become either a Class A or Class B Member of the Association.

In the event Developer elects not to bring any portion of any Subsequent Phase into the Association, the Developer, as well as any Successor Developer of said parcels regardless of whether or not they are a successor, assign or designee of Developer, may still use the roadways in the Development for ingress and egress to such adjacent parcels and tie into any sewer, storm water management, drainage, water and utility lines and facilities in the Development provided the owners of the adjacent parcel pay their pro rata share for maintenance of the roadways and other facilities being utilized by such adjacent parcel.

The provisions of this Article II, Section 2 may not be amended without the written consent of Developer or any Successor Developer.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership.

The Association will have two (2) classes of Membership as follows:

Class A Member – Each Homeowner of a detached single family Home and/or Townhouse on an individual Lot in the Community.

Class B Member – Each Unit Owner of a Unit in a Condominium that is subject to this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions.

Section 2. Voting Rights.

Each Member is entitled to one (1) vote regardless of the number of Homes, Units or Unsold Homes or Unsold Units owned by a Member except as provided for in the election of Directors as described in Article VIII, Section 2 of the By-Laws. When more than one person or entity holds such interest in the membership, the one (1) vote attributable to such membership shall be exercised as such persons mutually determine but not more than one (1) vote may be cast with respect to any such Member. No Member shall split or divide its votes on any motion, resolution or ballot. For the purposes of this section the Developer shall have one (1) vote for all Unsold Homes or Unsold Units for the Members subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions that the Developer retains.

Section 3. Transfer of Membership.

Membership in the Association shall be appurtenant to, and may not be transferred, except in conjunction with the lawful sale or conveyance of a Home or Unit which is subject to this Declaration of Covenants and Restrictions. No Homeowner or Unit Owner shall be permitted to sell or convey the Homeowner's Home or Unit Owner's Unit unless and until the Homeowner or Unit Owner shall have paid in full to the Board of Directors all unpaid Association Maintenance Charges, Special Assessments and other amounts required by the Board of Directors to be paid and assessed by the Board of Directors against such Home or Unit. Upon such sale or conveyance, the seller of such Home or Unit shall relinquish the Homeowner's or Unit Owner's membership in the Association and the purchaser of such Home or Unit shall automatically become a Class A or Class B Member, subject to this Declaration of Covenants and Restrictions, the By-Laws and the Rules and Regulations.

ARTICLE IV. PROPERTY RIGHTS IN THE PROPERTIES

Section 1. Members' Easement of Enjoyment.

Subject to the provisions of Section 5, every Member and its lessees, licensees and occupants of Homes or Units, and their respective family members and guests shall have a right and easement of enjoyment in and to the Properties encumbered by this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions and such easement shall be appurtenant to and shall pass with the title to every Home or Unit.

Except as otherwise specifically provided in this Declaration of Covenants and Restrictions, the By-Laws or the Rules and Regulations promulgated by the Board of Directors, the Board of Directors may not impose any limitations upon the use of the Common Areas by Members and lessees and occupants of Homes or Units, and their respective family members.

Section 2. Title to Common Areas

Prior to conveyance of title to the first Home or Unit on the Properties, the Developer shall convey to the Association legal title to the Common Area subject, however, to the following covenant which shall be deemed to run with the land and shall be binding upon the Properties and the Association, its successors and assigns:

In order to preserve and enhance the property values and amenities of the Development and Properties, the Common Areas shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards.

Section 3. Additions to Common Area

In the event Developer exercises the option set forth in Article II, Section 2 of this Declaration of Covenants and Restrictions to bring Subsequent Phases within the scheme of this Declaration of Covenants and Restrictions, it shall also have the right but not the obligation to construct additional Common Area improvements where it is so desired and to convey such land and facilities to the Association.

Section 4. Disrepair of Homes

In the event a Class A Member of any Home on the Properties shall fail to repair and/or maintain the Home and Lot and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, including but not limited to the situation where such maintenance and/or repair functions are not otherwise directed by the provisions of this Declaration of Covenants and Restrictions to be performed by the Association, upon direction of the Board of Directors, it shall have the right, through its agents and employees, upon ten (10) days written notice or written or oral notice of a shorter duration in the event of an emergency situation to enter upon the Home and Lot

and to repair, maintain and restore the Home, Lot and any other improvements erected thereon or to take whatever legal action it may deem necessary. The cost of such maintenance and/or repair shall be added to and become part of the Association Maintenance Charges to which such Home is subject. In the event the Homeowner fails to make prompt payment of additional Association Maintenance Charges for the cost of such maintenance and/or repair, the Board of Directors shall be entitled to bring suit thereon and, in such event, the Homeowner shall be liable for reasonable attorneys' fees and the cost of such suit or proceeding together with interest on all sums due.

Section 5. **Club Property**

The Club Property and facilities located thereon will be privately owned and operated by the Club and are not a part of the Common Area hereunder. The Members of the Association are not guaranteed any membership and/or any of the rights in the Club Property and/or any facilities located thereon that are associated with such membership.

The Association shall not be permitted to make any decisions on the overall Properties that will have any impact on the operation, repair, maintenance and/or replacement of the Club Property or any of the facilities located thereon.

ARTICLE V. **DEVELOPMENT OF PHASE I AND SUBSEQUENT PHASES**

Section 1. **Phase I.**

The portion of the Properties in which the Developer intends to build a total of one hundred and seven (107) units of residential homes including the twenty (20) Class B Members and Condominium residential Units in a Condominium to be known as Silo Ridge Condominium I and the eighty seven (87) Class A Members and Homes including single family homes, townhomes and estate homes as shown on the site plan for the overall development.

Section 2. **Subsequent Phases.**

The portion of the Community upon which the Developer has the right to construct additional Communities consisting of single family detached Homes, residential Condominiums, a Hotel Condominium and a Condominium that includes residential and non-residential units. The overall Community will include a maximum of 245 Units and Homes together unless the Town of Amenia permits additional Homes or Units to be included in the Community. Each Subsequent Phase will be referred to in sequential order (i.e. Phase 2, 3, 4 etc.). Each Subsequent Phase will also include any Homeowners Association Common Area located therein that has not previously been conveyed to the Association.

ARTICLE VI. EASEMENTS

Section 1. General Easements.

The following easements, licenses, rights, privileges and obligations shall benefit and burden the Properties, the Developer, the Association and all Homeowners and Unit Owners of Homes and Units subject to this Declaration of Covenants and Restrictions and their occupants, residents, family members, tenants, licensees, guests and employees:

- (a) Right-of-way for ingress and egress by vehicles or on foot, in, through, over, under, upon and across the streets, roads, and all walks in the Properties for all purposes.
- (b) Rights to connect with maintain and make use of common utility lines, wires, pipes, conduits, cable television lines, sewers, storm water management, and drainage lines and facilities which may from time to time be in or along the streets and roads or other areas of the Properties, in such locations and subject to such requirements as shall be prescribed from time to time by the Association and the utility providers.
- (c) The right of the Board of Directors to promulgate Rules and Regulations for the use and enjoyment and operation and management of the Common Area and Development as provided in the Rules and Regulations of the Association.
- (d) The right of the Board of Directors, as provided in its By-Laws to suspend the enjoyment rights of any Member for a period during which any Association Maintenance Charge are delinquent. Notwithstanding this provision the Board of Directors shall not be permitted to prohibit ingress and egress in, over and through the Properties to prohibit access to a Home or Unit by a Homeowner or Unit Owner and the Homeowner's or Unit Owner's occupants, family members, residents, tenants, licenses, guests, employees and/or any person needing access to a Home or Unit located thereon.
- (e) The obligation of every Member to abide by the terms of the By-Laws and the Rules and Regulations promulgated by the Board of Directors regarding the Properties and Common Area.
- (f) The right of the respective utility company, sewage works corporation, and water works corporation, to enter upon and through the Properties for the purpose of installation, maintenance and inspection of facilities, lines and appurtenances for water,

sewer, storm water management, drainage, cable television, electric, gas and any other utilities.

- (g) The right of the Association and any utility company, sewage works corporation, and water works corporation to enter upon and through the Properties for the purpose of reading any electric, gas, water or other utility meter.
- (h) The right of the Developer and the Board of Directors of the Association to grant such additional electric, gas, water, sewer, storm water management, drainage, cable or other utility easements or to relocate any existing utility easement in any portion of the Development as the Board of Directors of the Association shall deem necessary or desirable for the proper operation and maintenance of the Association, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Home or Unit located thereon for its permitted purposes. Any utility company, sewage works corporation, and water works corporation and their employees and agents shall have the right of access to any Home located thereon and/or other areas of the Properties in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Home or Unit located thereon for its permitted purposes by the Homeowner or Unit Owner and the Homeowner's or Unit Owner's occupants, residents, and family members and any Homeowner's or Unit Owner's tenants or licensees and their respective family members.
- (i) The Board of Directors, Managing Agent, if any, manager or employee of the Association and any other person authorized by any of the foregoing, shall have, and the Properties shall be subject to, an easement in, to and through the Properties or any portion thereof in favor of the foregoing persons, (i) to operate, maintain, repair, alter, rebuild, restore and replace the Common Area including, without limitation, the maintenance of any sign identifying the Association located at the entrance thereto and any advertising and/or directional signs and (ii) to perform any of their respective duties in accordance with this Declaration of Covenants and Restrictions By-Laws and/or the Rules and Regulations of the Association.
- (j) Each Homeowner and Unit Owner hereby grants a right of access to the Developer to the Homeowner's Home and Lot and the Unit Owner's Unit or their designee, assignee and/or successor and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being

performed or to be performed by or on behalf of Developer with respect to any Homes, Units, the Common Area and common elements of each Condominium or other legally permissible community that is subject to this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions.

- (k) Any easements granted to the Developer, the Board of Directors of the Association, or any Homeowner under this Declaration of Covenants and Restrictions and the By-Laws may be exercised by the employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, members, and visitors, of the Developer Association or Homeowner as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Developer, Homeowner or the Board of Directors of the Association.
- (l) Any easements shown on the site plan(s) of the Community approved under the Town Approvals (as hereinafter defined in Article XII, Section 8 of this Declaration of Covenants and Restrictions), any Condominium unit designation map, and/or any subdivisions map(s) of the Properties filed in the Dutchess County Clerk's office.
- (m) Any declaration, covenants, restrictions, easements and/or rights of way recorded or to be recorded in the Dutchess County Clerk's office applicable to this Development, including without limitation, the following:
 - (1) Water Easement Agreement between Developer and [the water works corporation to be formed], dated _____;
 - (2) Sewer Easement Agreement between Developer and [the sewage works corporation to be formed], dated _____;
 - (3) Storm Water Management Facilities Easement Agreement between Developer and the Town of Amenia, dated _____;
- (n) The right of the Board of Directors to dedicate or transfer all or any part of the Common Area to any public agency, authority, utility, sewage works corporation, or water works corporation for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members and their mortgagees entitled to cast fifty-one (51%) percent of the eligible votes has been recorded agreeing to such dedication,

transfer, purpose or condition and unless written notice of the action is sent to every Member at least ninety (90) days in advance of any action taken.

- (o) The terms of the By-Laws and any Rules and Regulations promulgated by the Board of Directors regarding the Properties.
- (p) The right of the Developer and the Board of Directors to record any declaration, covenants, restrictions, easements, charges, liens and/or rights of way required by the Town of Amenia or other municipality or municipal agency.
- (q) The Conservation Easement granted to Dutchess Land Conservancy, Inc., and dated _____ (the "Conservation Easement").

Section 2. Reservation of Easements to Developer.

- (a) Developer reserves the easements, licenses, rights, privileges and right-of-way in, through, over, under, upon and across all portions of the Properties for the purpose of construction and any required maintenance of the Condominiums, all Buildings, Homes or Units, all infrastructure (including stormwater management and drainage facilities), and any other improvements to be developed in all Phases of the Development. Developer further reserves the easements, licenses, rights, privileges and right-of-way in, through, over, under, upon and across all portions of the Properties for the purpose of construction and any required repair, maintenance or replacement of any other property that is retained by the Developer. Developer reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under, upon and across the Properties, for the purpose of completing all construction and work under Article V of this Declaration of Covenants and Restrictions and the development of all Phases of the Development, if brought within the scheme of this Declaration of Covenants and Restrictions and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over, upon and across the Properties, for the installation, maintenance and inspection of facilities, lines and appurtenances for public or private water, sewer, storm water management, drainage, cable television, electric, gas and other utilities and for any other materials, services of any construction necessary for the completion of the work. Developer also reserves the right to connect with, maintain and make use of the facilities, lines and appurtenances for public or private water, sewer, storm water management, drainage, cable television, electric, gas and other utilities which may from time-to-time be in or along the streets and roads or other areas of the

Properties for all purposes. Developer shall also have a right of ingress and egress to each Home, Lot, Unit and any Building on the Properties for the purpose of connecting with any and all lines, pipes or any other materials or services necessary for any utilities to each Home, Lot, Unit and Building. In addition, Developer, and any Selling Agent retained by Developer, reserves the right to continue to use the Properties and any sales offices, maintenance building, any recreational facilities, model Homes or Units, Unsold Homes or Units, signs, and parking spaces located on the Properties in its efforts to market or lease Homes or Units constructed on the Properties for so long as there are any Unsold Homes or Unsold Units remaining in the Development. Developer further reserves the right to use any facility located in the Properties, as its sales office or business office so long as there are any Unsold Homes or Unsold Units remaining in the Development. Developer further reserves an easement to place signs upon the Properties for any other properties or development the Developer, any Successor Developer may be involved in for as long as the Development is in existence. Developer further reserves the right to maintain upon the Properties such facilities as may be required, convenient or incidental for the completion of its work under Article V of this Declaration of Covenants and Restrictions including, without limitation, a business office, storage area, construction trailers, construction equipment and supplies, for so long as there are any Unsold Homes or Unsold Units remaining in the Development.

- (b) The right of the Developer to use the Properties and any recreational facilities that may be located thereon or to permit the Properties or any recreational facilities to be used by Developer's designee or any prospective purchaser of a Home or Unit or any tenants of Unsold Homes or Unsold Units, without charge, in accordance with and subject to this Declaration of Covenants and Restrictions, the By-Laws and any Rules and Regulations promulgated by the Board of Directors. In addition, Developer shall have the right, at any time when there shall be any Unsold Homes or Unsold Units on the Properties, as well as any Unsold Homes or Unsold Units in any Subsequent Phase should Subsequent Phases be brought within the scheme of this Declaration of Covenants and Restrictions, to use the Properties, and any recreational facilities located on the Properties, without charge, for exhibitions or other promotional functions with respect to Developer's sales programs, in accordance with and subject to this Declaration of Covenants and Restrictions, the By-Laws, and the Rules and Regulations. Developer shall also have the right to operate and utilize as an office any Home, Unit or other facility located in the Community

until such time as the last Home or Unit in the Community is sold and closed by the Developer.

The provisions of Article VI, Section 2 may not be amended without the written consent of the Developer or any Successor Developer.

Section 3. Easement for Emergency Access.

The Properties shall be subject to an easement of ingress and egress over and through the Properties for the benefit of all emergency vehicles and personnel including but not limited to police, fire and medical vehicles and personnel (the "Emergency Access Easement").

Section 4. Vehicular Rights of Access in Favor of the Developer.

The Town shall grant an access easement in favor of the Developer, which shall reserve a vehicle access easement over the portion of the land shown as the "proposed access easement" on the MDP plan titled Silo Ridge Resort Community Overlook Dedication- MDP (the "Access Easement Area"), for access to the property known as 5021 Route 44, and to future Winery Restaurant, and to obligate the Developer and its successors and assigns, including the Association, to at its expense, maintain, and from time to time as necessary, repair and restore, the access driveway, parking area, and other public improvements to be constructed by the Developer on the dedicated land. Notwithstanding the above, the Developer shall not perform any snow and ice removal, except within the Access Easement Area.

Section 5. Rights of Access in Favor of the Association.

Each Homeowner and any Unit Owner shall afford to the Association, any Managing Agent and/or any other person authorized by any of the foregoing a right of access to the Homeowner's Home and Lot and Unit Owner's Unit on reasonable notice at reasonable hours, on any day except Sundays and holidays (except that in an emergency situation such limitations of days and such notice need not be given) for the purposes of: (a) making inspections of, or removing violations noted or issued by any governmental authority against any Home or Lot or Unit; (b) curing defaults hereunder, or violations of any Rules and Regulations promulgated by the Board of Directors and committed by such Homeowner or Unit Owner or tenant, lessee, licensee, employee and or occupant of the Homeowner's Home or Unit Owner's Unit; (c) correcting any conditions originating in or on the Homeowner's Home or Lot or Unit Owner's Unit and threatening another Home, Lot, Unit, the Common Area, the Common Elements of all Condominium regimes or common facilities of any other legally permissible communities subject to and encumbered by this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions,; (d) installing, operating, maintaining, repairing, altering, rebuilding, restoring and/or replacing any mechanical equipment, personal property and fixtures located in, over, under, through adjacent to, or upon a Homeowner's Home, a Unit, any Condominium subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants

and Restrictions that services or is necessary for the operation of the Association including without limitation all systems, apparatus, mechanisms, devices, machinery, motors, pumps, controls, tanks, tank assemblies, installations, shut off valves, other valves, panels, relays, electric distribution facilities, wiring, wireways, switches, circuit breakers, transformers, fittings, lighting fixtures, other fixtures, bulbs, signs, meters, meter assemblies, pipelines, conduits, cables, shafts, pits, traps, fences, storm drains, drains, catch basins and fitters; and (e) for the purposes of performing any work required by the Association under this Declaration of Covenants and Restrictions, any Supplemental Declaration of Covenants and Restrictions or the By-Laws of the Association.

Section 6. **Encroachments on Common Area**

Developer has the right to construct any portion of any roadway, walkway, parking area, driveway, water, sewer, storm water management drainage lines, water, electric, gas and any other utility lines and facilities, meters, sprinkler system, fences, light standards, guardrails, building or any other structure so that they encroach on the Common Area. In the event that any portion of any roadway, walkway, parking area, driveway, water, sewer, storm water management drainage, electric, gas and any other utility lines and facilities, meters, sprinkler system, fences, light standards, guardrails, building, any other structure or any facility required to comply with municipal requirements as originally constructed by Developer encroaches on the Common Area, it shall be deemed that the Association has granted a perpetual easement to the Homeowner, Unit Owner or the Association, as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, driveway, parking area, water, sewer, storm water management, drainage, electric, gas and any other utility lines and facilities, meters, sprinkler system, guardrails, building, structure or any facility required to comply with municipal requirements. The foregoing shall also apply to any replacements of any such roadway, walkway, driveway, parking area, water lines, water, electric, gas and any other utility meters, sewer lines, drainage lines, utility lines, sprinkler system, guardrails, building, structure or any facility required to comply with municipal requirements if same are constructed in substantial conformance to the original. The encroachment for sewer, water, storm water management, drainage and other utility lines and facilities shall also apply to any of the same which may run under or through a Home, a Unit or a Building. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration of Covenants and Restrictions.

Section 7. **Easement for Signs.**

Developer shall have an easement over or to the Common Area as may, at any time, be required without the necessity of the consent of the Board of Directors, or joinder therein, by the Homeowners, Unit Owners or any mortgagee to erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Association, any Condominium subject to this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions, the

Clubhouse, the Clubhouse Facilities, the golf course and any other property, development or community the Developer or any Successor Developer prescribe for the life of the Association.

Section 8. **Easement for Club Property Owner.**

The owner of the Club Property shall have easements, licenses, rights, privileges and a right-of-way for ingress and egress in, through, over, under, upon and across all portions of the Properties for all purposes, including without limitation, for any construction of or repair, maintenance or replacement of or to the Club Property and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over, upon and across the Properties, for the installation, maintenance and inspection of facilities, lines and appurtenances for public or private water, sewer, storm water management, drainage, cable television, electric, gas and other utilities and for any other materials, services of any construction, repair, maintenance and/or replacement to any portion of the Club Property. The Club Property owner also shall have the right to connect with, maintain and make use of the common facilities, lines and appurtenances for public or private water, sewer, storm water management, drainage, cable television, electric, gas and other utilities which may from time-to-time be in or along the streets and roads or other areas of the Properties. The owner of the Club Property and its employees, contractors, sub-contractors, delivery people, service people and any other persons providing any type of service to the Club Property shall have an easement of ingress and egress over the roads and walkways of the Properties for access to the Club Property. In addition all members of the Club and their guests shall have a right of ingress and egress in, over and through the roads and walkways of the Properties for access to the Club Property. The Club Property owner shall be responsible for the conservation, management and operation of the lands subject to the Conservation Easement, and for enforcing the Conservation Easement including but not limited to restricting any encroachment onto said Conservation Easement by the Class A Members and any other Members in the Community for the disposal of yard waste. All such easements, licenses, rights, privileges and rights-of-way are hereinafter collectively referred to as the "Club Easements."

Section 9. **Restriction of Class A Members.**

The Class A Members shall not be permitted to expand their Lot beyond the demarcated areas of the detached single family Home and/or Townhouse and Lot and shall not encroach onto the Conservation Easement nor be permitted to dispose any yard waste emanating from said Home and/or Townhouse and Lot onto the area of the Conservation Easement.

Section 10. **Future Easements.**

Developer shall retain the right, so long as there are any Unsold Homes or Unsold Units on the Properties, to place any easements in, to or under the Properties which Developer shall deem necessary for the health, safety and benefit of the Association and its Members or required by any municipality and/or governmental agency.

The Board of Directors shall retain the right, so long as there are any Unsold Homes or Unsold Units on the Properties, to place any easements in, to or under the Properties which Board of Directors shall deem necessary for the health, safety and benefit of the Association and its Members or required by any municipality and/or governmental agency.

Section 11. **Public Easements.**

The general public shall have an easement in, through, over, under, upon and across any Association Property necessary to provide access to and use of the scenic overlook area (the "Artisan's Park Overlook") located within the Common Area (the "Public Access Easement"). The Public Access Easement shall not be made subordinate to any mortgage or lien now or hereafter encumbering the Properties.

ARTICLE VII. **MAINTENANCE AND OTHER OBLIGATIONS**

Section 1. **General.**

The Association shall be responsible for maintenance, repair and replacement of the Common Area of the Association including but not limited to the following:

- (a) Maintenance, repair and replacement (if necessary) of the Common Area owned by the Association;
- (b) Snow removal for the roadways and walkways that are part of the Common Area of the Association;
- (c) Landscape maintenance of the Common Area;
- (d) Repair, maintenance and replacement (if necessary) of any irrigation system located within the Common Area;
- (e) The payment of any taxes or any other municipal fees on the Common Area (if any) and payment of insurance on the Common Area; and
- (f) Any other Association Common Expenses necessary for the operation, function, health and safety of the Association and its Members.

The Association shall also be responsible to pay all Common Expenses for the above services from the Association Maintenance Charges received from its Members.

Section 2. **Class A Member's Maintenance Obligations.**

Each Class A Member will be solely responsible for the maintenance, repair and replacement of all portions of the Class A Member's Home and Lot, including but not limited to the following:

- (a) Snow removal and maintenance, repair and replacement of any road, driveway, sidewalk, pathway or walkway located within each Class A Member's Lot.
- (b) Maintenance, repair and replacement to all interior and exterior portions of any Class A Member's Home.
- (c) Maintenance, repair and replacement of all interior and exterior portions of the Class A Member's Home and Lot including, but not limited to any patio, balcony, terrace, swimming pool and any free standing structures.
- (d) Maintenance, repair and replacement of all landscaping and any irrigation system on the Class A Member's Lot.
- (e) Maintenance, repair and replacement of all drainage systems located on the Class A Member's Lot.
- (f) Maintenance, repair and replacement to any individual sanitary disposal systems, pipes and wires located on the Class A Member's Lot.
- (g) Maintenance, repair and replacement of any fence located on a Class A Members Lot.

Section 3. **Disrepair of Class A Members Homes**

In the event a Class A Member shall fail to maintain the Class A Member's Home or Lot and any improvements situated thereon in a manner unsatisfactory to the Board of Directors of the Association, including but not limited to the situation where such maintenance, repair and replacement functions are not otherwise directed by the provisions of this Declaration of Covenants and Restrictions to be performed by the Association, upon direction of the Board of Directors, it shall have the right, through its agents and employees to enter upon the Class A Member's Home and Lot and repair, maintain and restore the Home and Lot and any other improvements erected thereon or to take whatever legal action it may deem necessary. The cost of such maintenance, repair and replacement, including any legal fees necessary to enforce the above, shall be added to and become part of the Maintenance Charges of the respective Class A Member.

Section 4. **Class B Members**

Class B Members shall be responsible for the repair, maintenance and replacement of their Unit as provided for in the respective Declaration of Condominium and Condominium By-Laws of the Condominium the Class B Member's Unit is subject to.

ARTICLE VIII. **COVENANT FOR ASSOCIATION MAINTENANCE CHARGES**

Section 1. **Creation of the Lien and Personal Obligation.**

The Developer, for each Unsold Home and Unsold Unit then subject to this Declaration of Covenants and Restrictions owned by it within the Properties, hereby covenants and each Homeowner and Unit Owner of a Home or Unit by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association such Association Maintenance Charges and Special Assessments as are fixed by the Association's Board of Directors and assessed to the Members as hereinafter provided. All Association Maintenance Charges and/or Special Assessments assessed by the Association but unpaid, together with such interest thereon and the cost of collection thereof as is hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Home or Unit owned by such Member against which each such Association Maintenance Charge is made. Each such Association Maintenance Charge and/or Special Assessment together with interest thereon and cost of collection thereof, as hereinafter provided shall be a personal obligation of the person who was the Member who owned such Home or Unit at the time when the Association Maintenance Charges and/or Special Assessments fell due.

Section 2. **Purpose of the Assessment.**

The Association Maintenance Charges and/or Special Assessments levied by the Association shall be used for Common Expenses and for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties as a Development and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area without limiting the foregoing, the obligations contained in Article VII of this Declaration of Covenants and Restrictions.

Section 3. **Common Expenses.**

The Association's Board of Directors 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 Association ("Association Common Expenses") and shall send a copy of the budget and any supplement to the budget to each Member prior to assessing the Members thereon. The Board of Directors shall determine the total amount required, including the operational items such as insurance, repairs, reserves, maintenance and other operating expenses, as well as charges to

cover any deficits from prior years and capital improvements approved by the Board of Directors. The total annual requirements and any supplemental requirements shall be allocated between, assessed to and paid by the Members as follows:

Each Member shall pay a portion of the Association Maintenance Charges, the numerator of which shall be equal to the number of Homes and Units owned by the Member) and the denominator of which shall be equal to the number of Homes or Units in all Phases then subject to this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions, whether or not the Home or Unit has been built. The Developer's obligation for such Association Maintenance Charges on Unsold Homes or Units then subject to this Declaration of Covenants and Restrictions will be limited to the difference between the actual operating costs of the Association, including Reserves, and the Association Maintenance Charges levied on the Members who have Closed Title on their Homes or Units ("Deficiency Contribution") in all Phases then subject to this Declaration of Covenants and Restrictions. At such time as a Supplemental Declaration of Covenants and Restrictions bringing any Subsequent Phase into the Association is recorded in the Dutchess County Clerk's Office the Developer's obligation for such Association Maintenance Charges on Unsold Homes or Units will be limited to the difference between the actual operating costs of the Association, including Reserves, and the Association Maintenance Charges levied on the Members who have closed title to their Home or Unit in those Phases of the Community then subject to this Declaration of Covenants and Restrictions. The Maintenance Charges paid by Members who have closed title to their Home or Unit are to be based on the Common Expense applicable to fully completed improvements whether they are completed or not and any other Common Expenses required by the Association, applicable to Homes or Units and Unsold Homes or Unsold Units, built or un-built, then subject to this Declaration of Covenants and Restrictions ("Full Association Maintenance Charges"). In no event, however, will the Developer be required to make a Deficiency Contribution in an amount greater than it would otherwise be liable for if it were paying Full Association Maintenance Charges on Unsold Homes or Units for the Unsold Homes or Units, built or un-built, in all Phases then subject to this Declaration of Covenants and Restrictions ("Maximum Deficiency Contribution"). In the event the Association Common Expenses exceed the amount contributed by the Members who have closed title to their Home or Unit plus the Maximum Deficiency Contribution from the Developer, the additional Association Maintenance Charges are to be pro-rated equally among the Members who have closed title to their Home or Unit and the Unsold Homes or Unsold Units still owned by the Developer in all Phases then subject to this Declaration of Covenants and Restrictions. The amount of any Deficiency Contribution on the part of the Developer shall not include uncollected Association Maintenance Charges from Members. Surplus funds in the Association budget from prior years, except Reserve Funds, shall first be applied against any Deficiency Contribution of the Developer. Any balance thereafter shall be credited to the contingency line item on the Association budget. The sum due the Association from each individual Member shall constitute an Association Maintenance Charge of the Association and unpaid Association Maintenance Charges shall constitute liens on the individual Homes or Units of each Member and the personal obligation of the Member who owns such Home or Unit subject to foreclosure as hereinafter provided. In the event the monthly Association Maintenance Charges are not sufficient to cover the

Common Expenses of the Association, the Board of Directors will have the right to increase the Association Maintenance Charges or impose a Special Assessment upon the Members.

Section 4. **Due Dates; Duties of the Board of Directors.**

All Association Maintenance Charges shall be payable monthly in advance or in such other manner as may be determined by the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the Association Maintenance Charges against each Member and shall prepare a roster of the Members and Association Maintenance Charges applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member. Upon the written request of a Member or a mortgagee of a Home or Unit owned by such Member, the Board of Directors shall promptly furnish such Member or the mortgagee with a written statement of the unpaid Maintenance Charges due from such Member.

Section 5. **Effect of Non-Payment of Maintenance Charges, The Personal Obligation of the Member; The Lien, Remedies of the Association.**

If an Association Maintenance Charge or any Special Assessment assessed against a Member is not paid on the date when due, as fixed by the Board of Directors, then such Association Maintenance Charge and/or Special Assessment shall become delinquent and the Board of Directors shall notify the Member and may thereafter place a lien on the Home or Unit that is owned by the Member. Such delinquency shall, together with such interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the Member's Home or Unit which shall bind such property in the hands of the Member, the Member's heirs, devisees, personal representatives and/or assigns. Such lien shall have priority over all other liens except: (a) tax or assessment liens on the Home or Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, Village and School District taxing agencies; (b) all sums unpaid on any first mortgage of record encumbering the Home; and (c) all unpaid Condominium Common Charges of any Condominium regime that is subject to this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions. The personal obligation of the Member who was the Member of the Home or the Unit when the Association Maintenance Charge fell due to pay such Association Maintenance Charge, however, shall remain said Member's personal obligation for the statutory period and shall not pass to the Member's successors in title unless expressly assumed by them.

In the event any Member fails to make payment of an Association Maintenance Charge and/or Special Assessment assessed against their Home or Unit when due, the Member shall be obligated to pay (a) a "late charge" of \$.15 for each \$1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board of Directors or by any Managing Agent in any proceeding brought to collect such unpaid Association Maintenance Charge or any Special Assessment

including but not limited to an action to foreclose the lien on such Member's Home or Unit arising from said unpaid Association Maintenance Charge or any Special Assessment in the manner permitted by applicable law and any and all costs associated with the filing of a lien against the Home or Unit.

In addition, in the event of a default in payment of Association Maintenance Charge assessments by any Member, the Board of Directors, at its sole option, may declare the Association Maintenance Charge assessment on said Member's Home or Unit for the balance of the fiscal year immediately due and payable. Prior to making any such Declaration of Covenants and Restrictions following a default, the Board of Directors shall send notice to the delinquent Member and the mortgagee, if any, of such Home or Unit giving the Member and the mortgagee, if any, of such Home or Unit a five (5) day grace period in which to make the late payment.

In addition to the Board of Director's right to bring an action to foreclose a lien on a Member's Home or Unit, the Board of Directors (on behalf of the Members) shall have the right to bring suit to recover a money judgment for unpaid Association Maintenance Charges or any Special Assessment at the option of the Board of Directors, without foreclosing or waiving the lien securing such charges.

All such "late charges", interest and expenses shall be added to and shall constitute additional Association Maintenance Charges or any Special Assessment payable by such Member.

If a Member shall be in default in the payment of the Association Maintenance Charges and/or Special Assessments assessed against such Member's Home or Unit, and fails to cure such default within five (5) days after receipt of written notice from the Board of Directors, the Board of Directors, in its sole discretion, shall have the option to prohibit all privileges of the Association by such Member and any tenant, lessee, licensee or occupant, and the respective family members, guests and invitees of the foregoing, and until such Member is reinstated in good standing in the Association, to take such other legal action as may be permitted by applicable law, this Declaration of Covenants and Restrictions, the Rules and Regulations and the By-Laws. Any Member so in default shall also lose all voting privileges, be ineligible to be considered for membership to the Board of Directors and, if on the Board of Directors, shall be suspended thereto until such time as all Association Maintenance Charges, together with late charges, interest and expenses, if any, are paid to the Association. Notwithstanding, the Board of Directors shall not be permitted to prohibit ingress and egress to the Member's Home or Unit through the Properties.

Notwithstanding any other provision in this Declaration of Covenants and Restrictions or the Association By-Laws any mortgagee of an Institutional Mortgage as defined herein who obtains title to a Home or Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Member's unpaid Association Maintenance Charges and/or Special Assessments accrued before acquisition of the title to the Home or Unit by the mortgagee unless otherwise provided by law. If the Association's lien priority includes costs of collecting

unpaid Association Maintenance Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Association Maintenance Charges and/or Special Assessments. The unpaid balance of such Association Maintenance Charges and/or Special Assessments that may be waived will be charged to all other Members as an Association Common Expense. Upon acquiring title to a Home such holder of an Institutional Mortgage; its successors and assigns shall be liable for all Association Maintenance Charges and Special Assessments due and payable thereafter. The term "Institutional Mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Developer, its successor, designee or assignee to a purchaser of a Home or Unit or in which the Developer, its successor, designee or assignee participates with one of the above.

In the event of a foreclosure sale of a Unit or Home by a mortgagee of the Home or Unit owned by the Member or by the Board of Directors of its lien on any Home or Unit owned by the Member for unpaid Association Maintenance Charges or any Special Assessment, if the net proceeds of the foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred therewith) shall be insufficient for the payment of such Association unpaid Association Maintenance Charges or any Special Assessment, or if a Home or Unit is acquired by a mortgagee or purchaser in foreclosure, the Member who was the owner of such Home or Unit prior to foreclosure sale shall remain liable for the payment of all unpaid Association Maintenance Charges or any Special Assessment which accrued prior to such sale.

ARTICLE IX. DESIGN REVIEW COMMITTEE

The Association shall establish a Design Review Committee, which will be responsible for the establishment and administration of Design Guidelines contained in Exhibit "D" of this Declaration of Covenants and Restrictions to facilitate the purposes and intent of this Declaration of Covenants and Restrictions. The Committee may amend, repeal and augment the Design Guidelines from time to time, in the Committee's sole discretion. The Design Guidelines will be binding on the Homes of the Class A Members, the Units of the Class B Members and the Board of Managers of the Condominiums subject to this Declaration of Covenants and Restrictions and any Supplemental Declaration of Covenants and Restrictions and all other persons governed by this Declaration of Covenants and Restrictions.

ARTICLE X. INSURANCE

Section 1. Common Areas

- (a) The Board of Directors of the Association shall be required to obtain and maintain, to the extent obtainable and to the extent determined by the Board of Directors of the Association to be appropriate, the following insurance: (i) fire insurance with extended coverage, water damage, vandalism and malicious

mischief endorsements, insuring any Building owned by the Association, including contents therein, in an amount equal to the full replacement value of any Building owned by the Association; (ii) workers' compensation and New York State disability benefits insurance for any employees; (iii) fidelity insurance covering all officers, Directors of the Board of Directors and employees of the Association and of the managing agent or agents who handle funds of the Association; (iv) directors' and officers' errors and omissions insurance; and (v) such other insurance as the Board of Directors of the Association may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Maintenance Expense and shall be borne by the Members as part of their Maintenance Charges.

- (b) The Board of Directors of the Association shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Common Areas and in such limits as the Board of Directors of the Association may from time to time determine, covering (i) the Board of Directors of the Association, any managing agent appointed by the Board of Directors of the Association, each Director on the Board of Directors of the Association and each Association Member and any occupant and family member.
- (c) The Board of Directors shall not be prohibited from carrying additional insurance, including insurance required to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies.

Section 2. **Class A Member's Homes**

Each Class A Member shall be required to obtain and maintain adequate insurance of the Class A Member's Home and Lot which shall insure the Home for its full replacement value with no deductions for depreciation against loss by fire or other hazards. Such insurance shall be sufficient to cover the full replacement value, or for necessary repair or reconstruction work and shall be for a policy that insures both the interior and exterior portions of the Home and is issued by an insurance company authorized to do business in the State of New York. Each Class A Member shall be required to provide the Board of Directors of the Association on an annual basis with evidence of insurance coverage on the Class A Member's Home which complies with the provisions of this Section in the form of a Certificate of Insurance Loss Payee clause or other evidence required by the Board of Directors.

A) **Adequate Insurance Not Obtained.**

If the insurance provided under this Section has not otherwise been adequately obtained by a Class A Member, as determined by the Board of Directors of the Association, then the Board of Directors of the Association may obtain such insurance coverage on behalf of the Class A Member. Such insurance shall be sufficient to cover the full replacement cost or necessary repair or reconstruction work. The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support of separately owned Homes. Insurance obtained by the Board of Directors of the Association shall be written in the name of the Association as Trustee for the benefit of the applicable Class A Member or in such other manner as recommended by the Association's insurance agent or insurance company. Premiums for insurance obtained by the Board of Directors of the Association, as provided hereinabove, shall not be a part of the Association Maintenance Charges and/or Common Expense but shall be an individual obligation of the Class A Member who has not obtained adequate insurance for their Home. Such obligation shall be treated as an additional Maintenance Charge obligation of the applicable Class A Member and the Board of Directors of the Association shall have any and all of the rights of collection of such additional Association Maintenance Charge obligation as is afforded to the Association for collection of any delinquent additional Maintenance Charge obligation in this Declaration of Covenants and Restrictions, By-Laws and/or Rules and Regulations of the Association.

B) **Repair or Replacement of Damaged or Destroyed Property.**

Each Class A Member shall be required to reconstruct or repair any Home and any other improvement located on a Lot destroyed by fire or other casualty. The insurance proceeds on policies secured by the Class A Member shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature of an agent duly authorized by the Board of Directors. If no cleanup, repair or rebuilding has been contracted for, or otherwise substantially started by the Class A Member, with the cooperation of the Board of Directors within thirty (30) days of the receipt of the insurance proceeds, the Board of Directors shall itself initiate the cleanup, repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Home or other improvements to the Lot, in a good and workmanlike manner in conformance with the original plans and specifications. The Board of Directors may advertise for sealed bids from any licensed contractors and may then negotiate with said contractors. The contractor or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding. In the event the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions

in a good and workmanlike manner, the Board of Directors shall levy a Special Assessment against the individual Class A Member in whatever amount sufficient to make up the deficiency. Until such time as the Special Assessment is paid, the Board of Directors may borrow funds or impose a Special Assessment against all the Association Members to pay for such reconstruction and cleanup. The cost of such borrowing including interest, legal fees, etc., shall be paid by the Class A Member. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Class A Member and/or Class A Member's mortgagee in such portions as shall be independently determined by those parties. The Board of Directors shall have the right to enter in and on the Lot or Home to effectuate necessary repairs.

Section 3. **Repair or Reconstruction of Common Area after Fire or Other Casualty.**

In the event that the Common Area or any part thereof is damaged or destroyed by fire or other casualty the Board of Directors will arrange for the prompt repair and restoration thereof and the Board of Directors, 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. If the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne equally by all Members as Association Maintenance Charge or shared equally by all Members, except that the amount of any surplus payable to any Member pursuant to this Section 2 shall be lessened by the amount of any unpaid Association Maintenance Charge against such Member.

Section 4. **Right to Convert to Common Expense.**

In the event individual insurance is unavailable for Class A Members' Homes the Board of Directors shall have the right to obtain insurance for the Class A Members' Homes for their full replacement value and charge each Class A Member subject to such insurance each Class A Member a pro-rata share of said cost of the insurance as a Special Assessment of the applicable Class A Members.

Section 5. **Class B Members**

Each Class B Member shall be required to obtain insurance for the Class B Member's Unit as is provided for in each Condominium subject to this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions as provided for in the Condominium Documents the applicable Class B Member's Unit is subject to.

ARTICLE XI. USE OF PROPERTY/RULES AND REGULATIONS

The use of a Home or Unit by a Member or other occupant shall be subject to the provisions of this Declaration of Covenants and Restrictions, the By-Laws and the Rules and Regulations of the Association attached to the Declaration of Covenants and Restrictions as Exhibit "C" as they may be added to, amended, repealed, revised, modified or promulgated by the Board of Directors. and any rules, regulations and provisions in the Declaration of Covenants and Restrictions of Condominium and By-Laws for Silo Ridge Condominium I and any future Condominium or legally permissible residential property that may be located in a Subsequent Phase.

In the event it becomes necessary for Developer or the Board of Directors of the Association to enforce any provisions of this Declaration of Covenants and Restrictions, the By-Laws or Rules or Regulations against a Homeowner, Unit Owner tenant, licensee, guest or occupant, such Homeowner, Unit Owner tenant, licensee, guest, or occupant will be required to reimburse the Developer or the Board of Directors of the Association for any costs incurred in connection herewith, including reasonable attorneys fees, interest and costs of suit. The Homeowner or Unit Owner shall at all times be and remain responsible for the Homeowners' or Unit Owner's tenants', guests' licensees', or occupants' actions or omissions.

ARTICLE XII. GENERAL PROVISIONS

Section 1. Beneficiaries of Easements, Rights and Privileges.

Except for (a) the Public Access Easement and Emergency Access Easement, which shall be for the benefit of the general public, including, without limitation, the Town of Amenia and other emergency service providers, and (b) the Club Easements, which shall be for the benefit of the Club, the easements, licenses, rights or privileges established, created and granted by this Declaration of Covenants and Restrictions shall be for the benefit of and restricted solely to, the Developer, the Association, the single family detached Homes and/or Townhouses, the Units, all Condominiums or other legally permissible residential developments subject to and encumbered by this Declaration of Covenants and Restrictions, and the Homeowners of Homes, Unit Owners of Units and Unsold Homes or Unsold Units constructed on the Properties; and any Homeowner or Unit Owner may also grant the benefit of such easement, license, right or privilege to the Homeowner's or Unit Owner's tenants, licensees, guests, occupants and their immediate families for the duration of their tenancies, licenses, or visits, subject to the Rules and Regulations of the Board of Directors, but the same is not intended nor shall it be construed as creating any rights in or for the benefit of the general public.

Section 2. Duration and Amendment.

The covenants and restrictions of this Declaration of Covenants and Restrictions shall run with, and bind the land, and shall inure to the benefit of, and be enforceable by the Association, any Member, or the Homeowner or Unit Owner of any land subject to this Declaration of Covenants and Restrictions, their respective legal representatives,

heirs, successors and assigns, until December 31, 2111, unless otherwise expressly limited herein, after which time, said covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by sixty six and two thirds (66 $\frac{2}{3}$ %) percent of the Members, then subject to this Declaration of Covenants and Restrictions, has been recorded, agreeing to change said covenants and restrictions in whole or in part. Notwithstanding the foregoing, the easements, licenses, rights and privileges established and created with respect to the Properties by Section 1 of Article IV shall be perpetual, run with the land, and shall survive any destruction, reconstruction and relocation of the physical structure, unless said provision is abrogated by the unanimous written consent of all the Members.

Unless specifically prohibited or different requirements are provided herein, this Declaration of Covenants and Restrictions may be amended by an instrument signed by Members holding not less than sixty-six and two-thirds (66 $\frac{2}{3}$ %) percent of the then existing membership, subject to the following:

- (a) The Board of Directors shall have the right to amend, modify, add or repeal the Rules and Regulations as contained in Exhibit "C" of this Declaration of Covenants and Restrictions.
- (b) No amendment, modification, addition or deletion of, to or from this Declaration of Covenants and Restrictions, the By-Laws or any Rules and Regulations of the Association shall be effective in any way against Developer or any Successor Developer or any Unsold Home or Unsold Unit, as long as the Developer, any Successor Developer owns an Unsold Home or Unsold Unit on the Properties, without Developer's or Successor Developer's prior written consent.
- (c) No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.
- (d) The Board of Directors shall have the right to amend this Declaration of Covenants and Restrictions without the vote or consent of the Homeowners or the holders of any Home mortgages and to execute and record in the Dutchess County Clerk's Office such amendment as may be required to reflect (i) changes in this Declaration of Covenants and Restrictions that are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections.
- (e) Developer or any Successor Developer shall have the right to amend, modify, add to or delete from this Declaration of Covenants and Restrictions at any time without the requirement of obtaining the approval, consent or signature of the Board of Directors or any Members for the purpose of making additions or

any other changes as a result of the addition of any of the Properties provided for in Article II, Section 2 of this Declaration of Covenants and Restrictions. Such amendment, modification, addition or deletion of, to or from this Declaration of Covenants and Restrictions, duly executed, in form for recording shall be recorded by Developer, any Successor Developer against the Properties and theretofore subject to this Declaration of Covenants and Restrictions.

- (f) In the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Members' Homes or Units that are subject to first mortgages. A change to any of the following would be considered as material if different than provided for in this Declaration of Covenants and Restrictions: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of the Common Area or any common areas of any other legally permissible residential community; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Homes or Units contained in Article XIV of the By-Laws of the Association; imposition of any restrictions on a Homeowner's or Unit Owner's right to sell or transfer the Homeowner's Home or Unit Owner's Unit; a decision by the Association to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to this Declaration of Covenants and Restrictions shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Association a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment. There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Members was made at a duly called meeting and that the requisite voting percentage was obtained. After the sixty (60) day period such presumption will be deemed conclusive.

- (g) The Developer, any Successor Developer reserves the right, without vote or consent of the Homeowners, Unit Owners, the Board of Directors, or any mortgagees, in the sole and absolute discretion of Developer, to amend, modify, add to or delete from this Declaration of Covenants and Restrictions and all schedules and exhibits hereto; (i) to the extent required or requested by any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association (“Fannie Mae”), the Federal Home Loan Mortgage Corporation (“Freddie Mac”), the Veterans Administration (“VA”), State of New York Mortgage Agency (“SONYMA”) and/or any other Federal, State or Local Funding Agencies, or; (ii) to reflect any amendments required by any present or future law, or any other requirements imposed by governmental authority; (iii) or to correct any scrivener's error, technical corrections, changes that are corrective in nature and to resolve or clarify any inconsistency or which is patently a mistake or (iv) technical corrections to this Declaration of Covenants and Restrictions to conform to other documents including but not limited to any Offering Plan or Condominium Documents of Condominiums that are subject to this Declaration of Covenants and Restrictions or Supplemental Declaration of Covenants and Restrictions; (v) to comply with any Federal, State or local law or regulation that may affect the Community or the Association (vi) to comply with any revisions, changes or amendments required by the Town of Amenia or any other Federal, State, local municipality or agency; or (vii) the carrying out of other provisions of the Offering Plan of Silo Ridge Condominium I or Offering Plan of any Condominium or other legally permissible residential development located in a Subsequent Phase.

Section 3. **Disposition of Assets Upon Dissolution of Association.**

Upon dissolution of the Association, its real and personal assets shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association properties shall be effective to divest or diminish any right or title to any Member vested in the Member under the licenses, covenants and easements of this Declaration of Covenants and Restrictions, or under any subsequently recorded covenants, deeds or other documents applicable to the Properties, except as may be otherwise provided in this Declaration of Covenants and Restrictions or said covenants, deeds or other documents, as the case may be, nor

shall any other party under any such deeds, covenants or other documents be deprived of any rights thereunder on account of such disposition.

Section 4. **Notices.**

Any notice required to be sent to any Member or Homeowner or Unit Owner under the provisions of this Declaration of Covenants and Restrictions shall be deemed to have been properly sent when mailed, or delivered by courier service to the last known address of the person who appears as Member or Homeowner or Unit Owner on the records of the Association at the time of such mailing.

Section 5. **Administration.**

The administration of the Association shall be in accordance with the provisions of the Association By-Laws which are made a part of this Declaration of Covenants and Restrictions and attached hereto as Exhibit "D".

Section 6. **Severability.**

Invalidation of any of the covenants, limitations or provisions of this Declaration of Covenants and Restrictions by judgment or court order shall in no way affect any of the remaining provisions hereof and the same shall continue in full force and effect.

Section 7. **Special Rights of Developer.**

Notwithstanding anything to the contrary contained herein so long as there are any Unsold Homes or Units in any Phase of the Development, Developer and any Successor Developer shall have the right, without requiring the consent of either the Association or any other Member(s), and without charge or limitation, to:

- (a) have its employees, contractors, subcontractors and sales agents present on the Properties and on the Unsold Homes or Units;
- (b) erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Unsold Homes or Unsold Units of this Development, the Clubhouse Facilities, the golf course or any other community or facility the Developer or Successor Developer so designates;
- (c) use any one or more Homes or Units or Unsold Homes or Unsold Units as (i) model Homes or Units; (ii) offices for the promotion, sale, rental, management and/or operation of the Unsold Homes or Unsold Units; (iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Developer with respect to the Common Area, Common Elements of any

Condominium regime subject to this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions or any common areas of any other legally permissible residential community subject to this Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and Restrictions, the Clubhouse facilities, the golf course and/or the Homes or Units or Unsold Homes or Unsold Units; and/or (iv) for any other purpose;

- (d) do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the common facilities and the Unsold Homes or Unsold Units) for the purpose of (i) the promotion, sale, rental, management and/or operation of the Unsold Homes or Unsold Units in all Phases of the Community; (ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Developer or any Successor Developer with respect to the Properties and/or (iii) the exercise performance and discharge of Developer's other rights and obligations under this Declaration of Covenants and Restrictions, any Supplemental Declaration of Covenants and Restrictions, the By-Laws or the Rules and Regulations; and
- (e) use any recreational facilities, including any clubhouse or other Association Building or portion thereof, if any as; (i) offices for the promotion, sale, rental, management and/or operation of the Unsold Homes or Unsold Units; (ii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Developer with respect to the Common Areas and/or the Homes or Units or Unsold Homes or Unsold Units; and/or (iii) for any other purpose.

In no event, however, shall Developer or Successor Developer or such designee be entitled to use any portion of the Properties in such a manner as will unreasonably interfere with the use of the same or of any Home or Unit for its permitted purposes.

The provisions of this Article XII, Section 7 may not be amended without the written consent of the Developer, or Successor Developer.

Section 8. **Town of Amenia Requirements.**

The use of the Properties, and the development and operation of the Community and the Club, are subject to the Phase 1 Site Plan Approval and Amended Special Use Permit (Master Development Plan) approval of the Silo Ridge Resort Community granted by the Town of Amenia Planning Board (the "Planning Board") on _____, 2015, the Subdivision Approval for the Properties granted by the Planning Board on _____, 2015, the Estate Homes Design Guidelines (the "Estate Guidelines")

adopted by the Planning Board on _____, 2015, the Amended and Restated Findings Statement for the Silo Ridge Resort Community issued by the Planning Board, as lead agency under the State Environmental Quality Review Act ("SEQRA"), on _____, 2015, and any site plan approval, special use permit approval, and determination under SEQRA hereafter granted or issued by the Planning Board with respect to the Subsequent Phases (collectively, the "Town Approvals"). In accordance with the Town Approvals, the following shall be applicable to the Association:

- (a) The Association will collect a fee from the Members for the post-construction review by the Town Engineer of inspection and maintenance reports required in connection with the Storm Water Pollution Prevention Plan and will be responsible for the payment of the fee to the Town.
- (b) The Association will be responsible for the ongoing care, maintenance, life-cycle and eventual replacement of the vegetative screening contained in the overall landscaping plan for the Community (i.e. landscaping located outside of any Lot and the Club Property).
- (c) The Association will be responsible for the ongoing maintenance, repair and construction costs of all private roads within the Silo Ridge Community.
- (d) The Association will be required to contract with a private hauler to remove all solid waste and recyclables from the Community in compliance with all applicable federal, state and local rules and regulations.

All road maintenance obligation agreements and declarations of covenants and restrictions shall also grant the Town of Amenia the authority to charge the Lot Owners or the Association for the reasonable costs actually incurred in enforcing the terms of those documents, including, without limitation, any repair, maintenance or construction costs and attorneys' fees, which charge shall become a lien on the property of the Lot Owners or the Association, and enforceable in the same manner as a property tax lien.

In the event the Association fails to carry out its responsibilities in accordance with this Section 8, the Town of Amenia shall have the right, after giving reasonable notice to the Association, to perform any necessary work and/or services and impose a lien on the Properties for the cost of such work and/or services.

Section 9. **Club Responsibilities.**

The Club Owner shall be responsible for implementing and enforcing the following:

- (a) The Conservation Easement; the Club shall be responsible for the conservation, management and operation of the lands subject to the Conservation Easement, and for enforcing the Conservation Easement including but not limited to restricting any encroachment

onto said Conservation Easement by the Class A Members and/or any other Members in the Community for the disposal of yard waste;

- (b) The Habitat Management Plan approved as part of the Town Approvals;
- (c) The Integrated Pest Management Plan approved as part of the Town Approvals; and
- (d) The Natural Resource Management Plan approved as part of the Town Approvals.

In the event that the Club does not meet these obligations, the Association will assume responsibility for such obligations. In the event that the Association fails to carry out its responsibilities pursuant to this Section 9, the Town may after giving reasonable advance written notice to the Association, perform any required work and/or services and impose a lien on the Properties for the cost of such work and/or services. In such an event, the Association will have the right to individually assess each Homeowner in the Community for the costs associated with the services provided and to satisfy and discharge any such lien.

ARTICLE XIII. GENERAL

In the event any Declaration of Covenants and Restrictions of Condominium, By-Laws of any Condominium and/or Rules and Regulations of any Condominium regime that is subject to and encumbered by this Declaration of Covenants and Restrictions delegates additional rights and obligations to the Board of Directors of the Association and/or the Association said rights and obligations shall be deemed to be in addition to the rights and obligations of the Board of Directors and/or the Association contained in this Declaration of Covenants and Restrictions.

SILO RIDGE VENTURES PROPERTY A LLC

By: **Silo Ridge Ventures Property A Holdings, LLC**, its Sole Member

By: **Silo Ridge Ventures LLC**, its Managing Member

By: **DLV SR Investors Member, LLC**, its Administrative Member

By: _____

Print Name and Title or Position

LEGAL DESCRIPTION

**Insert Legal Description of Phase I
(Phase I includes Condominium I Property and Common Area of the Association)**

**DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS AND BY-LAWS**

Section Block Lot Unit Nos. Contained

DECLARANT: **SILO RIDGE VENTURES PROPERTY A LLC**

DATE OF DECLARATION OF COVENANTS AND RESTRICTIONS:

Record and Return to:

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Developer
90 Merrick Avenue
East Meadow, New York 11554