

SCHEDULE D

(Site plan to be inserted here,
showing location of Units in relation to one another.)

BY-LAWS
OF
MEADOWLAND ESTATES CONDOMINIUM

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BY-LAWS OF MEADOWLAND ESTATES CONDOMINIUM

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**BY-LAWS OF
MEADOWLAND ESTATES CONDOMINIUM**

**ARTICLE I
PLAN OF UNIT OWNERSHIP**

1.01. Unit Ownership. The land described in Schedule A of the Declaration recorded or to be recorded in the Office of the Clerk of Richmond County, New York, and the appurtenances thereof, including the buildings and other improvements constructed on said land, (hereinafter collectively called the "Property") have been or prior to conveyance of the first Unit shall be submitted by Laconia Homes, Inc. (hereinafter referred to as the "Sponsor"), to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration and shall be known as the "Meadowland Estates Condominium" (hereinafter called the "Condominium").

1.02 Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land and all improvements thereon (including the residential dwelling units, hereinafter referred to as the "Residential Units" or the "Units" and the common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The term "Building" as hereinafter used shall be defined as the exterior walls and roof of a number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Property but which does not contain any of the Units.

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

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

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

2.01. Voting. For all voting purposes except for amendment to these By-Laws as provided below, each Owner of a Unit (including the Sponsor and the Board of Managers if the Sponsor or the Board of Managers

shall then own or hold title to one or more Residential Units) shall be entitled to cast one vote at all meetings of Unit Owners for each Unit owned by such Unit Owner, but the Board of Managers shall not cast any of its votes for the election of any member to the Board. If a Residential Unit is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Residential Unit shall reach agreement as to the matter voted upon and cast their one vote for their Residential Unit. A fiduciary shall be the voting member with respect to any Residential Unit owned in a fiduciary capacity.

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

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

2.04 Annual Meetings; First Election of Board of Managers. The Sponsor will have control of the Board of Managers until the transfer of title to at least 75% of the Units and until the transfer of title to Units having at least a 75% interest in the common elements, or until five (5) years from the date of the first Unit closing, if sooner. After the said transfer of title to at least 75% of the Units and 75% interest in the common elements or the expiration of said five-year period as aforesaid, the Sponsor shall notify all Unit Owners that the first meeting shall be held within thirty (30) days thereafter. At such meeting all Unit Owners, including the Sponsor, shall elect a new five (5) member Board. Annual meetings of the Unit Owners shall be held on the fourth Tuesday of September of each succeeding year at 7:30 P.M. or on such other date and such other time and at such place convenient to the Unit Owners as shall be designated by the Board of Managers. At such meetings the Board of Managers shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.04 of these By-Laws. Notwithstanding any contrary provision of these By-Laws, the Declaration and/or the Plan of Condominium Ownership, at said first election and at each election thereafter, so long as the Sponsor of the Condominium shall continue to own: (1) at least 10% (but less than 25%) of the Units or Units having a 10% or more interest in the common elements (but less than 25%), the Sponsor shall have the right to elect two (2) of the five (5) members of the Board of Managers; (2) at least one (1) Unit (but less than 10% in number of Units or common interest), the Sponsor shall have the right to elect one (1) of the five (5) members of the Board of Managers. When the Sponsor no longer owns any Units, it shall have no further right to elect any members of the Board of Managers. Members of the Board of Managers elected by the Sponsor shall serve for a term of one year. All other members of the Board of Managers shall be elected by the Unit Owners and shall serve for the terms prescribed by these By-Laws. The Unit Owners may transact such other business at such meeting as may properly come before them.

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

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

2.07 Notice of Meetings. It shall be the duty of the Secretary to mail by first-class postage a notice of each annual or special meeting of the Unit Owners at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Building in which his Unit is located or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, and to all mortgagees of a Unit who have requested the same. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days and not more than fifty (50) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

2.08 Waiver and Consent. Whenever the vote of the Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

2.09 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners having two-fifths (2/5) of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present or represented. The quorum required for each reconvened meeting shall be one-half of the quorum required for the previous meeting provided, however, that the quorum in no event shall be less than 10% of the total authorized votes of all Unit Owners.

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

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

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

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

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

ARTICLE III BOARD OF MANAGERS

3.01 Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall initially consist of three (3) persons designated by the Sponsor. Within 30 days after the initial transfer of title to sixteen (16) of the Units, or one year after the recording of the Condominium Declaration, whichever first occurs, a fourth person shall be elected to the Board of Managers by the Unit Owners other than the Sponsor. Within 30 days after the initial transfer of title to thirty-one (31) of the Units, or two years after the recording of the Condominium Declaration, whichever first occurs, a fifth person shall be elected to the Board by Unit Owners other than the Sponsor. When the Sponsor no longer owns at least 25% of the Units and no longer owns at least a 25% interest in the common elements, or five (5) years from the date of the first Unit closing if sooner, the first meeting of Unit Owners shall be held pursuant to Section 2.04 of these By-Laws for the purpose of electing a new

five (5) member Board of Managers. All Members of the Board of Managers shall be Owners or spouses of Owners or mortgagees of Units or, in the case of partnership Owners or mortgagees, shall be members or employees of such partnership, or, in the case of corporate Owners or mortgagees, shall be officers, directors, shareholders, employees or agents of such corporations or, in the case of fiduciary Owners or mortgagees, shall be the fiduciaries or officers, agents or employees of such fiduciaries or, in the case of the Sponsor, shall be designees of the Sponsor.

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

- a. Determination and levying of annual assessments ("common charges") payable in monthly installments to cover the cost of common expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Property. The Board of Managers may increase the annual assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective common interest.
- b. Collection, use and expending the assessments collected to maintain, care for and preserve the Units, Buildings and common elements.
- c. Operation, care, upkeep and maintenance of the common elements.
- d. Making of repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- e. Entering into and upon the Units when necessary and with as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the Property.
- f. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.
- g. Obtaining and maintaining insurance for the Property, including the Units, pursuant to the provisions of Section 8.01 hereof.
- h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

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

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

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

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

m. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however that (i) the consent of at least 66 2/3% in number and in common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of 10% of the amount of the then current annual budget of the Condominium and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common elements without the consent of the Unit Owner.

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

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

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

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

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

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

s. Assigning, in its discretion, the use of mailboxes and the use of parking spaces, to the various Unit Owners. One parking space shall be assigned to each Unit.

t. Granting, with or without consideration, easements, rights of way or licenses for utilities or other similar services (e.g. cable television) across the common elements.

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

Notwithstanding anything to the contrary contained in these By-Laws, as long as the Sponsor owns at least 10% of the Units, but in no event later than three (3) years after the date of closing of title of the first Unit, the Board of Managers may not, without the Sponsor's prior written consent, (i) except for necessary repairs make any addition, alteration or improvement to the common elements or to any Unit owned by the Condominium, or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to the proportion to the then existing budget which the amount of reserves in the initial budget of estimated expenses bears to the total amount of such initial budget of estimated expenses, or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the Condominium, except as may be necessary to maintain the quantity or quality of maintenance or services, or (iv) enter into any maintenance or service contract for work not provided for in the initial budget of estimated expenses, or (v) borrow money on behalf of the Condominium, or (vi) reduce the quantity or quality of services or maintenance of the Property.

3.03 Committees Acting on Behalf of Board of Managers. Except as limited by this Section 3.03, the Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committee to consist of at least three (3) Unit Owners, at least one of whom shall be a member of the Board of Managers, which to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions, shall specifically so provide. However, no such committee shall have or be given the power to (a) determine the common charges and expenses required

for the affairs of the Condominium, (b) determine the common charges payable by the Unit Owners to meet the common charges and expenses of the Condominium, or (c) adopt or amend the rules and regulations covering the details of the operation and use of the Property. Such committee or committees shall have such name or names as may be determined from time to time by resolution of the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

3.04 Nomination, Election and Term of Office. Nominations for election to the Board of Managers shall be made by a Nominating Committee which shall be appointed by the Board of Managers. Nominations may also be made from the floor at the annual meeting of the Condominium Unit Owners. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its sole discretion, determine, but not less than the number of vacancies as are to be filled as provided below.

Except as provided in Section 2.04 of these By-Laws which gives the Sponsor certain rights to elect members of the Board of Managers so long as certain numbers of the Units:

a. At the first meeting of the Unit Owners the term of office of three (3) members of the Board of Managers shall be fixed at two (2) years, and the term of office of two (2) members of the Board of Managers shall be fixed at one (1) year;

b. At the expiration of the initial term of office of each respective member of the Board of Managers, a successor shall be elected to serve for a term of two (2) years; and

c. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the Unit Owners.

3.05 Removal of Members of the Board of Managers. Subject to the limitations set forth below, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers elected by the Unit Owners may be removed with or without cause by a majority of the Unit Owners other than the Sponsor and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Managers elected or appointed by the Sponsor may be removed without cause only by the Sponsor, but may be removed for cause by the Unit Owners in the same manner as any other member of the Board of Managers may be removed for cause. The successor to such member of the Board of Managers removed by the Unit Owners other than the Sponsor shall be appointed by the Sponsor.

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

3.07 Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners or until a successor is elected. Notwithstanding the above, if the vacancy occurs with respect to any Member of the Board of Managers not designated by the Sponsor, the successor shall be a Unit Owner independent of the Sponsor. If the vacancy occurs with respect to any member of the Board of Managers as designated by the Sponsor, the Sponsor shall have the sole right to choose the successor to fill the unexpired portion of the term of such board member.

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

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

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

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

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

3.11 Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common element bears to the interests of all the Unit Owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all Unit Owners in the common elements.

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

Any decision to discontinue such independent and professional management and establish self-management for those duties and services previously delegated to said managing agent and/or manager shall require the prior written consent of 67% of all Unit Owners voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Unit Owners at least forty (40) days in advance and shall set forth the purpose of said meeting. No such decision shall be made if lending institutions which together are first mortgagees of 33-1/3% or more of the Units advise the Condominium in writing prior to the date set for voting on the proposed change that they are opposed to such change, which opposition shall not be unreasonable. Written notice of any such proposed change to self-management shall be sent to all lending institution first mortgagees of Units whose names appear on the records of the Condominium at least forty (40) days prior to said meeting.

ARTICLE IV OFFICERS

4.01 Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, and assistant secretary, and such other officers as in its judgment may be necessary. The President, but no other officer, must be a member of the Board of Managers.

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

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

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

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

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

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

4.08 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

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

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

5.01 Determination of Common Charges. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the proposed budget to all Unit Owners at least 15 days prior to the adoption thereof. The Board of Managers shall send a copy of the budget as adopted and any supplement thereto to every Unit Owner and such Unit mortgagees as shall have requested the same. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interests appurtenant to such Units, except that the Board of Managers may elect to specially allocate and apportion expenses, including, but not limited to, maintenance costs of water or other utility charges or insurance costs, among Unit Owners based on the special or exclusive availability or use of the exclusive control of particular Units or common areas by a particular Unit Owner or Owners. Said common charges or assessments shall be payable monthly in advance unless the Board of Managers establishes other periods for payment. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular common charges.

5.02 Collection of Common Charges and Assessments. The liability of a Unit Owner for common charges is set forth in the Declaration.

If a common charge or assessment or any installment thereof is not paid within 10 days after the due date, the Board of Managers may impose a late charge or charges on such amount or amounts as the Board of Managers deems reasonable not to exceed 5% of the amount of such overdue common charges or assessment or installment thereof, provided such late charges are equitably and uniformly applied.

If the common charge or assessment or installment thereof is not paid within 30 days after the due date (i) the common charge or assessment shall bear interest from the due date at such rate as may be fixed by the Board of Managers from time to time, such rate not to exceed the maximum rate of interest then permitted by law; (ii) the Board of Managers may accelerate the remaining installments, if any, of such common charges or assessments upon notice thereof to the Unit Owners which notice shall afford the Unit Owner not less than 10 days to pay such installments of common charges; and (iii) the Board of Managers may bring legal action against the Unit Owner personally obligated to pay the same or foreclose the lien on such Unit pursuant to, and in the manner provided by, New York State Law. (In the event the Sponsor controls the Board of Managers, a decision to bring legal action against the Sponsor for failure to pay common charges or other assessments on Units owned by the Sponsor may be made by a majority of those Unit Owners other than the Sponsor.) The cost of any such proceedings and other costs and expenses incurred in efforts to collect such past due

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

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

5.04 Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, may, at its option, or shall, at the request of the mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Managers. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of common charges or other default of the Unit Owner which could result in a lien against the Unit of such Owner.

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

5.06 Unit Services and Utilities Funded Through Common Charges. Water and sewer charges for the Units as well as water and electricity for the common elements shall be a common expense, except that the Board of Managers may, at its option, in accordance with Section 5.01 above, allocate and apportion expenses among Unit Owners based on the special or exclusive availability of use of such services by one or more Unit Owner.

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

5.08 Capital Reserve Account. Any funds collected or designated by the Board of Managers as reserves for the replacement of capital items shall be segregated from all other funds of the Condominium in one or more separate accounts. This shall not preclude the Board of Managers from segregating other portions of the Condominium funds in separate accounts for a specific purpose (e.g. reserves for non-capital items) or otherwise.

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

ARTICLE VI RECORDS AND AUDITS

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

6.02 Annual Statement. An annual report (audit or review) of the receipts and expenditures of the Condominium, prepared by an independent certified public accountant or public accountant, shall be rendered by the Board of Managers to all Unit Owners, and to all mortgagees of Units who have requested the same and to the Department of Law of the State of New York, promptly after the end of each fiscal year. In addition, when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, the Board of Managers shall furnish, to the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant or certified public accountant and a statement regarding any taxable income attributable to the Unit Owners.

The cost of the annual report and other services required by this Section 6.02 shall be paid by the Board of Managers as a common expense.

6.03 Inspection of Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

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

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

7.01 Repairs and Maintenance Which Are the Responsibility of the Board of Managers. All maintenance, repairs and replacement to the common elements of the Property including but not limited to exterior walls, roof and roof members, common stairways of the Buildings, exterior stairways, fences which are part of the common elements, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines as are located in the common elements but serve two or more Units, shall be made by the Board of Managers. The cost of all such maintenance, repairs and replacements shall be common expense unless occasioned by a negligent or willful act or omission as provided in Section 7.02 below.

7.02 Repairs and Maintenance Which Are the Responsibility of the Unit Owners. All maintenance (including painting and decorating of the Units), repairs and replacements to the Units including windows (including all glass breakage), doors (except painting of the exterior surface of windows and doors which open from a Unit, which painting is the responsibility of the Board of Managers), air conditioner condensers, and repairs to pipes, wires and conduits which service only one Unit shall be made by the respective Unit Owners at their own expense. Second floor Unit Owners will also keep the exterior stairways leading to their Units free from snow, ice and obstructions.

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

In the event that a Unit Owner fails to make any maintenance or repair, which maintenance or repair, pursuant to this Section 7.02 the Owner is required to make, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so, weather permitting, after 10 days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to such Unit Owner's Unit or for repairs to any common element and which the Unit Owner is obligated to maintain pursuant to these By-Laws or the Declaration or Rules and Regulations, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon, and, in such event, the Unit Owners shall be liable for the reasonable attorney's fees and costs of such suit or proceeding together with interest on all sums due.

7.03 Quality of Maintenance and Repairs. All repairs, painting and maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of any Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless the Board of Managers authorizes a variance from such standard.

7.04 Right of Access. The Board of Managers, its agents, contractors and employees shall have such rights of access to the Units and common elements as are set forth in Section 7.02 of the Declaration.

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

a. Except as allowed in the Declaration, the Residential Unit whether occupied or leased out by the Unit Owner, shall be used for residence purposes only; and shall be resided in by not more persons (including children) than two (2) times the number of bedrooms in the Unit, plus one, except that this shall not apply to persons who have a child after they have commenced occupancy.

The foregoing occupancy restrictions shall not be construed to prohibit any occupant of any Unit from entertaining guests, of any age, in his Unit, including temporary residency not to exceed two (2) months.

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

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

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

e. No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants, i.e. tenants occupying the premises under an initial lease term of less than six months, may be accommodated therein.

7.06 No Obstruction of Common Elements and Facilities. A Unit Owner shall not obstruct the common elements. The common elements and facilities shall be used only for those purposes for which they are reasonably suited and capable.

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

7.08 Abatement and Enjoinment of Violations. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit or portion of the common elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Condominium Declaration, these By-Laws or the Condominium's Rules and Regulations, as the case may be, and the Board of Managers shall not be deemed thereby guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (c) to establish a penalty in accordance with Section 7.10 below. One or more aggrieved Unit Owners shall have the right to enjoin, abate or remedy the continuance of a breach by appropriate legal proceedings at law or in equity.

Prior to exercising such right, the Board of Managers or Unit Owner or Owners, as the case may be, shall, if reasonably possible, notify the Owner and mortgagee (if known) of the Unit or Units involved and provide a reasonable amount of time for the cure of such violation or breach. In any case of flagrant or repeated violation by a Unit Owner (or one for whom he is responsible), such Owner may be required by the Board of Managers to give sufficient surety for future compliance.

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

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

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

7.11 Owner Responsible for Tenants. Any lease of a Unit shall provide for full compliance by the tenant with the Declaration, By-Laws and Rules and Regulations of the Condominium. Should a tenant be in violation thereof at any time, the Board of Managers of the Condominium may send the Owner of the Unit which said tenant occupies written notice of such

violation by certified or registered mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, or if the eviction proceedings are not reasonably diligently pursued thereafter, the Board of Managers may pursue any remedies which it may have under this Article VII.

ARTICLE VIII INSURANCE AND INSURANCE TRUSTEE

8.01 Insurance. The Board of Managers shall obtain and maintain, to the extent reasonably obtainable and to the extent obtainable at a reasonable cost, and in such amounts as the Board of Managers shall determine to be appropriate unless otherwise required herein: (1) fire and casualty insurance, (2) liability insurance and (3) directors' and officers' liability insurance.

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

Subject to the foregoing, coverages shall be as follows:

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

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, including sprinkler leakage (if applicable), debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage, (ii) inflation guard, (iii) coverage for loss of common charges from Unit Owners forced to vacate because of fire or other insured against casualty, (iv) waiver of any right to claim by way of subrogation against individual Unit Owners and the members of their households and families, the Condominium, the members of Board of Managers, the officers of the Condominium, and the managing agent, if any, for the Condominium, and waiver of any defenses based on co-insurance or any invalidity based on acts of the insured, (v) an exclusion from the "no other insurance" clause of individual Unit Owners' policies, so that the insurance purchased by the Board of Managers on behalf of the Condominium shall be deemed primary coverage

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

Prior to obtaining any new fire and casualty insurance policy, the Board of Managers shall obtain an appraisal from an insurance company or from such other source as the Board of Managers shall determine to be acceptable as to the full replacement value (without deduction for depreciation) of the improvements on the Property (exclusive of land, foundations and improvements made by present or prior Unit Owners or occupants) for the purpose of determining the amount of fire and casualty insurance to be effected pursuant to this Section.

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

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners shall be in an amount sufficient for replacement of the buildings.

Each Unit Owner and such Unit Owner's known mortgagee shall be a named insured on the policy and shall receive, at the time of purchase and at the time a new policy is obtained or an existing policy renewed, a certificate evidencing proof of insurance coverage.

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

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

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

The Board of Managers shall review such coverage at least once each year. Until the first meeting of the Board of Managers elected by the Unit Owners, this public liability insurance shall be in a combined single limit of \$500,000.00 covering all claims for bodily injury and property damage arising out of a single occurrence.

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

If deemed prudent or necessary by the Board of Managers, the following coverages may also be obtained:

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

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

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

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

Deductible Amounts. The deductible amount, if any, on any insurance policy purchased by the Board of Managers shall be a common expense, provided, however, that the Board of Managers may assess any deductible amount necessitated by the gross negligence or wantonly malicious act of a Unit Owner against such Unit Owner. The Condominium may pay the deductible portion for which a Unit Owner is responsible, and the amount so paid, together with interest and costs of collection (including attorneys' fees) shall be a charge and continuing lien upon the Unit involved, shall constitute a personal obligation of the Unit Owner, and shall be collectible in the same manner as common charges and assessments under the Declaration and these By-Laws.

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

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

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

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

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

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged as determined by the Board of Managers and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration, the Property shall be subject to an action for partition upon the suit of any Unit Owner or lienor, as if owned in common, in which event, the net proceeds of sale, together with the net proceeds of insurance policies shall be held in escrow by the Board of Managers or the Insurance Trustee, as the case may be, to be divided among all Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in the order of the priority of such liens.

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

Any repair or restoration as hereinabove described shall be in substantial accordance with the plans and specifications of the damaged improvements as originally built. Any proposed substantial deviation therefrom shall require the written consent of institutional first mortgagees holding mortgages on Units which have at least 51% of the votes of all Units affected which are subject to institutional first mortgages as indicated on the records of the Condominium.

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

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

**ARTICLE IX
SELLING, MORTGAGING AND LEASING UNITS**

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

No lease of a Unit shall be for an initial term of less than six (6) months.

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

The above provisions of this Section shall not apply to (i) the Sponsor's lease of any unsold Unit or the Sponsor's lease of any sold Unit to the purchaser thereof; and (ii) the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagee.

9.02 Mortgaging of Units and Notice to Board of Managers. Each Unit Owner shall have the right to mortgage his Unit without restriction. A Unit Owner who mortgages his Unit shall notify the Board of Managers in writing of the name and address of the mortgagee. The Board of Managers shall maintain such information in a book entitled "Mortgagees of Units."

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

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

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

ARTICLE X AMENDMENT

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

- a. a notice of the meeting containing a full statement of the proposed modification, alteration, amendment or addition has been sent to all Unit Owners and institutional first mortgagees as listed on the records of the Condominium at least thirty (30) and not more than fifty (50) days prior to the date set for said meeting; and
- b. 66-2/3% or more in number and in common interest of all Unit Owners approve the change; and
- c. the Board of Managers does not, prior to the date established for voting on the proposed change, receive written notification of opposition to the change from mortgagees of more than 50% of the number of Units; and
- d. the change is set forth as an amendment to the Declaration duly recorded in Richmond County Clerk's Office.

Section 2.01, insofar as it provides that the Sponsor, so long as it is the owner of Units, may vote the votes appurtenant thereto; Section 2.04, insofar as it provides that the Sponsor, so long as it is the owner of Units, shall be entitled to elect specified numbers of members of the Board of Managers; Section 3.02, insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's prior written consent so long as the Sponsor shall continue to own certain Units; any other section of these By-Laws, the amendment of which would adversely affect the interests of the Sponsor; and this Section 10.01, however, may not be

amended without the consent in writing of the Sponsor so long as the Sponsor shall be the owner of any Units.

ARTICLE XI

MISCELLANEOUS

11.01 Notices. All notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, if to go to the Board of Managers, at the office of the Board of Managers, and if to go to a Unit Owner or Unit Mortgagee, to the address of such Unit Owner or mortgagee at such address as appears on the books of the Condominium. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

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

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

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

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

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

**SCHEDULE A TO BY-LAWS
RULES AND REGULATIONS**

MEADOWLAND ESTATES CONDOMINIUM

The following rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers, shall govern the use of the property comprising the Condominium and the conduct of all residents thereof.

1) **PETS.** The Board of Managers shall have the right to require a Unit Owner to dispose of any animal, bird or insects, if, in the opinion of the Board, acting in its sole discretion, such animal, bird or insect is creating a nuisance, because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled.

2) **NO OBSTRUCTION OR MISUSE OF COMMON ELEMENTS.** The common elements shall not be obstructed, littered, defaced or misused in any manner.

3) **NO ILLEGAL OR DISTURBING USE OF UNITS.** Unit Owners, members of their families, their employees, guests, lessees and their pets shall not use or permit the use of the premises or common areas in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

4) **UNIT OWNER RESPONSIBLE FOR DAMAGE TO CONDOMINIUM PROPERTY.** Every Unit Owner shall be liable for any and all damage to the common elements and the Property of the Condominium, which shall be caused by (1) the Unit Owner, or (2) any family member, tenant, guest or invitee of such Unit Owner, or (3) a family member, guest or invitee of the tenant of such Unit Owner, or (4) a guest or invitee of (i) any member of such Unit Owner's family, or (ii) any family member of the tenant of such Unit Owner.

5) **UNITS TO BE PROMPTLY REPAIRED AND MAINTAINED.** Every Unit Owner must perform promptly all maintenance and repair work to his own Unit, which, if omitted, would affect one or more buildings of which such Unit Owner's Unit forms a part, such Unit Owner being expressly responsible for the damage and liabilities that the failure to promptly perform may engender.

6) **REPAIRS TO UNIT AT UNIT OWNER'S EXPENSE.** All the repairs to internal installations of a Unit located in and servicing only that Unit, such as gas and electric power, telephones and sanitary installations shall be at the Unit Owner's expense.

7) **NO EXTERIOR PAINTING OR STAINING BY UNIT OWNERS.** No Unit Owner shall paint or stain the exterior surfaces of the windows, walls or doors opening out of such Unit Owner's Unit.

8) **PARKING OF VEHICLES.** No vehicle belonging to a Unit Owner or to a member of the family, guest, tenant or employee of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from a parking spot by another vehicle.

9) **RADIOS, TELEVISIONS AND OTHER ELECTRICAL EQUIPMENT.** All radio, television or other electrical equipment or appurtenances thereto, of any kind or nature installed or used in any Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment located in such Unit Owner's Unit.

10) **OUTDOOR STORAGE OF GARBAGE.** Garbage shall not be kept, stored or allowed to accumulate outdoors on any portion of the Property, except when placed for pickup within twelve hours of scheduled pickup.

11) **USE OF WATER CLOSETS AND OTHER WATER APPARATUS.** Water closets and other water apparatus in the Buildings shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other water apparatus in a Unit shall be repaired and paid for by the Owner of such Unit if it can be determined by the Board of Managers that such Unit Owner caused the resulting damage or that the misuse causing the damage initiated in such Owner's Unit.

12) **BOARD OF MANAGERS TO RETAIN PASS KEYS TO UNITS.** The Board of Managers or the managing agent or the manager may retain a pass key to each Unit. The Unit Owner shall not alter any lock or install a new lock on any door leading to his Unit without the written consent of the Board of Managers or the managing agent or the manager. If such consent is given, the Board of Managers or the managing agent or the manager shall be provided with a key.

13) **KEYS ENTRUSTED TO EMPLOYEES OF BOARD OF MANAGERS OR MANAGING AGENT.** Except as given in accordance with Section 12 above, if any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers or of the managing agent, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the managing agent nor the manager shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

LAHR, DILLON, MANZULLI, KELLEY & PENETT, P.C.

COUNSELORS AT LAW

207 TAYLOR STREET, STATEN ISLAND, N. Y. 10310

TELEPHONE: 447-8841

FRED C. LAHR
 WILLIAM J. DILLON
 (1946-1976)
 MICHAEL F. MANZULLI
 JAMES L. KELLEY
 THOMAS K. PENETT

ADDRESS ALL CORRESPONDENCE TO:
 P. O. Box 207
 STATEN ISLAND, N. Y. 10314

January 18, 1985

Laconia Homes, Inc.
 87 Pouch Terrace
 Staten Island, N.Y. 10305

Re: Meadowland Estates Condominium

Gentlemen:

You have requested our opinion as to the applicable income and real property tax consequences in conjunction with the Meadowland Estates Condominium (the "Condominium"), to the Condominium, and to individual unit owners.

Income Taxation of Unit Owners: Under the provisions of Sections 164 and 163 of the Internal Revenue Code of 1954 as amended and Section 615 of New York State Tax Law, each owner of a condominium unit ("Unit") will be entitled to deduct from his or her gross income for federal and New York State income tax purposes the real estate taxes assessed against his or her Unit, and paid, and the amount paid on account of interest on any mortgage indebtedness covering such Unit. (See Revenue Ruling 64-31 (1964-1) Cumulative Bulletin Part I 300). No opinion is expressed as to the effect of either Federal or New York State income tax laws regarding tax preference or minimum tax on the foregoing deductions or on the Unit owner's income tax liability. It is suggested that Unit owners consult their respective tax counsel for advice regarding tax preference items or minimum tax.

Real Property Taxes: You have informed us that you will be applying for tax abatements for the individual condominium Units pursuant to Real Property Tax Law Section 421-a. If granted, this will confer a partial or full tax abatement on the improvements, commencing when the Units are fully assessed, for a ten-year period as follows:

Year 1	.....(Land only is taxed)
Year 2	.....(Land only is taxed)
Year 3	.....20% of tax; 80% abatement
Year 4	.....20% of tax; 80% abatement
Year 5	.....40% of tax; 60% abatement
Year 6	.....40% of tax; 60% abatement
Year 7	.....60% of tax; 40% abatement
Year 8	.....60% of tax; 40% abatement
Year 9	.....80% of tax; 20% abatement
Year 10	.....80% of tax; 20% abatement

Certain Unit owners may also be eligible for a senior citizens' exemption. Pursuant to Section 467 of the New York Real Property Tax Law and Resolutions passed by the City of New York, where a residential Unit is owned by one or more persons, each of whom is 65 years of age or over of if husband and wife, if one is 65 years of age or over.

Persons applying for the senior citizens' exemption should be aware that application must be made for exemptions from the City. Purchasers should inquire at the City Assessors' offices to see how and when these applications must be made.

We also advise you that Unit owners who are veterans of the United States Armed Forces may be entitled to a veteran's exemption covering a portion of the real estate taxes assessed against their respective Units. It is suggested that Unit owners who are veterans inquire at the City Assessor's office promptly after closing to determine whether or not they qualify for a veteran's exemption.

Income Taxation of Condominiums: We call your attention to Section 2101 of the Tax Reform Act of 1976 which contains provisions exempting certain associations (including condominium associations) from federal income tax on funds retained in the association's account at the end of the association's fiscal year if:

1. 60% or more of the gross income in the fiscal year consisted of membership dues, fees or assessments from unit owners; and
2. 90% or more of the association's expenses were for the acquisition, construction, management or maintenance of the property; and
3. except for 2 above, no part of the net earnings of the association inures to the benefit of the Unit owners; and
4. no part of the net earnings not used for the purposes set out in 2 above or rebated to the Unit owners inures to the benefit of any private individual or member; and

5. the association elects to take the exemption provided.

Based on our review of the estimates of projected income and expenses which you have submitted to us and which we understand you will include in your Offering Plan for the sale of these Units, we are of the opinion that the Condominium will be eligible for tax exempt status should it elect to take such exemption. We suggest, however, that specific reference be made to the actual text of Section 528 prior to making any decisions which could have an impact on the taxability or the extent of taxability of the Condominium. We also bring to your attention that interest income earned on Condominium funds and any income not received from membership dues, fees or assessments will be taxable to the condominium, whether or not tax exempt status under Section 528 is obtained and that a tax return must be filed even though the requirements for tax-exempt status are otherwise met. We further advise you that we are making no opinion as to the taxability or effect of any income to the Condominium from the sale or lease of Units acquired through the foreclosure of a lien for non-payment of common charges.

We make no warranty or representation that any of the laws, regulations or decisions upon which basis this opinion has been made will not change, so as to disallow any deductions in whole or in part. We shall not be liable, if, for any reason, a change in law results in any of the tax deductions recited above being disallowed in whole or in part or if the facts represented to us by the Sponsor and upon which this opinion is based are not true.

Authorized Use of this Letter: You are authorized to use this letter in your Plan offering for sale Units in Meadowland Estates Condominium.

Very truly yours,

Lahr, Dillon, Manzulli, Kelley & Penett, P.C.

Michael F. Manzulli

CERTIFICATION OF SPONSOR
AND PRINCIPAL OF SPONSOR

LACONIA HOMES, INC., by Savino Savo, president and sole shareholder, and Savino Savo, individually, being duly sworn, depose and say:

1. We are Sponsor and the sole principal of the Sponsor of the condominium offering plan for Meadowland Estates Condominium.

2. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, with the New York Condominium Act, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

3. We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

a. set forth the detailed terms of the transaction and be complete, current and accurate;

b. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

c. not omit any material fact;

d. not contain any untrue statement of a material fact;

e. not contain any fraud, deception, concealment, suppression, false pretense of fictitious or pretended purchase or sale;

f. not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

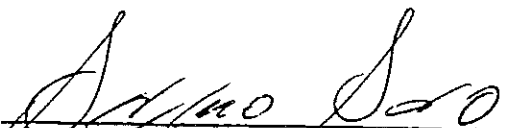
g. not contain any representation or statement which is false, which we: (1) knew the truth; (2) with reasonable effort could have known the truth; (3) made no reasonable effort to ascertain the truth, or (4) did not have knowledge concerning the representations or statement made.

4. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

LACONIA HOMES, INC.

[SEAL]

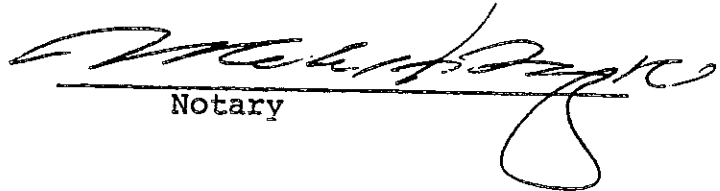
By


Savino Savo, President

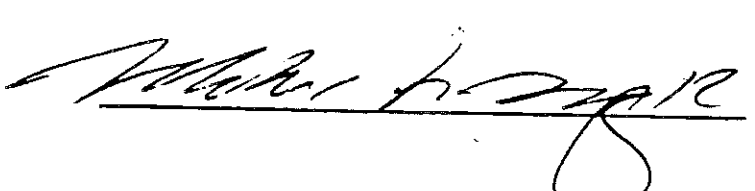
STATE OF NEW YORK)
 : ss
COUNTY OF RICHMOND)

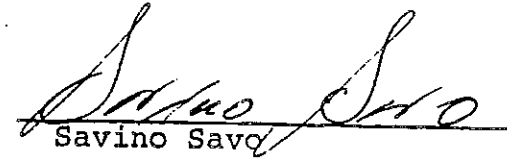
On the 10th day of January, 1985, before me personally came SAVINO SAVO, to me known, who, being by me duly sworn, did depose and say that he resides at 87 Pouch Terrace Staten Island, New York, that he is the President of LACONIA HOMES, INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

MICHAEL E. MANZULLI
Notary Public, State of New York
No. 43-7705390
Qualified in Richmond County
Commission Expires March 30, 1986


Notary

Subscribed and sworn to before me
this 10 day of January, 1985.




Savino Savo

MICHAEL E. MANZULLI
Notary Public, State of New York
No. 43-7705390
Qualified in Richmond County
Commission Expires March 30, 1986

CERTIFICATION OF SPONSOR'S ARCHITECT

RUDOLF J. BENEDA, being a registered architect in the State of New York, certifies as follows:

The Sponsor of the offering plan for condominium ownership of Meadowland Estates Condominium retained me to prepare a report describing the property when constructed (the "Report"). I prepared the building plans and specifications dated July 3, 1984 and prepared the Report dated January 11, 1985, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

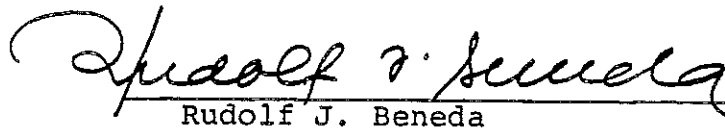
I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. I certify the Report does:

- (i) set forth in detail the condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to

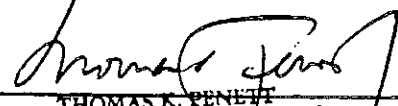
found their judgment concerning the physical condition of the property as it will exist upon completion and construction, provided that construction is in accordance with the plans and specifications that I examined;

- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Rudolf J. Beneda

Subscribed and sworn to
before me this 11th
day of January, 1985.


THOMAS K. BENNETT
Notary Public, State of New York
No. 43-4648673

Island Condo Management Corp.

350 St. Marks Place
Staten Island, New York 10301

—
212-981-2500
—

- Consulting
- Staffing
- Accounting Services
- Budgets

November 19, 1984

New York State
Department of Law
2 World Trade Center
New York, N.Y. 10047

Re: Meadowland Estates Condominium

Gentlemen:

The Sponsor of the Condominium offering plan for the captioned property retained my firm to review Schedule B containing projections of income and expenses for the first year of condominium operation.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as their application to the Schedule.

Our firm is a real estate management firm located in Richmond County and doing business in Staten Island. My firm has been involved in the management of several hundred condominium units and we presently manage approximately twelve condominiums and three homeowner associations on Staten Island.

I have reviewed Schedule B and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. I certify that the projections in the Schedule appear reasonable and adequate based on the present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated) and based upon the following assumptions:

1. that there are twelve (12) street lights upon the subject property;
2. that there are no interior fire hydrants installed upon the property requiring any maintenance or replacement.

3. that each house hooks up directly into the New York City sewer and that there are no community owned sewer lines requiring any cleanouts, repairs or replacement;
4. that the parking spaces will not be lined nor require any ongoing relining or renumbering;
5. that all back-up letters and supporting documentation submitted to us are genuine, accurate and authentic;
6. that the water and sewer charges of \$8,680.00 for the entire condominium be collected from the outset and at the closing of each condominium unit an adjustment, based upon this figure (\$140.00 per unit per year average) be collected till the following June 30th, from the date of closing and deposited into the condominium funds;
7. that relative to footnote 7, that the Sponsor has the necessary expertise, willingness, desire and knowledge to manage the affairs of the condominium. If he is unwilling or ceases to manage, an outside company will cost the community substantially more; approximately \$8,928.00 per year;
8. that note 10 referring to maintenance reserves recognizes the fact that although "major capital repairs" are not likely to occur within a certain period of time it is the obligation of the community to budget adequately for these items in order to mitigate or lessen the potential for large assessments when repairs or replacements become necessary, whenever that is;
9. that the insurance quotation referred to in footnote 6 includes an additional premium, if necessary, to insure the City of New York Department of Sanitation for when they bring their vehicles on to private property for refuse collection;
10. that future budgets beyond the first year will reflect a premium for bonding the individuals who control the assets and funds of the condominium;
11. that the community will, because of compensating balances, not have to pay bank charges to maintain its account.
12. that the chain link fence to be installed shall be of such a quality and nature as not to require maintenance or repainting for a substantial period of time and that when it does require work same will be taken from the maintenance item.

I certify that this certification and all documents prepared by us hereafter that concern the Schedule do:

1. set forth in detail the terms of the transaction as it related to the Schedule and be complete, current, and accurate;

2. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
3. not omit a material fact;
4. not contain any untrue statement of a material fact;
5. not contain any fraud, deceptions, concealment, or suppression;
6. not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. not contain any representations or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this certification is not contingent on the profitability or price of the offering. I understand that a copy of this certification is intended to be incorporated in the offering plan so that prospective purchasers may rely on it.

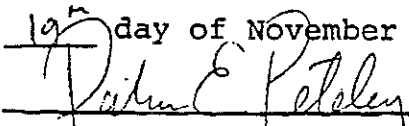
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



 Martin M. Filler

Sworn to before me this

19th day of November 1984.



 PATRICIA E. PETELEY
 Notary Public, State of New York
 No. 43-4728055
 Qualified in Richmond County
 Term Expires March 30, 1985

FIRST AMENDMENT
TO THE OFFERING PLAN FOR
MEADOWLAND ESTATES CONDOMINIUM

October 1, 1985

This is the First Amendment to the Offering Plan for the Meadowland Estates Condominium, which plan was accepted for filing by the New York State Department of Law on April 9, 1985.

UNIT SALES

The Sponsor has entered into bona fide contract of sale for 21 Units. Title has not been transferred to any Units.

OFFERING PLAN DECLARED EFFECTIVE

Based on the sale of 21 Units the Sponsor hereby declares the Offering Plan effective. (See pages 19 and 20 of the Offering Plan.)

CHANGE IN PRICES

The Sponsor has changed the prices of the Units. A revised Schedule A to the Offering Plan is attached hereto as Exhibit I-A.

ADDITION OF SWIMMING POOL

The Sponsor has elected to construct a swimming pool as part of the common elements for the use of Unit occupants. Because Sponsor has elected to add the swimming pool and because of the effect of the swimming pool on condominium common charges purchasers prior to the effective date of this amendment will be afforded the opportunity to rescind their purchase. See page 4 of this amendment.

The pool which will be built at no cost to the condominium association or the Unit owners, will be of gunite concrete, approximately 20' x 40' (800 square feet) in size. It will have a single filtration system with a minimum 30" filter. The filter pump will be by Jacuzzi Company or comparable. The pool will contain skimmers (minimum 2), return inlets (minimum 2), bottom suction, vacuum lines, staircase, handrail, ladder and life guard chair. 6" of tile will be installed around the entire top perimeter of the pool.

The concrete pool deck will be approximately 2,728 square feet.

The pool building will be approximately 12' x 34'8", have an exterior siding of cedar and contain men's and women's lavatory facilities, a filter room, a storage room and two exterior shower facilities.

The capacity of the pool will be 32 persons based on one person for each 25 square feet of water surface area.

The capacity of the deck is 182 persons, based on one person for each 15 square feet of deck area.

No pool furniture will be furnished by the Sponsor. Accordingly, those desiring to use the deck area will be required to supply their own furniture.

See Site Plan attached as Exhibit I-B which shows location of pool and pool building.

The additional annual costs to operate and maintain the pool facilities is projected by the Sponsor as follows:

Maintenance (1)	\$7,150.00
Electricity (2)	295.00
Water (3)	125.00
Insurance (4)	500.00
Contingency (5)	<u>800.00</u>
TOTAL	\$8,870.00

- (1) Based on written estimate furnished to Sponsor by Aqua Management, Inc., Staten Island, N.Y. Includes (i) one full-time (8 hours per day) lifeguard for 78 days during summer season, including all payroll related costs, (ii) setting up pool in spring, winterizing of pool in fall, minor repairs. Lifeguard will be responsible for all labor and maintenance of pool, deck area, bathhouse and bathrooms.
- (2) Based on written estimate furnished to Sponsor by Con Edison for 3 HP pump. (2.8 watts x 78 days x 8 hours x 0.1689 (per KWH rate).
- (3) Based on written estimate furnished to Sponsor by Rosemary Cibbarelli of Town & Country Swimming Pools and Town & Country Management Corporation, Staten Island, New York, which firms design, build and manage pool facilities.
- (4) For additional liability coverage for pool area. Based upon written estimate received by Sponsor from I.C.S. Agency, Inc., Mineola, N.Y.
- (5) For unanticipated expenses, e.g. pump repairs, etc. Approximately 10% of other expenses.

The existence of the pool should increase common charges approximately 20% above the common charges indicated on Schedule A on pages 8 and 9 of the Offering Plan. See revised Schedule A attached hereto as Exhibit I-A.

COMMON CHARGES PRIOR TO COMPLETION OF DEVELOPMENT TO REFLECT NUMBER OF UNITS IN EXISTENCE

Because approximately 60% of the Condominium's expenses (e.g. management fees and most of the projected expenses for water, snow removal, landscape maintenance, insurance, repairs and maintenance and reserves) are directly related to the

number of Units in existence, until all Units are completed, the common charges for each Unit, for each month, shall be determined as follows:

The number of Units for which a certificate of occupancy has been issued on or before the 20th day of the previous month, divided by the total number of Units, multiplied by 60% of the total amount of monthly common charges (\$4,422) for all Units as projected in Schedule "B" as amended to include the pool facilities, plus that portion of the total monthly common charges unrelated to the number of Units, multiplied by the percentage interest in the common elements for the Unit.

For example, if certificates of occupancy were issued for only 12 of the Units by November 20, 1985, the common charge for each Unit for the month of December, 1985 would be determined as follows:

$$\frac{20 \times 2,786}{62} \quad (\text{portion of monthly common charges related to Units} - 63\% \times \text{total monthly common charged as projected in Schedule "B"} - \$4,422)$$

which amount is

$$\begin{array}{r} \$ 899 \\ + 1,636 \end{array}$$

(portion (37%) of total monthly common charges not directly related to Units)

$$\begin{array}{r} \$2,535 \\ x .014 \end{array}$$

(% interest in common elements for Unit)

Common charge for month of December 1985 \$35.49

(For Units with a 1.4% interest in the common elements)

$$\begin{array}{r} \$2,535 \\ x .0184 \end{array}$$

(% interest in common elements for Unit)

Common charge for month of December 1985 46.64

(For Units with a 1.84% interest in the common elements)

RIGHT OF RESCISSION

Because of the addition of the swimming pool and its effect on common charges, Purchasers who executed Purchase Agreements prior to the effective date of this Amendment, may rescind their Purchase Agreement and receive a refund of their down payment (with interest, if any, earned thereon) within fifteen (15) days after the presentation of this Amendment. In order to rescind the Purchase Agreement,

Purchasers must sign and return to the Sponsor the written form attached to this Amendment as Exhibit I-C within 15 days after receipt of a copy of this Amendment. Purchasers may alternatively indicate on the form that they wish to waive the right of rescission. Any purchaser not exercising the right of rescission by executing the form and returning it to the Sponsor within the 15 day period shall be deemed to have waived the right of rescission.

CHANGED IN DESCRIPTION AND SPECIFICATIONS OF CONDOMINIUM PROPERTY

The Description and Specification of Condominium Property, which begins on page 49 of the Offering Plan, is changed as follows:

- page 51 - in "I. Structural System," subsection 2a, "redwood vertical siding" is changed to "cedar vertical siding";
- page 52 - in "5. Exterior entrances", subsection d, "Railings - wrought iron" is changed to "Railings - wolmanized wood".
- page 53 - in "11. Interior doors and frames" subsection a, "wood lunanex hollow core" is changed to "masonite hollow core".
- page 57 - in "4 Kitchen Equipment" delete "c. Refrigerator - GETV14SF" and "f" Garbage disposal - GE GFC 230". Refrigerators and garbage disposals, if required by Unit purchasers, will have to be acquired separately.

PURCHASERS' DEPOSITS WILL NOT BE PLACED IN INTEREST BEARING ACCOUNTS

The Sponsor will place purchasers' deposits in a non-interest bearing account rather than an interest bearing account as stated on page 18 of the Offering Plan in the sub-section entitle "Trust Funds" under Procedure to Purchase.

In lieu of holding purchasers' deposits in a special account as provided on said page 18, the Sponsor may post a bond or irrevocable letter of credit to assure the reutrn of such funds in the event of the Sponsor's default. The posting of a bond or the furnishing or an irrevocable letter of credit will be disclosed by an amendment to this Offering Plan duly filed with the New York State Department of Law.

NO OTHER MATERIAL CHANGES

There are no other material changes to the state of facts except as shown above.

LACONIA HOMES, INC.

EXHIBIT I-A
MEADOWLAND ESTATES CONDOMINIUM
SALES PRICES AND ESTIMATED MONTHLY CHARGES
FOR THE FIRST YEAR OF OPERATION BASED ON OCCUPANCY OF ALL UNITS*
(Letters in parentheses designate footnotes which follow Schedule A)

(1) UNIT (A)	(2) NO. OF ROOMS/ BATHS (B)	(3) APPROX. SQUARE FEET (C)	(4) OFFERING PRICE (D)	(5) % INTEREST IN COMMON ELEMENTS (E)	(6) PROJECTED MONTHLY COMMON CHARGES (F)	(7) PROJECTED MONTHLY REAL ESTATE TAXES (G)	(8) PROJECTED TOTAL MONTHLY CARRYING CHARGE (H)
Building 1							
Studios: 622(D) and (F); 628(B) and (F)	1/1	592	82,500	1.4	61.91	7.50	69.41
One BR: 623(C) and (E); 629(A) and (E)	2/1	592	82,500	1.4	61.91	7.50	69.41
Two BR: 623(A),(B),(G) and (H); 629(C),(D), (G) and (H)	4/1-1/2	996	115,000 except 623(a) and 629(H), which are 116,000)	1.84	81.37	7.50	88.87
Building 2							
Studios: 40(B),(G), (J) and (P)	1/1	592	82,500	1.4	61.91	7.50	69.41
One BR: 40(A),(F) (H) and (N)	2/1	592	82,500	1.4	61.91	7.50	69.41
Two BR: 40(C),(D),(E) (K),(L) and (V)	4/1-1/2	996	115,000	1.84	81.37	7.50	88.87

* All projected charges are for one year period estimated to begin October 1, 1935.

EXHIBIT I-A (Continued)
 MEADOWLAND ESTATES CONDOMINIUM
 SALES PRICES AND ESTIMATED MONTHLY CHARGES
 FOR THE FIRST YEAR OF OPERATION BASED ON OCCUPANCY OF ALL UNITS*
 (Letters in parentheses designate footnotes which follow Schedule A)

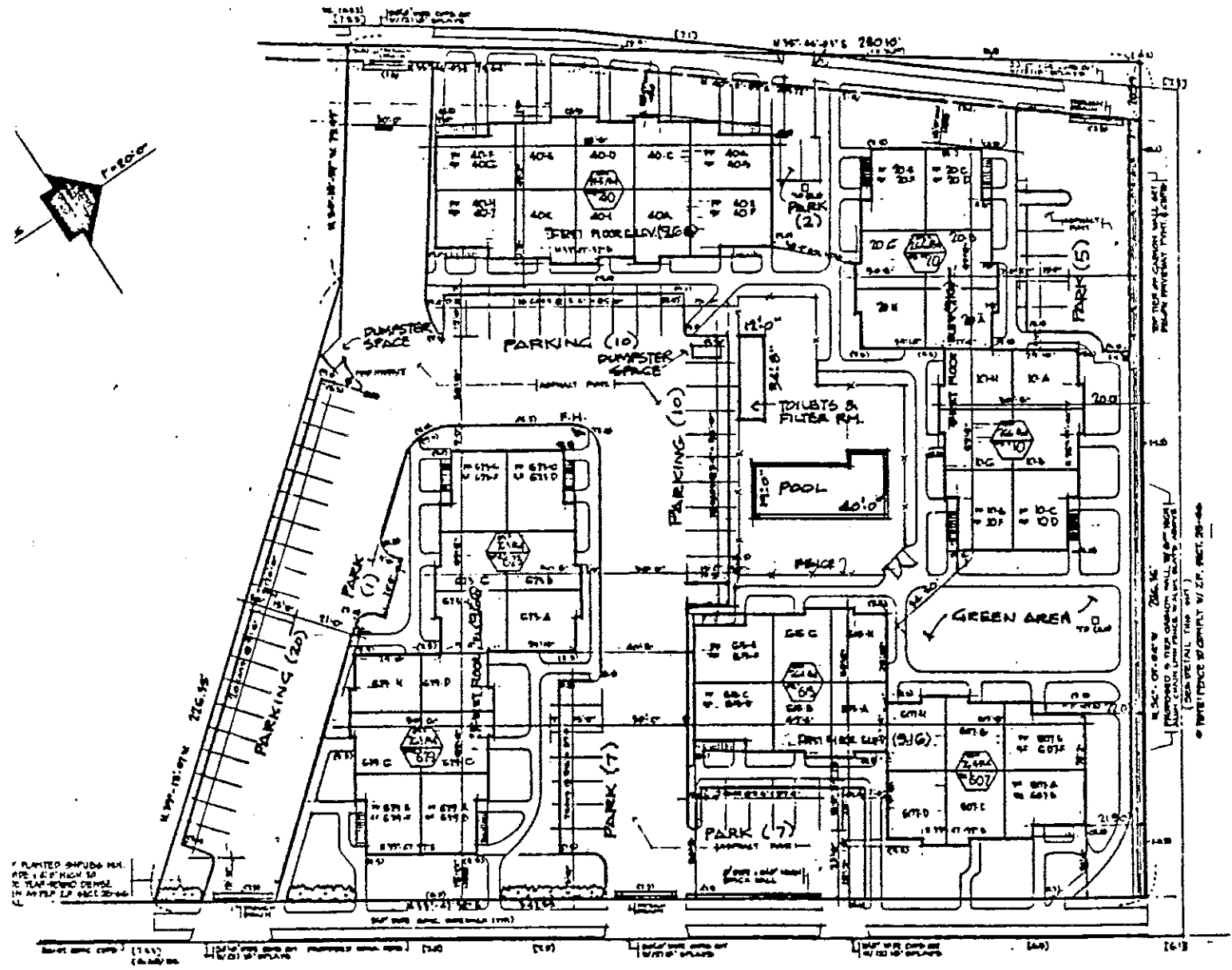
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
UNIT	NO. OF ROOMS/ BATHS	APPROX. SQUARE FEET	OFFERING PRICE	% INTEREST IN COMMON ELEMENTS	PROJECTED MONTHLY COMMON CHARGES	PROJECTED MONTHLY REAL ESTATE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGE
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Building 3							
Studios:							
10(C),(D) and (F); 20(D) and (F)	1/1	592	82,500		61.91	7.50	69.41
One BR:							
10(E) and 20(C) and (E)	2/1	592	82,500		61.91	7.50	69.41
Two BR:							
10(A),(B),(C),(H); 20(A),(B),(C) and (F)	4/1-1/2	996	115,000 (except 10(A) and 20(H) which are 116,000)		81.37	7.50	88.87
Building 4							
Studios:							
607(B) and (F); 615(D) and (F)	1/1	592	82,500		61.91	7.50	69.41
One BR:							
607(A) and (E) 615(C) and (E)	2/1	592	82,500		61.91	7.50	69.41
Two BR:							
607(C),(D),(G),(H); 615(A),(S),(G) and (H)	4/1-1/2	996	115,000 (except 607(D) and 615(H) which are 116,000)		81.37	7.50	88.87
TOTALS:							
		\$5,830,790	**	100%	\$53,065.00		

* All projected charges are for one year period estimated to begin October 1, 1985

** Included Units previously sold at initial offering price.

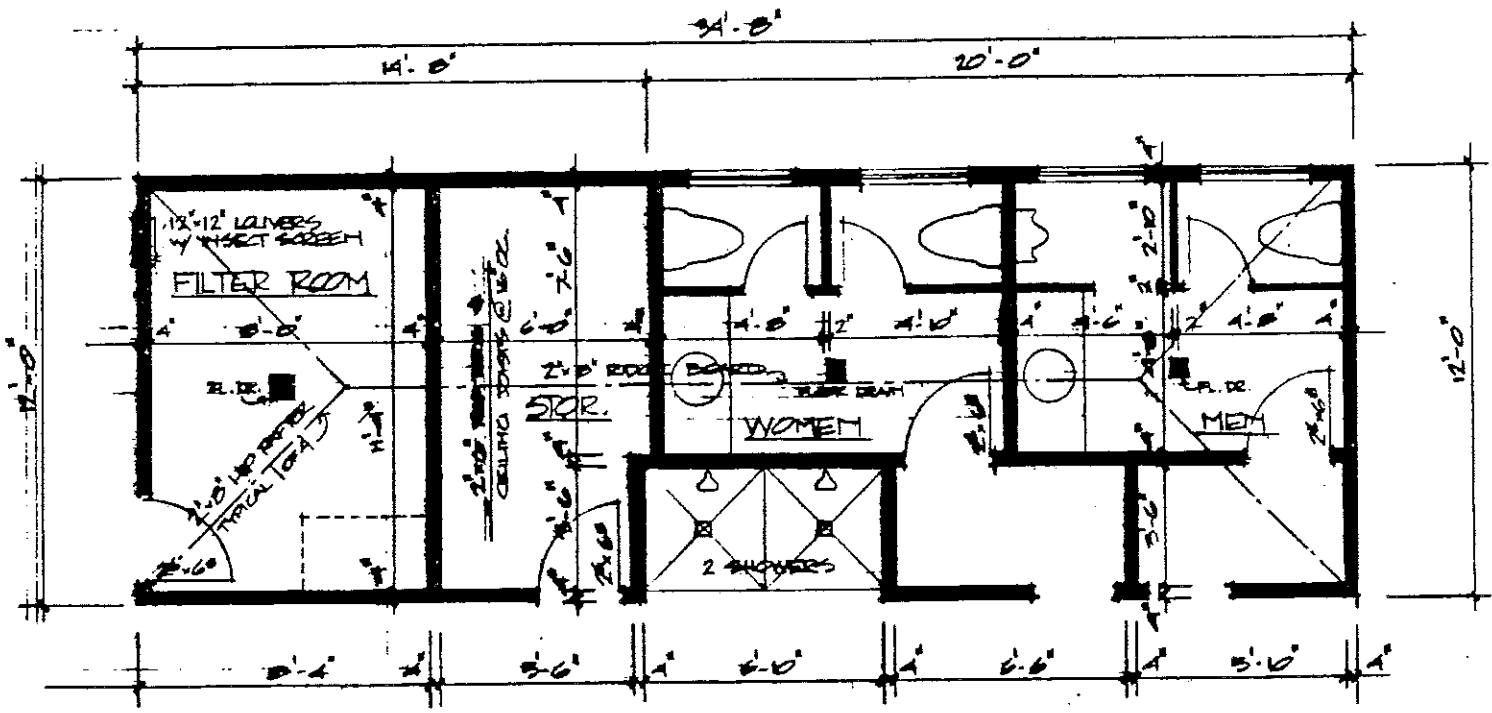
EXHIBIT I-B

ALADOM PLACE



LACONIA AVE.

ALL RIGHTS RESERVED BY THE ARCHITECT
 NO PART OF THIS DRAWING SHALL BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.
 (SEE DETAIL THIS SHEET)
 © 1991 FINE ARCHITECTURE, INC.



FIRST FLOOR PLAN

SCALE: 1/4" = 1'-0"

POOL BUILDING

EXHIBIT I-C

RIGHT OF RESCISSION
OR
WAIVER OF RIGHT OF RESCISSION

Re: Meadowland Estates Condominium
Unit _____

I (we) hereby rescind my contract to purchase the above Unit in the Meadowland Estates Condominium. Please return my (our) deposit and furnish me (us) with the proper form for cancellation. I (we) understand that if I (we) do not exercise this right of rescission by _____, 19__, I (we) will be deemed to have waived any right of rescission.

I (we) hereby waive my (our) right to rescind my (our) contract to purchase the above Unit.

Date _____

Date _____

Reason above right of rescission is being offered:

Addition of swimming pool and its effect on common charges. See First Amendment to Offering Plan.

SECOND AMENDMENT
TO THE OFFERING PLAN FOR
MEADOWLAND ESTATES CONDOMINIUM

February 3, 1986

This is the Second Amendment to the Offering Plan for the Meadowland Estates Condominium, which plan was accepted for filing by the New York State Department of Law on April 9, 1985. The First Amendment was filed on October 10, 1985.

STATUS OF SALES

As of February 3, 1986, the Sponsor has entered into 26 bona fide contracts of sale and title has been transferred to 24 Units.

INCREASE IN PRICES

The prices of the following unsold Units as shown on Schedule A of the Offering Plan have increased as follows:

<u>Unit</u>	<u>New Price</u>
20C, D & E	\$95,000
607B	95,000
623D & E	95,000
629E & F	98,000
40D	130,000
615G	130,000
629G	130,000

The price of the remaining unsold Units remain the same as they appear on Schedule A of the Offering Plan.

NO OTHER MATERIAL CHANGES

There are no other material changes to the state of facts except as shown above.

LACONIA HOMES, INC. - Sponsor

MEADOWLAND ESTATES CONDOMINIUM

To All Homeowners of Meadowland Estates:

The Homeowners Association has compiled the attached informational booklet for all Meadowland Estates Homeowners. It contains a summary of the rules and regulations of the Meadowland Estates Condominium. It must be noted that this document represents much time and effort by the full Board of Managers and does not intend to discriminate or inhibit against any particular homeowner. Rather, it is intended to ensure for a neat, safe and valuable community for all 62 homeowners.

We have endeavored to make our condominium one in which we may take pride. Remember, it is up to everyone to make our community a success. The Board of Meadowland Estates has adopted and approved the attached rules and regulations unanimously.

Please be advised that there are forms within this package which are to be filled out by all homeowners and returned to C.M.S.

Your Board sincerely hopes that everyone will follow the guidelines set forth so that each of us can enjoy living here at Meadowland Estates.

Sincerely,

Board of Managers
Meadowland Estates Condominium

MEADOWLAND ESTATES CONDOMINIUM

STATEN ISLAND - NEW YORK

Page	1	Information Page
Page	2	Repair Procedures
Page	3 - 8	House Rules
Page	8	Fines
Page	9	Garbage and Sanitation
Page	10 - 12	Pool Rules and General Information
Page	13	Service Evaluation Form
Page	14	Vehicle Registration Form

MEADOWLAND ESTATES CONDOMINIUM INFORMATION PAGE

C.M.A. Office	718- 317-6937
	-60
	P.O. Box 131576
	St. I, N.Y. 10313
Fire Department	911 or 727-1100
Local Police	667-2211
Local Hospitals:	
S. I. Hospital	
475 Seaview Avenue	390-9200
St. Vincent's Hospital	
355 Bard Avenue	390-1234
Bayley Seton Hospital	390-6000
Bay Street & Vanderbilt Ave.	
Doctor's Hospital	981-1400
1050 Targee Street	
Brooklyn Union Gas	643-4050
Con Edison	390-6400
Garbage:	
Department of Sanitation	447-3543 370-3774
Bulk Pick Up	447-7627 .

REPAIR PROCEDURES

In order for the Board to keep an accurate record of repairs within the community, we request that anything not considered an emergency be put in writing and addressed to Board of Managers, c/o Community Management Assoc., Inc. These letters will be reviewed at the very next meeting and action will be decided. You will be advised by mail as to the disposition. This will enable the Board to keep an accurate record of work orders and unbudgeted expenditures of the community. Additionally, when service is provided to your unit's exterior, please fill out the attached form after the repairs or service is completed. This will provide the Board of Managers with service details, whether its satisfactory or not and, most importantly, whether to continue that particular service or not. Extra forms will be available through C.M.S. Also, please fill out the vehicle registration form on Page 14 and send in to CMS to provide an up-to-date inventory of residents' vehicles.

P.O. Box 131576
S.I.N.Y. 10317

What is considered an emergency? A roof blowing off, storm water entering the premises, sewerage backup or flooding within the home, or in general, anything that could result in impending damage to the interior of the home, the structure of the buildings or endanger the people residing there.

C.M.A. has been instructed by the Board to request all calls of any other nature to be put in writing and addressed to the Board.

Your cooperation in this matter will help the Board to get things done promptly, properly, and at a minimal cost. This will enable every homeowner great enjoyment and pride in the community.

HOUSE RULES

When each of us purchased our respective units, we did so with the knowledge of the close living proximity of our neighbors. Basically, all condominiums cause close living conditions with neighbors -- that is a fact of condominium life. Our condominium will only be as good or bad as we make it, thus the need for rules and guidelines for community living arise. Each of us has the same right to live and enjoy his house as does his neighbor. We must be extremely mindful of the fact that we do have neighbors who are so close to us. Because of this, we must each extend ourselves (at all times) to cooperate with each other and with the entire condominium to make it peaceful and happy. An individual can simply not act in a way that, although may give him pleasure, may adversely affect the surrounding community or neighbors. There is a saying which is most appropriate within our and every condominium . . .

"Do Unto Others As You Would Want Them To Do Unto You".

For those homeowners who do not have a prospectus or have misplaced theirs, contained here are all the house rules which are confirmed in the By-Laws of the condominium and amended by the Board of Managers.

Section 1. Owners of a home, members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in any such a way as to be injurious to the reputation of the Condominium.

Section 2. The common elements shall not be obstructed, littered, defaced, or misused in any manner.

Section 3. Every Homeowner shall be liable for any and all damage to the common elements and the property of the Condominium, which shall be caused by said homeowner or such other person for whose conduct he is legally responsible.

Section 4. (a) Every homeowner must promptly perform all maintenance and repair work to his own home which, if omitted, would negatively affect the community in its entirety or in part belonging to other homeowners, or the building of which his home forms a part, he being expressly responsible for the damages and liabilities, that his failure to do so may endanger.

(b) All repairs to internal installations of the home located in and servicing only that home, such as telephones and sanitary installations shall be at the homeowner's expense.

Section 5. (a) A homeowner may not make any alterations to the exterior of the home or any part of the unrestricted common elements without the written consent of the Board of Managers. An owner shall not make structural modifications to the home unit or other alterations which would impair the structural soundness of the home without the written consent of a majority in common interest of the homeowners. This refers to both the interior and exterior of the condominium unit. The Board of Managers must be instructed in writing, as filed through the managing agent, as to the nature of the exterior or interior alteration. The Board of Managers shall have the obligation to answer within sixty (60) days from date of received at CM. Managing Agent, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(b) Each homeowner shall be obligated to maintain the landscaping, such as regular watering, in the restricted front, and/or side yards in a presentable manner. A homeowner may install with Board approval suitable shrubbery and trees to his restricted and/or side yards and shall be responsible for maintenance of such shrubbery and trees.

Section 6. (a) It is prohibited to hang garments, rugs, etc. from the windows, or from any of the Buildings or to string clothes lines on or over the common elements (including restricted areas).

(b) No homeowner shall paint the exterior surfaces of the windows and doors opening out of his home.

(c) No person shall park a vehicle in or otherwise obstruct ingress or egress to another homeowner's parking space or Estate driveway at any time and, upon doing so, will be subject to a second offense fine for a first-time violation (i.e., all residents are well aware of this offense so no warning is needed).

(d) Each homeowner shall keep his home in a good state of preservation and cleanliness, and shall not sweep, throw or permit to be swept or thrown therefrom, or from the doors, or window thereof any dirt or other substance. Nor shall any homeowner store refuse, temporarily or otherwise, outside of his home at any time.

Section 7. (a) No awning, storm and screen window or radio or television aerial shall be attached to or hung from the exterior of the home except those that have been approved in writing by the Board of Managers. Nor shall anything be projected from any window of the building without similar approval.

(b) As of January 1, 1987, storm doors purchased by homeowners must be dark brown in conformance to the original exterior colors of the buildings. This is not subject to modification by future Board members or homeowners.

Section 8. No homeowner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his home any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use. However, the Board does consider barbecue lighting fluid as a normal household use item, but care should be given to its safe storage within the home.

Section 9. If any key or keys are entrusted by a homeowner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the homeowner's home or automobile, truck or other item of personal property, the acceptance of the key shall be at the sole risk of such homeowner, and neither the Board of Managers nor the managing agent shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

Section 10. No homeowner shall make or permit any disturbing noises in his home or do or permit anything to be done there in, which will interfere with the rights, comforts, or conveniences of other homeowners. No homeowner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph, radio, or television set or other loud speaker in such owner's home between the hours of twelve o'clock midnight and the following seven o'clock a.m., if the same shall disturb or annoy other occupants of the buildings, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10 p.m. and the following 9 a.m.

Section 11. No repair of motor vehicles (such as oil changes, engine cleanings, lubes, etc.) shall be made in any of the roadways, driveways, or parking areas of the Condominium. Nor shall such areas be used for storage or long term parking of any automobile, boat, trailer, camper, bus, truck, or commercial vehicle. Any such parking shall be subject in addition to any restriction due to zoning or local ordinance requirements.

Section 12. No sign of any kind shall be displayed to the public view on or in any home, except a one-family name or professional sign of not more than two hundred forty square inches, or one temporary sign of not more than five square feet, advertising the property for sale. No such sign shall be illuminated except by non-flashing white light emanating from within or on the sign itself and shielded from direct view.

Section 13. (a) Permanent barbecues are not permitted. Permanent is defined as those barbecues that are installed in the ground and receive their gas supply from the gas lines within the house.

(b) Temporary barbecues will be permitted for outdoor use only. Barbecues may be neatly stored outside the home when regularly in use; notices will be forwarded to those homeowners who fail to follow this guideline with fines levied for second offenses (i.e., no warnings will be issued). All barbecue equipment such as lighting fluid, food utensils, and charcoal must be stored within the home, not outside at any time. Care should be given to the safe storage of lighting fluid within the home. During non-summer seasons, those homeowners who do not regularly use this equipment should store the barbecue within the home to maintain the attractive appearance and manner of the Estates grounds.

(c) No barbecues of any kind are permitted for use in the common landscaped grounds, parking areas or pool areas. Temporary barbecues are only permitted for use directly in front of the homeowner's residence front door area.

(d) No barbecue of any type will be allowed on second floor balconies as these violate local fire safety codes. Copies of these fire safety codes may be obtained through CMS.

Section 14. Parking spaces are common property. Bicycles, carriages, toys, etc., should not be parked in parking spaces overnight. This is for the safety of the owners, as well as for the appearance of the condominium.

Section 15. No unregistered motor vehicles of any type (car, truck, motorcycle, motorbike, dirt bike) may park or drive along or within common elements.

Section 16. Speed within the condominium is limited to a maximum of 15 mph.

Section 17. All garbage must be properly bagged and/or placed in garbage receptacles. Properly bagged means garbage placed in heavy duty plastic bags and securely tied, not in paper bags. Cardboard boxes must be broken down so as to be of size suitable to store within trash receptacle. If a homeowners bag rips, it is that homeowner's responsibility to ensure the area is cleaned up and the remaining garbage is again bagged. (See Section on Garbage/Sanitation for details.)

Section 18. No homeowner will install or permit to be installed any window-mounted or through-the-wall-mounted air conditioning unit in his home.

Section 19. All homes shall be used for single family residence purposes. Any other use is subject to fine of \$50 per day and legal action.

Section 20. Alarms - All homes with alarms must have a cut off and homeowners are advised to leave a phone number where owner can be reached during day and evening hours.

Section 21. No large commercial vehicles may be parked overnight on or within common elements. Vans and small pickups will be permitted.

Section 22. New York City regulations require that animals are to be leashed and have current tags. Under no circumstances will an owner let his animal run loose. There is a pooper scooper law in effect in New York City and homeowners are required to clean up after their animals.

Section 23. Parking lots are for residents only and spots are assigned. No parking is allowed in any spot other than homeowners space number. Violators are to be notified to the Board immediately and fines will be levied as per Section 6C. Guests are to park on the street at all times.

Section 24. Bicycles, carriages, toys, brooms, shovels, garbage cans or buckets or bags, shopping carts, lounge chairs, newspapers, cardboard boxes, etc., are not to be parked or stored outside in front of homes at any time. This is for the safety of the owners as well as for the appearance of the Condominium.

Section 25. Garden hoses are to be stored within the home during the non-summer seasons between September 30th and April 1st. During the in-use seasons, hoses must be neatly stored (i.e., coiled) outside the home unit. Hoses should not be allowed to run without spray nozzles and unattended by the responsible homeowner.

FINES

Each violation will be treated as an offense within its own category.

1st offense - written notification

2nd offense - \$25.00 fine

3rd offense - \$50.00 fine

All subsequent offenses of the same type will be a \$100.00 fine. Fines collected will be used to correct the damage and/or for the general upkeep of the condominium.

GARBAGE AND SANITATION

In order to help make Meadowland Estates a clean and beautiful place to live, the Board has adopted and unanimously passed the following resolutions:

1. All garbage must be properly bagged and placed in trash receptacles. Properly bagged means garbage placed in heavy duty plastic bags and securely tied.

2. If any of a homeowners bags rips, it is that homeowner's responsibility to ensure the area is cleaned up and the remaining garbage again bagged.

3. Large boxes (paper/wood) must be broken up, flattened and tied prior to depositing in the trash bins.

4. Anything that does not comply with above, such as large items, appliance cartons, mattresses, box springs, etc., are the homeowners responsibility to dispose of. Call (See Page 1.) for bulk pickup.

5. Remember that there are two trash bins available -- one within the grounds and another on the northern dead end of Laconia Avenue. If your bag of trash does not fit in one bin, please use the other and do not just leave the bag lying next to or near the full one. While this may seem inconvenient, it is minor compared to an unkept and unsanitary community.

6. Fines for reported offenses will be:

First offense \$25

Second offense \$50

Third offense \$100.

POOL RULES AND GENERAL INFORMATION

The following rules and regulations are for the benefit of all pool members. Please read them carefully. Your compliance will be an important factor in assuring the safe and fun-filled use of the pool.

HOURS-

Weekends -	June	11:00 AM - 7:00 PM
Daily -	July 1 - Labor Day	12:00 AM - 8:00 PM
Weekends & Holidays -	July 1 - Labor Day	11:00 AM - 7:00 PM
Thursdays -	"Adults Only Swim"	6:30 PM - 8:00 PM

(Over 16 years of age only)

All hours are subject to modification.

These rules are effective as of Memorial Day opening.

1. All persons using facilities of the pool do so at their own risk. Meadowland Estates Condominium, the Sponsor, assume no responsibility, direct or indirect, for any personal injury, nor loss or damage to personal property within the pool area.

2. The lifeguards will be in full charge and will enforce all Rules and Regulations.

3. Use of the pool shall be restricted to members with valid membership and their guests. All homeowners and occupants living within the Estates units will be issued pictured cards to be validated seasonally. These cards will be turned into the lifeguard when entering the pool area and returned when leaving the pool area.

4. All guests must accompany the member to gain entrance to the pool. Homeowner must sign guest in. Only four guests per household will be allowed. Offspring not residing with the Estates homeowner will be considered a guest.

5. *NO PERSON UNDER 16 may sign guest in. GUESTS must leave pass with lifeguard. Passes for guests will be issued to each household.

6. Children under age of twelve (12) will not be admitted to the pool unless accompanied and supervised by an adult. There will be overall supervision of the pool area by a lifeguard; however, we cannot accept responsibility for unaccompanied younger children in the pool.

7. No pets are allowed in any area of the pool at any time.

8. Baby carriages and playpens are not allowed in area of the pool. Only folding strollers are permitted.

9. For health reasons and to insure proper maintenance of the pool, all members and their guests are required to wear bathing caps or tie hair securely back in the pool if their hair is shoulder length or longer.

10. All members and their guests are required to be in proper attire while in any part of the pool. Bathing suits only. No cut-off pants allowed.

11. No person shall make any unnecessary noise or behave in any objectionable manner while within the pool area. Radios must not be played so as to annoy other pool users.

12. The lifeguard on duty is in complete charge of the pool and his requests must be complied with. He will be informed of these rules and will enforce as needed. He may expel from the pool any person acting in an unsafe or objectionable manner.

13. No food will be allowed in the pool area. Only beverages in plastic containers (no glass containers) will be allowed in the pool area. Smokers must bring ashtrays.

14. The Rules and Regulations of the Department of Health and all other related Government Agencies having jurisdiction will be considered a part of these Rules and Regulations.

15. No rafts, inner tubes, or play equipment may be used in the pool. Water wings on supervised children are allowed in the pool.

16. It is required by the Department of Health that all bathers must shower prior to entering the pool. Shower facilities are provided in both the men's and ladies' bathrooms.

17. Members will be responsible for all actions of their children and their guests.

18. The cost of any property damage will be charged to the responsible party.

19. Additional Rules and Regulations for health and safety may be posted from time to time on the pool bulletin board.

20. Amendments to existing Rules and Regulations may be imposed as necessary and will be posted on the pool bulletin board and forwarded to homeowners as addenda to these general guidelines.

21. Any infraction of the Rules and Regulations can be considered a cause for suspension of all pool privileges.

22. All members and their guests are expected to leave the pool area fifteen minutes before the posted closing time to allow lifeguards to clean and organize the area. No one may enter the pool area later than fifteen (15) minutes prior to closing time.

23. Any child not toilet trained must wear a cloth, linen, or disposable diaper covered with rubber pants, covered by a bathing suit in order to use the pool.

24. Anyone using the pool when it is closed will automatically lose privileges for the season and will be subject to prosecution for trespassing.

25. No jumping or diving from side of pool. No running in pool area.

26. No children permitted in pool during adult hour, 6:30 - 8:00 p.m.

27. No barbecues of any kind are allowed in the pool area.

28. Common charges must be paid up in order to use pool.

29. A homeowner who has not paid his common charges cannot enter the pool as another homeowner's guest as his picture cards will be rescinded.

30. A guest is a person who does not reside in the development.

ALL UNIT OWNERS ARE REQUIRED TO COMPLETE THE FOLLOWING

MEADOWLAND ESTATES CONDOMINIUM EMERGENCY RESPONSE FORM

Name(s) on Title _____

Address _____

Owner Occupied: Yes____ No____ Rented: Yes____ No____

Home Phone # : _____ Business # : _____

Names of Occupants:

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

Vehicles :

1. Make _____ Year _____

Model _____ Color _____

Plate # _____ State _____

2. Model _____ Year _____

Model _____ Color _____

Plate # _____ State _____

3. Make _____ Year _____

Model _____ Color _____

Plate _____ State _____

Pets (Describe)

1. _____

2. _____

3. _____

In case of emergency, the following persons
have access to our home:

Mortgage Holder:

Name _____

Address _____

Mortgage # _____

1. Name _____

Address _____

Telephone # _____

2. Name _____

Address _____

Telephone # _____

Assigned Parking Spot Number (if known) _____

I UNDERSTAND THAT THE PROSPECTUS GIVES THE BOARD OF MANAGERS OR ITS MANAGING AGENT, CMA, THE RIGHT OF ACCESS TO MY UNIT IN THE EVENT OF AN EMERGENCY (SECTION 7.02, PAGE 99 OF THE PROSPECTUS) AND IF I OR THE PERSONS WHOM I HAVE LISTED ABOVE CANNOT BE REACHED IN A TIMELY FASHION. I FURTHER UNDERSTAND THAT IN SUCH A SITUATION, IF EXTRAORDINARY MEASURES ARE REQUIRED (E.G. USING THE SERVICES OF A LOCKSMITH TO GAIN ENTRY, REMOVAL AND REPLACEMENT OF A LOCK, ETC.), I WILL BE FULLY LIABLE FOR SUCH COSTS.

SIGNATURE _____