

① List of owners
5 member board → 42 homes
↳ 3 members → 2 yrs
2 members → 1 yr
↳ system

101

Pres
VP (V)
Secretary
Treasurer 2 officers

② Committees

* Annual Report

2 Separate account for Capital Reserve Fund

BY-LAWS

OF

INSPIRATION PARK HOMEOWNERS' ASSOCIATION, INC.

Voting rights of any owner delinquent in payment of his assessment, may not be suspended

13.02 (Pg 17) - questions

13.05

**BY-LAWS
OF
INSPIRATION PARK HOMEOWNERS' ASSOCIATION, INC.**

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**BY-LAWS
OF
INSPIRATION PARK HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE I

NAME, LOCATION AND MEMBERSHIP

Section 1.01. Name and Location. The name of the not-for-profit corporation, organized pursuant to the New York State Not-for-Profit Corporation Law, is Inspiration Park Homeowners' Association, Inc. The Certificate of Incorporation was filed in the Office of the Secretary of State of the State of New York June 14, 1991. The Corporation (hereinafter referred to as the "Association") was organized for the purpose of taking title to the Property deeded, or to be deeded to the Association and administering the operations of the Association. The principal office of the Association shall be located in the Town of Queensbury, County of Warren of New York.

Section 1.02. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Association and the use thereof.

Section 1.03. Personal Application. All present and future Owners, their guests, lessees, licensees, invitees and Mortgagees, and any other person having a right to use all or a portion of the Property by virtue of rights previously granted by deed and any other person who may use the facilities of the Property in any manner, are subject to these By-Laws, the Declaration and Rules and Regulations (as hereinafter defined).

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. All capitalized terms herein, which are not separately defined or denominated herein shall have the meanings given to those terms in Article I of the Declaration.

ARTICLE III

OWNERS; VOTING RIGHTS

Section 3.01. Membership in the Association. The Association shall have as Members only Owners of Homes within the Inspiration Park Homeowners' Association, Inc. All Owners shall, upon becoming such, be deemed automatically to have become Members and there shall be no other qualification for membership. Membership

shall be appurtenant to, and shall not be separated from, the ownership of any of the interests described in the definition of the word "Owner" as found in Article I of the Declaration. Any person or entity holding an interest in a Home merely as security for the performance of an obligation shall not be a Member.

Section 3.02. Voting. Each Owner (including the Sponsor, if the Sponsor shall then own or hold title to one (1) or more Homes) shall be entitled to cast one (1) vote, regardless of the number of Homes owned, at all meetings of Owners. In the event that any Home is owned by more than one person, the vote shall be cast by the person named in a "Voting Owner Certificate" signed by all Owners of such Home and filed with the Secretary of the Association. Such "Voting Owner Certificate" shall be valid until revoked by a subsequent Certificate. If such Certificate is not on file, the person first named on the deed by which title was obtained shall be the person considered the Voting Owner or Member.

A fiduciary shall be the Voting Member with respect to any Home owned in a fiduciary capacity and a Certificate shall be filed with the Secretary.

Voting rights of any Owner delinquent in the payment of his Assessments may not be suspended.

Section 3.03. Right to Vote. At any meeting of Owners, every Voting Owner having the right to vote shall be entitled to vote in person, by mail (absentee ballot) or by a person, who need not be an Owner, designated by him to act as proxy on his behalf.

Section 3.04. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the commencement of the meeting at which the same are to be used. Such proxies shall only be valid for such meeting or subsequent adjourned meetings thereof. A notation of such proxies shall be made in the minutes of the meeting.

Section 3.05. Absentee Ballot. All absentee ballots shall be in writing and shall be filed with the Secretary prior to the commencement of the meeting at which the same are to be used. Such absentee ballots shall be valid only for such meeting or subsequent adjourned meeting thereof. A notation of such absentee ballots shall be made in the minutes of the meeting.

Section 3.06. Voting Regulations. The Board of Directors may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Owners in regard to proof of membership in the Association, evidence of right to vote, the BY-

appointment and duties of inspectors of election, registration of Owners for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.07. Sponsor's Right to Assign its Vote. The Sponsor may, subject to a duly filed amendment to the Offering Plan for the sale of the Homes, together with interests in the Association, assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership, may make successive like assignments. Membership in the Association shall not otherwise be transferable or assignable.

ARTICLE IV

MEETING OF OWNERS

Section 4.01. Annual Meeting. Upon Transfer of Control Date, or five (5) years from the transfer of title to the first Home, whichever shall first occur, the Sponsor shall notify all Owners that the first meeting of Owners shall be held within thirty (30) days thereafter. The annual meeting of Owners thereafter shall be held on or about the same date each succeeding year, at a time to be determined by the Board of Directors and at such place convenient to the Board of Directors adequate in size to accommodate all Owners. If such date shall be a legal holiday, the meeting shall be held on the first day following such date which is not a legal holiday. Failure to hold an annual meeting at the designated time shall not terminate the Association's existence or otherwise affect valid acts of the Association. At such meeting, the Owners shall elect the Board of Directors in accordance with the provisions of Section 5.03 hereof and may transact such other business as may properly come before them.

Section 4.02. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners if so directed by resolution of the Board of Directors or upon a petition presented to the Secretary signed by not less than forty percent (40%) of the Authorized Votes. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4.03. Notice of Meetings. It shall be the duty of the Secretary to send by first class mail, postage prepaid, a notice of each annual or special meeting of the Owners at least ten (10), but not more than fifty (50) days, prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Owner of record, at such address as such Owner shall have designated by notice in writing to the Secretary, if other than his Home, and to all Mortgagees of Homes who have

requested the same. Notwithstanding the foregoing, 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 ten (10) days but not more than fifty (50) days prior to such meeting. The mailing of a notice of meeting shall be in the manner provided in this Section and shall be considered service of notice.

Section 4.04. Waiver of Notice. Whenever, under any provisions of these By-Laws, the Declaration, any agreement or instrument, or law, the Association, the Board of Directors or any committee is authorized to take any action after notice to any person, or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before such action commences, the person entitled to such notice or entitled to participate in the action to be taken, or in the case of an Owner, by his duly authorized attorney-in-fact, submits a signed waiver of notice of such requirement. The attendance of an Owner at a meeting, in person, by mail, by FAX or by proxy, without protesting at the commencement of the meeting the lack of notice of such meeting, shall also constitute a waiver of notice by such Owner.

Section 4.05. Waiver and Consent. Wherever the vote of Owners at a meeting is required or permitted by any provision of the Declaration, these By-Laws or by law to be taken in connection with any action of the Association, the meeting and vote of the Owners may be dispensed with if all 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.

Section 4.06. List of Owners. A list of Voting Owners and all Owners, as of a request date, certified by the corporate officer responsible for its preparation, shall be produced at any meeting of Owners upon the request thereat, or prior thereto, of any Owner. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat, shall require such list of Owners to be produced as evidence of the right of the persons challenged to vote at such meeting. All persons who appear from such list to be Owners entitled to vote thereat, may vote at such meeting.

Section 4.07. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Owners having fifty-one percent (51%) of the total Authorized Votes of all Owners shall constitute a quorum at all meetings of the Owners. If, however, such quorum shall not be present or represented at any meeting of Owners, the Owners entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the

meeting, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

Section 4.08. Majority Vote. Members of the Board of Directors elected at any meeting of the Owners shall, except as otherwise provided by law, or these By-Laws, be elected by a plurality of votes cast. All other actions shall be taken by vote of Owners by a majority of Authorized Votes cast at a meeting at which a quorum shall be present or represented by proxy or absentee ballot, except where a higher percentage vote, or other vote, is required by the Declaration, these By-Laws or by law. The term "majority of Owners" shall mean those Voting Owners having fifty-one percent (51%) or more of the total Authorized Votes cast in person, by mail (absentee ballot) or by proxy and voting at any meeting of Owners determined in accordance with the provisions of Section 3.02 of these By-Laws.

Section 4.09. Inspectors of Election. The Board of Directors, in advance of any meeting of Owners, may appoint two (2) or more persons, who need not be 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 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 Directors or at any meeting by the person presiding thereat.

The inspectors of election shall: (i) determine the Owners entitled to vote at the meeting; (ii) determine the existence of a quorum and the validity and effect of proxies and absentee ballots; (iii) receive ballots or determine votes or consents; (iv) hear and determine any challenges or questions arising in connection with any Owner's right to vote; (v) count and tabulate all votes, absentee ballots or consents and determine the result thereof; and (vi) do such other acts as may be proper to conduct an election or vote with fairness to all Owners.

Section 4.10. Order of Business at Meetings. The order of Business at all meetings of the Board of Directors or Owners shall follow Roberts Rules of Order and be as follows:

- a. Roll Call
- b. Proof of Notice of Meeting
- c. Reading of Minutes of Preceding Meeting
- d. Reports of Officers
- e. Reports of Board of Directors
- f. Reports of Committees
- g. Election of Inspectors of Election (when so required)

- h. Election of Members of the Board of Directors (when so required)
- i. Unfinished Business
- j. New Business

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number and Qualifications of Directors.

- a. The business and affairs of the Association shall be managed by a five (5) member Board of Directors. The Board shall initially consist of three (3) persons designated by the Sponsor. Within thirty (30) days after the initial transfer of title to all forty two (42) Homes or five (5) years from the transfer of title to the first Home, whichever first occurs, the five (5) member Board shall be elected by Owners other than the Sponsor. Three (3) of such elected Directors shall serve for a term of two (2) years and two (2) for a term of one (1) year or until their successors are elected. Thereafter the term of office shall be for two (2) years.

The first meeting of the initial Board of Directors (Sponsor appointed) will be held within thirty (30) days of the date of transfer of title to the first Home, officers will be elected at such meeting and the By-Laws adopted.

- b. Until the Transfer of Control Date, the Sponsor shall have the right to elect or appoint a majority of the members of the Board of Directors but, if the Sponsor exercises this right, Sponsor may not vote for the other members of the Board. After the Transfer of Control Date, the Sponsor shall have no further right to elect or appoint any members of the Board of Directors. Members of the Board of Directors elected or appointed by the Sponsor shall serve for a term of one (1) year or until their successors are elected or appointed.
- c. All elected Directors shall be: (i) Owners; (ii) spouses of Owners; (iii) Mortgagees; (iv) members or employees of a partnership Owner or Mortgagee; (v) officers, directors, shareholders, employees or agents of a corporate Owner or Mortgagee; (vi) fiduciaries or officers, agents or employees of such fiduciaries; or (vii) designees of the Sponsor.

Section 5.02. Nominations.

- a. Nominations for election to the Board of Directors shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting of Owners, or by write-in.
- b. 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 that are to be filled by the votes of Owners as provided in Section 5.03. hereof.

Section 5.03. Election and Term of Office.

- a. At the first annual meeting of Owners, subject to the right of the Sponsor to elect or appoint Director(s) as provided in Section 5.01 hereof, a new Board of Directors shall be elected.
- b. At each annual meeting thereafter, the Owners shall elect successors to those Directors whose terms have expired and elect such successor Directors for terms of two (2) years. Voting shall be by written ballot which shall:
(i) set forth the number of vacancies to be filled; (ii) set forth the names of those nominated by the Nominating Committee to fill such vacancies; and (iii) contain space for nominations from the floor and write-ins for each vacancy.

Section 5.04. Vacancies. Vacancies in the Board of Directors caused by any reason, other than the removal of a member thereof by a vote of the Owners, shall be filled by vote of a majority of the remaining Directors at a special meeting of the Board of Directors 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. Each person so elected shall be a member of the Board of Directors until the next annual meeting of the Owners or until a successor is elected. Notwithstanding the foregoing, if the vacancy occurs with respect to any Director not designated by the Sponsor, the successor shall be an Owner independent of the Sponsor and further, if the vacancy occurs with respect to any member of the Board of Directors 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 Director.

Section 5.05. Resignation. A member of the Board of Directors may resign at any time by giving written notice to the Board, or to the President or Secretary of the Association. 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.

Section 5.06. Removal. At any regular or special meeting of Owners, any one (1) or more of the members of the Board elected by the Owners may be removed with or without cause by a majority of the Owners other than the Sponsor and a successor may then and there or thereafter be elected by the Owners to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Directors elected or appointed by the Sponsor may be removed with or without cause only by the Sponsor, and then and there, or thereafter, be replaced by the Sponsor.

Section 5.07. Compensation. Directors shall not receive any compensation or salary for their services as Directors. However, any Director may be reimbursed for his actual reasonable expenses incurred in the performance of his duties providing prior approval has been granted by resolution of the Board of Directors. A Director who serves the Association in any other capacity, however, may receive compensation therefor, if otherwise entitled to compensation, providing prior approval has been granted by resolution of the Board of Directors.

Section 5.08. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such places and at such times convenient to the Directors, by resolution of the Board of Directors. Should such meeting date fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday. Notice of regular meetings shall be given to each Director personally, by mail, by FAX or by telegram, at least four (4) days prior to the date set for such meeting. Any Owner wishing to address the Board at any such meeting shall notify the Secretary at least five (5) days in advance of the meeting, and indicate the subject to be addressed.

Section 5.09. Special Meetings. Special meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors upon not less than five (5) days notice to each Director either personally, by mail, by FAX or by telegram, which notice shall specify the time, place and purpose of the meeting. The person or persons authorized to call such special meeting of the Board may fix any time and place convenient to the Directors as the time and place for holding such meeting.

Section 5.10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance of a member of the Board of Directors at any special meeting of the Board, without protesting at the commencement of the meeting the lack of notice, shall constitute a waiver of notice by him of the time and place thereof. If all members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5.11. Quorum and Voting. At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which it is provided otherwise by statute, by the Certificate of Incorporation, the Declaration or these By-Laws, a vote of a majority of such quorum at a duly constituted meeting shall be sufficient to pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by a majority vote and without further notice, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted as originally called.

Section 5.12. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting, provided a written consent to such action is signed by all members of the Board of Directors or all members of such committee, as the case may be, provided, further, such written consent is filed with the minutes of proceedings of the Board or committee.

Section 5.13. Powers and Duties. The Board of Directors may exercise all the powers of the Association, except such as are conferred upon or reserved to the Owners by statute, the Certificate of Incorporation, the Declaration or these By-Laws. The powers, duties and authority of the Board of Directors shall specifically include, but shall not necessarily be limited to, the following:

- a. the establishment and maintaining such bank accounts as may be required for the operation of the Association;
- b. determine, levy and collect Assessments, and expend such Assessments for the maintenance, care, repair, replacement and operation of the Property of the Association;
- c. operate, maintain, repair and replace the Association Property;

Section 4.06. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, the Board of Directors shall consider the environmental impact of any existing or proposed activities on the Property or any portion thereof and may, in its discretion, establish standards or guidelines aimed at reducing or eliminating any activities which could have an adverse environmental impact or take affirmative action to improve the quality of the environment, and shall comply with all applicable laws, rules and regulations. Prior to Transfer of Control, no such standards or guidelines shall be established without prior written consent of the Sponsor, such consent not to be unreasonably withheld.

Section 4.07. Rights of Sponsor With Respect to Association Property.

- a. With respect to the Property, the Sponsor shall have the right, until the completion of construction, marketing and sale of all Homes, provided the rights of the Owners are not substantially and materially restricted (except for temporary inconvenience):
- (1) to grant and reserve easements and rights-of-way for the installation, maintenance, repair, replacement and inspection of the drainage system, utility lines, wires, pipes and conduits, including, but not necessarily limited to water, electric, telephone, sewer, water, drainage and cable television, to serve any property;
 - (2) to connect with and make use of the utility lines, wires, pipes, conduits and related facilities located on the Property for the benefit of any property set forth in Schedule B hereof and as shown on the Subdivision Map as a part of the total proposed development.
 - (3) to use the Property for ingress and egress for construction purposes and for the storage of building materials;
 - (4) to operate a sales center and/or permit the Sales Agent to operate a sales center and to have prospective purchasers and others visit such sales center and use other portions of the Property;

- (5) to maintain a construction office on the Property;
- (6) to determine the grading, elevation and design of the Home to fit into the general pattern of the development, together with the right to change the configuration to include a different type of Home providing such Home remains compatible with existing Homes and to alter the location on the Lot if the grade and/or contour of the land so requires;
- (7) to grant to itself or to others such easements and rights-of-way as may be reasonably needed for the orderly development of the property set forth in Schedule B of this Declaration; and

The easements, rights-of-way and other rights reserved herein shall be permanent, shall run with the land and shall be binding upon, and for the benefit of, the Association, the Sponsor and their successors and assigns.

- b. With respect to its exercise of the above rights, the Sponsor agrees (i) to repair any damages resulting from construction within a reasonable time after the completion of development or when such rights are no longer needed by the Sponsor, whichever first occurs; and (ii) until development has been completed, to hold the Association harmless from all liabilities which are directly caused by the Sponsor's exercise of its rights hereunder.
- c. Until Transfer of Control Date, this Section 4.07 may not be amended without prior written consent of the Sponsor.

Section 4.08. Rights and Easements to Owners. Every Owner shall have an easement for ingress and egress over and to all Association Property. Further, every Owner shall have common utility and conduit easements as described in Section 4.05. These easements will be subject to the rights of the Association as set forth in Section 4.03 herein, provided, however, that a conveyance or encumbrance referred to in Section 4.03 (b) and Section 4.08 hereof shall be subject to said easement of each Owner for ingress and egress.

Section 4.09. Distribution of Condemnation Awards. In the event all or part of the Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors of the Association shall arrange for the repair and restoration of such Association Property and shall disburse the proceeds of such award. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds, in accordance with Article VIII of this Declaration.

The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceedings to all Mortgagees whose names appear in the Book of Mortgagees of the Association.

In the event of any dispute with respect to the allocation of the surplus of such proceeds of such award, the matter shall be submitted to arbitration in accordance with the arbitration statutes of the State of New York.

ARTICLE V

ASSESSMENTS AND RIGHT OF ASSOCIATION TO BORROW

Section 5.01. Creation of the Lien. The Sponsor, for each Home owned by it within the Property, hereby covenants and agrees, and each Owner of any Home, by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association:

- a. Annual Assessments for the maintenance and operation of the Property;
- b. Special assessments for capital improvements ("Special Assessments"); and
- c. Special assessments that may become necessary as a result of a casualty loss of Association Property caused by nature, such as an ice storm or extraordinary snow and/or rain storm not otherwise covered by insurance and creating a budget deficit for the fiscal year.

Section 6.07. Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall record the votes and keep the minutes of all meetings, shall have charge of the seal, if any, and corporate books and records of the Association, and the book of Mortgagees of Homes within the Association, and shall perform such other duties as are incident to the office of Secretary of a not-for-profit corporation, and as may be required of him by the Board or the President.

Section 6.08. Treasurer. The Treasurer shall have the custody of all monies and securities belonging to the Association and shall be responsible for keeping, or cause to be kept, full and accurate records and books of account, showing all receipts and disbursements, necessary for preparation of required financial reports. He shall account to the President and the Board, whenever they may require it, with respect to all of his transactions as Treasurer and of the financial condition of the Association, and shall in general perform all other duties incidental to the office of Treasurer of a not-for-profit corporation.

Section 6.09. Other Officers. The Board of Directors may elect such other officers as it shall deem desirable. Such officers shall have the authority and shall perform such duties prescribed from time to time by the Board of Directors.

Section 6.10. Agreements, Contracts, Deeds, Checks and Other Instruments. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two (2) officers of the Association, or, except as otherwise provided in Section 8.01 hereof, by such other person or persons as may be designated by the Board of Directors.

Section 6.11. Compensation of Officers. No officer shall receive compensation from the Association for acting in his capacity as an officer. However, any officer may be reimbursed for his actual reasonable expenses incurred in the performance of his duties as an officer providing prior approval has been granted by resolution of the Board. An officer who serves the Association in any other capacity, however, may receive compensation therefor if otherwise entitled to compensation, providing prior approval has been granted by resolution of the Board of Directors.

ARTICLE VII

COMMITTEES

Section 7.01. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the

affairs of the Association provided, however, that no such committee shall have the authority of the Board of Directors to approve an Amendment to the Certificate of Incorporation of the Association, the Declaration or to these By-Laws or to plan a merger or consolidation or establish Assessments.

Section 7.02. Committees of Owners. The committees of the Association shall be the Architectural Committee, the Nominating Committee and such other committees as the Board of Directors or Owners shall deem desirable. Each committee shall consist of a Chairman and two or more Owners.

Section 7.03. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee, or with rules adopted by the Board of Directors.

ARTICLE VIII

FINANCE

Section 8.01. Checks. All checks, drafts and orders for payment of money, notes and other evidences of indebtedness, issued in the name of the Association shall be signed by two (2) Officers of the Association.

Section 8.02. Fiscal Year. The fiscal year of the Association shall be the twelve (12) calendar months, ending at such time as may be deemed appropriate by the Board of Directors.

Section 8.03. Annual Report. An annual report of the receipts and expenditures of the Association, prepared by an independent public accountant, shall be rendered by the Board of Directors to all Owners, and to all Mortgagees of Homes who have requested the same. In the event substantial irregularities or defalcation shall be uncovered by such accountant in the course of any such review, such matters shall be promptly reported to each member of the Board of Directors, and to the Owners by such accountant. In addition, when called for by a vote of the Owners at any special meeting of the Owners, the Board of Directors shall furnish to the Owners a full and clear statement of the business conditions and affairs of the Association, including a balance sheet and a profit and loss statement regarding any taxable income attributable to the Owners.

The cost of the annual report and other services required by this Section 8.03 shall be included by the Board of Directors in the annual Assessment.

ARTICLE IX**BOOKS, RECORDS AND LEGAL DOCUMENTS**

Section 9.01. Books and Records. The Declaration, these By-Laws, Certificate of Incorporation and other books and records and papers of the Association, or copies, shall, during normal business hours, upon reasonable notice, be subject to inspection by any Owner or agent of an Owner or Mortgagee, at the principal office of the Association. The Board of Directors may furnish copies of such documents to such parties and may charge reasonable fees to cover the cost of furnishing such copies.

Section 9.02. Separate Account for Capital Reserve Funds. Any funds of the Association collected or designated as reserves for the replacement of capital items shall be segregated from all other funds of the Association in one (1) or more separate accounts. This shall not preclude the Association from segregating other portions of its funds in separate accounts for a specific purpose (e.g., reserves for non-capital items) or otherwise.

ARTICLE X**CORPORATE SEAL OPTIONS**

Section 10.01. Corporate Seal Optional. The Association, if the Board of Directors so chooses, may have a corporate seal.

ARTICLE XI**AMENDMENTS**

Section 11.01. Amendments. Except as herein provided otherwise, these By-Laws may be modified, altered, amended or added to at any duly called meeting of Owners in the same manner as the Declaration, in accordance with Section 9.06 of the Declaration.

Until Transfer of Control Date, the prior written consent of the Sponsor shall be required for any amendment which adversely affects a substantial interest or right of the Sponsor (as determined by the Sponsor in its sole judgment) to become effective, which consent may not be unreasonably be withheld.

ARTICLE XII**RULES AND COMPLIANCE AND ARBITRATION**

Section 12.01. Compliance with Rules of the Association Pursuant to These By-Laws. Should any Owner, member of his family, his employees, guests, lessees, licensees or other invitees fail to comply with any of the provisions of these By-Laws or the rules and regulations, and as such may be amended from time to time, the procedures set forth in Article XII of the Declaration shall be followed to obtain compliance.

ARTICLE XIII**MISCELLANEOUS**

Section 13.01. Notices. Except as otherwise provided herein, 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 Directors, at the office thereof, and if to go to an Owner, individual member of the Board or Mortgagee, to the address of such Owner or Mortgagee as appears on the books of the Association. 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 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 of such notice.

Section 13.02. 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.

Section 13.03. 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.

Section 13.04. 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.

Section 13.05. 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.

Section 13.06. Conflict with Certificate of Incorporation or the Declaration. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

THE FOREGOING have been adopted as the By-Laws of the Inspiration Park Homeowners' Association, Inc., a corporation organized pursuant to the New York State Not-for-Profit Corporation Law, at the first meeting of the Board of Directors.

INSPIRATION PARK HOMEOWNERS' ASSOCIATION, INC.

BY: _____, Secretary

Dated: _____