

BY-LAWS
OF
ERMINE LAIR NEIGHBORHOOD ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is ERMINE LAIR NEIGHBORHOOD ASSOCIATION, INC. hereinafter referred to as the "Association". The principal office of the Association shall be located at P.O. Box 360, Stonebreak Road, Ballston Spa, NY 12020 but meetings of the members and directors may be held at such places within the State of New York, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1 "Association" shall mean and refer to Ermine Lair Homeowners Association, Inc., its successors and assigns.

Section 2. "Corporation" shall mean and refer to the Luther Forest Community Association, Inc.

Section 3. "Declarants" shall mean and refer to The Luther Forest Corporation, its successors and assigns, and William R. Mackay and Carol Luther Mackay, their heirs and assigns.

Section 4. "Declaration" shall mean and refer to such Declarations of Covenants, Conditions, Restrictions and Easements applicable to the residential lots and common areas of the properties, recorded or to be recorded in the Office of

the Saratoga County Clerk, and any amendments or Supplemental Declarations duly made thereto.

Section 5. "Governing Documents" shall mean and refer to the Declaration, Certificate of Incorporation, and By-Laws, all as filed and recorded, if required, and all as may be duly amended from time to time. In the event of conflict or inconsistency among the governing documents, the Declaration, and any Supplemental Declarations shall prevail over the Certificate, which shall prevail over the By-Laws.

Section 6. "Lot" shall mean and refer to those sub-divided lands so designated as lots as shown on the subdivision maps filed in the Saratoga County Clerk's Office or to be filed in the Saratoga County Clerk's Office.

Section 7. "Members" shall mean and refer to those persons who are members of the Association and have rights and obligations with respect to the Association as provided in the Declaration and the Certificate of Incorporation.

Section 8. "Neighborhood Association" shall mean and refer to the ERMINE LAIR NEIGHBORHOOD ASSOCIATION, INC., its successors and assigns.

Section 9. "Neighborhood Common Areas" shall mean and refer to any real property including the improvements thereon, if any, owned by the Neighborhood Association for the common use of Owners and those delegated such use in The Luther Forest, designated as Common Areas, as shown on subdivision maps filed in the Saratoga County Clerk's Office or to be filed in the Saratoga County Clerk's Office for Residential

Subdivisions 5 and 8, and such additional land which may be annexed by the Association pursuant to the terms of the Declaration.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any business or residential units, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, and further excluding contract vendees.

Section 11. "Properties" shall mean and refer to that certain real property known as Residential Subdivisions Nos. 5 & 8 and such additions thereto as may be hereafter be brought within the jurisdiction of the Association by annexation or otherwise.

Section 12. "Residential Unit" shall be defined to be one single family dwelling unit, whether such unit be contained in a single family detached, or multiple family attached, or a condominium unit.

Section 13. "Supplementary Declaration" shall mean and refer to a declaration of covenants, conditions and restrictions which may be recorded by the Declarants, which extends the provisions of this Declaration to additional areas.

Section 14. "The Luther Forest" shall mean such lands in the Towns of Malta and Stillwater, County of Saratoga, State of New York, which lands are further shown on two maps, both filed in the Office of the Clerk of the County of Saratoga, entitled "Luther Forest, Saratoga County, New York" dated

January 1, 1952 as Map DD 48, and the other being entitled "General Electric, Schenectady, New York" dated June 9, 1952 as Map DD 49.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Neighborhood Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 p.m. If the day for the annual meeting of the members is a Sunday or a legal holiday, the meeting will be held at the same hour on the first day following which is not a Sunday or a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by any two members of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A and B membership.

Section 2(A). Special Meeting on Transition. A special meeting of the membership must be called for the purpose of electing a new Board of Directors when more than fifty percent of the lots in Residential Subdivision No. 5 and 8 have been sold (upon the sale of the 236th lot) or two (2) years from the date of conveyance of the first lot to an owner, whichever may occur first. Said meeting will take place pursuant to the notice provisions in Article III, Section 3

below, on which date all existing directorships shall expire. No director elected after transition shall have any financial connection whatever with the Declarants or their successors and shall be free from undue domination or control of the Declarants.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote at such a meeting, addressed to the member's address last appearing on the books of the Neighborhood Association, or supplied by such member to the Neighborhood Association for the purpose of notice and received at least 20 days before the date of such mailing. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total number of votes entitled to be cast shall constitute a quorum for any action except as otherwise provided in the Certificate of Incorporation, the Declaration, or these By-Laws.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the

member of his residential unit or business unit, or property.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Neighborhood Association shall be managed by a Board of five (5) directors, who need not be members of the Neighborhood Association.

Section 2. Term of Office. The term of office for each director shall be three (3) years. Staggered initial terms for the initial directors have been provided for in the Certificate of Incorporation.

Section 3. Removal. Any director may be removed from the Board, with cause, by a two-thirds (2/3) vote of the members of the Neighborhood Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Neighborhood Association in his capacity as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties. Nothing herein contained shall be construed to preclude any director from serving the Neighborhood Association in any other capacity and receiving compensation therefor.

Section 5. Action Taken without a Meeting. The directors shall have the right to take any action in the

absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Neighborhood Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election of the Board of Directors shall be by secret written ballot. At such election the members or their proxies may be cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declarations. The persons receiving the

largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Neighborhood Common Areas and the

personal conduct of the members and those delegated uses of same in the Declaration and to establish penalties for infractions thereof;

(b) contract on behalf of the Neighborhood Association; manage the lands conveyed to the Neighborhood Association; and exercise for the Neighborhood Association all powers, duties and authority vested in or delegated to this Neighborhood Association and not reserved to the membership by other provisions of these By-Laws, by the Certificate of Incorporation, or by the Declaration;

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) to engage managerial staff, independent contractor(s) or other employee(s) as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members;

(b) ~~supervise all officers, agents and employees of~~ this Association and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessments against each unit at least fifteen (15) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law or equity against the owner personally obligated to pay the same.

(d) issue, or cause to an appropriate officer to issue upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Neighborhood Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Neighborhood Common Areas and Trail Systems to be maintained;

(h) contract for and pay for management services with the Luther Forest Community Association, and to

recoup the cost thereof.

(i) provide and maintain adequate liability insurance for the officers and directors of the Neighborhood Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Neighborhood Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve, or his successor elected and installed.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Neighborhood Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the Board in accordance with to these

PRES,
UNTIL
THIS
DATE

By-Laws. Any officer may resign at any time by giving written notice to the association, and acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors, or of the Members, shall see that orders and resolutions of the Board are carried out, shall sign all contracts, leases, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Neighborhood Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Neighborhood Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) the Treasurer shall receive and deposit in appropriate bank accounts all monies of the Neighborhood Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Neighborhood Association; keep proper books of account; cause an annual audit of the Neighborhood Association books to be made by a certified public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and send or deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint a Nominating

Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out the purposes of the Neighborhood Association.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Neighborhood Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Certificate of Incorporation and the By-Laws of the Neighborhood Association shall be available for inspection by any member at the principal office of the Neighborhood Association where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Neighborhood Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18 per cent per year or the maximum rate permitted by New York State law, and the Neighborhood

Association may bring an action at law or equity against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any Common Area or abandonment of his unit.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: ERMINE LAIR NEIGHBORHOOD ASSOCIATION, INC.

ARTICLE XIII

AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class C membership.

Section 2. In the event of conflict or inconsistency among the governing documents, the Declaration, and any Supplemental Declarations shall prevail over the Certificate, which shall prevail over the By-Laws.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Neighborhood Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of Incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the ERMINE LAIR NEIGHBORHOOD ASSOCIATION, INC. have hereunto set our hands this _____ day of _____, 1986.

WILLIAM R. MACKAY

CAROL LUTHER MACKAY

BRUCE KIRKPATRICK

RICHARD C. MILLER, JR.

BERNARD GRANGER

STATE OF NEW YORK)
COUNTY OF SARATOGA) ss.:

WILLIAM R. MACKAY, CAROL LUTHER MACKAY, BRUCE KIRKPATRICK, RICHARD C. MILLER, JR., and BERNARD GRANGER each being duly sworn, deposes and says and each for himself and herself deposes and says:

That he and/or she is one of the persons described in and who executed the foregoing Instrument.

That he and/or she is of full age, a citizen of the United States and a resident of the State of New York.

WILLIAM R. MACKAY

CAROL LUTHER MACKAY

BRUCE KIRKPATRICK

RICHARD C. MILLER, JR.

BERNARD GRANGER

Sworn to before me this
_____ day of _____, 1986.

NOTARY PUBLIC