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**BY-LAWS**

**OF**

**TALCOTT WOODS OWNERS ASSOCIATION, INC.**

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## TABLE OF CONTENTS

		Page
ARTICLE I.	Name and Location-----	1
Section 1.01	Name and Location-----	1
ARTICLE II.	Definitions-----	1
Section 2.01	Common Property-----	1
Section 2.02	Declaration-----	1
Section 2.03	Developer-----	1
Section 2.04	Lot-----	1
Section 2.05	Owner-----	2
Section 2.06	Property-----	2
Section 2.07	Unit-----	2
Section 2.08	Talcott Woods-----	2
ARTICLE III.	Members-----	2
Section 3.01	Membership in the Association-----	2
Section 3.02	Suspension of Membership-----	2
Section 3.03	Right of Developer to Assign-----	3
Section 3.04	Voting Rights-----	3
Section 3.05	Restrictions on Voting-----	3
Section 3.06	Voting Regulations-----	3
Section 3.07	Corporate Members, Joint Ownership, Absentee Voting-----	4
ARTICLE IV. Meeting of Members-----		4
Section 4.01	Annual Meeting-----	4
Section 4.02	Special Meetings-----	5
Section 4.03	Notice of Meetings-----	5
Section 4.04	Quorum-----	5
ARTICLE V.	Board of Directors-----	6
Section 5.01	Number of Directors-----	6
Section 5.02	Powers and Duties-----	6
Section 5.03	Nomination-----	7
Section 5.04	Election-----	8
Section 5.05	Vacancies-----	8
Section 5.06	Removal-----	8
Section 5.07	Compensation-----	9
Section 5.08	Regular Meetings-----	9
Section 5.09	Special Meetings-----	9
Section 5.10	Quorum-----	9
Section 5.11	Notice of Meetings-----	10
Section 5.12	Informal Action by Directors-----	10



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TALCOTT WOODS OWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1.01. Name and Location. The name of the corporation is TALCOTT WOODS OWNERS ASSOCIATION, INC. hereinafter referred to as the “Association.” The principal office of the corporation shall be located at 33 Lincoln Avenue, Town of Rye, Port Chester, New York 10573.

ARTICLE II

DEFINITIONS

As used in these By-Laws, the following terms shall be defined as:

Section 2.01. Common Property. All land, improvements and other properties heretofore or hereafter owned by the Association.

Section 2.02. Declaration. The document entitled “Declaration of Protective Covenants, Conditions and Restrictions - Talcott Woods Owners Association, Inc.” imposed by the Developer on the Property as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

Section 2.03. Developer. Cawley Capital, Ltd., a New York corporation with its principal office at 33 Lincoln Avenue, Town of Rye, Port Chester, New York 10573.

Section 2.04. Lot. Shall mean and refer to any portion of the Property identified as a separate parcel on the tax records of the Town of Rye or shown upon any recorded subdivision map, with the exception of Common Property as heretofore defined.

Section 2.05. Owner. The holder, whether one or more persons or entities, of record title of the fee interest in any Private Lot which is subject to the Declaration.

Section 2.06. Property. All property within TALCOTT WOODS and additions thereto, as are subject to the Declaration.

Section 2.07. Unit. Any living Unit together with the patio and garage and grounds included with said Unit if any.

Section 2.08. Talcott Woods. That parcel of land upon which the Developer initially imposed the Declaration and any additions to said land as may be made subject to the Declaration from time to time.

### ARTICLE III

#### MEMBERS

Section 3.01. Membership in the Association. The Members of the Association shall be the Developer, and all Owners of the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member, and provided further that no voting or other privileges and no assessments or charges hereinafter provided for shall be effective for any Unit until the first day of the month following the date on which the first Unit was conveyed.

Section 3.02. Suspension of Membership. The Directors of the Association may, after affording the Member an opportunity to be heard, suspend any person or entity from membership in the Association during any period of time when there exists a violation of any of the provisions of the Declaration with respect to the portion of the Property of which the Member is an Owner, including, but not limited to, the non-payment of any assessment due to the Association.

Section 3.03. Right of Developer to Assign. The Developer may assign its membership in the Association to any person, corporation, association, trust or other entity, any 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, except to the grantee upon conveyance of any lot in fee.

Section 3.04. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A - Class A Members shall be all Owners except the Developer, provided, however, that the Developer may become a Class A Member upon termination of its Class B membership as hereinafter provided. Class A Members shall be entitled to one (1) vote for each Unit which they own.

Class B - The Developer shall be the sole Class B member. The Class B Member shall be entitled to fifty-five (55) votes in the Association. The Class B membership shall cease and terminate on December 31st, 1980, or such sooner time as the Developer may elect. Upon the termination of said membership, the Developer shall be deemed to be a Class A Member entitled to one (1) vote for each Unit which it owns.

Section 3.05. Restrictions on Voting. Any Member who is in violation of any of the terms or conditions of the Declaration, as determined by the Board of Directors of the

Association, shall not be entitled to vote during any period in which such violation continues. Any Member who fails to pay any dues, maintenance assessment or special assessment established by the Association, shall not be entitled to vote during any period in which any such dues or assessments are due and unpaid.

Section 3.06. Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation and these By-Laws, as they deem advisable for any meeting of the Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem fit.

Section 3.07. Corporate Members, Joint Ownership, Absentee Voting. Any votes of a corporate Member may be cast by an appropriate Officer of such corporation.

Any one joint or common Owner of a Unit shall be entitled to cast the vote with respect to the Unit so owned.

On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Member intends to vote and that the Member votes for or against the same. Members unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an Absentee ballot if so provided by the Board of Directors.

#### ARTICLE IV

#### MEETING OF MEMBERS

Section 4.01. Annual Meeting. There shall be an Annual Meeting of the Members on the 15th of December, at the hour of 8:00 P.M. or at such other time as shall be designated by the Board of Directors and at such place as the Board of Directors shall designate, which meeting shall be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the date fixed for the Annual Meeting shall be a Sunday or a legal holiday, the meeting shall be held on the first day following, which is not a Sunday or a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 4.02. Special Meetings. Special Meetings of the Members may be called at any time by the President, the Board of Directors, or by Members of the Association holding not less than the lesser of one-fifth (1/5th) or fourteen (14) of the votes of the Class A votes entitled to be cast at the meeting.

Section 4.03. Notice of Meetings. Not less than ten (10) days or more than fifty (50) days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member entitled to vote at such meeting, written or printed notice stating the time and place of the meeting, and in the case of a Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail or by presenting it to the Member personally, or by leaving it at his residence or usual place of business as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States Mail, postage prepaid, addressed to the Member at his post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, Annual or Special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 4.04. Quorum. Members holding not less than the lesser of one-fifth (1/5) or fourteen (14) of the total votes of each class of membership shall constitute a quorum at any meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice. The Act of a majority of the Members present at a meeting at which a quorum was present shall be the act of the Members unless the Act of a greater number is required by law, or by the Certificate of Incorporation of the Association, or by the Declaration.

## ARTICLE V

### BOARD OF DIRECTORS

Section 5.01. Number of Directors. The number of Directors of the Association shall be five (5). A change in the number of Directors may be made by an amendment to these By-Laws. (footnote #1)

Section 5.02. Powers and Duties. The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors may exercise all the powers of the Association, except such as are conferred upon or reserved to the Members by statute or by the Certificate of Incorporation or the By-Laws.

Among the powers of the Board of Directors shall be the power to:

a) Levy, assess and collect the assessments or common charges provided for in the Declaration.

b) Adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the Members and their guests thereon and to establish penalties for any violation thereof.

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 meetings.

d) To insure and keep insured the Association Property in accordance with Article XI of these By-Laws.

e) To establish rules and regulations for the maintenance and repair of the exterior of the Units to preserve and enhance the appearance and value of all Units.

f) Employ such personnel as may be necessary to carry out the powers of the Board and to prescribe the duties of such employees.

g) To exercise such powers, duties and authority vested in or delegated to the Board of Directors or to the Association and not reserved to the membership by other provisions of these By-Laws, or the Declaration or the Certificate of Incorporation.

Among the duties of the Board of Directors shall be the duty to:

a) Provide for the maintenance of all Common Properties and facilities.

b) Procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate hazard insurance on such of the Association's real and personal properties as deemed appropriate by the Board.

Section 5.03. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Members of the Nominating Committee shall be appointed by the Board of Directors at least sixty (60) days prior to each Annual Meeting of the Members and shall serve only to make the nominations for Directors to be elected at that meeting.

The Nominating Committee shall make as many nominations for election of 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 and such nominations shall be made from Members and non-Members of the Association.

Section 5.04. Election. At the first Annual Meeting, the Members shall elect one (1) Director for a term of one (1) year, two (2) Directors for a term of two (2) years and two (2) Directors for a term of three (3) years. At each Annual Meeting thereafter, the Members shall elect Directors for a term of three (3) years.



Voting shall be by secret written ballot, which shall:

- a) Set forth the number of vacancies to be filled;
- b) Set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- c) Contain space for a write-in vote for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5.05. Vacancies. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors or by a sole remaining Director and, if not previously so filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose vacancy he was elected to fill. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the entire Board of Directors and any Director so elected shall hold office until the next meeting of Members or until his successor is elected and qualifies.

Section 5.06. Removal. At any meeting of Members duly called at which a quorum is present, the Members may, by the affirmative vote of the Members entitled to cast the majority of votes thereon, remove any Director or Directors from office and may elect the successor or successors to fill any resulting vacancies for the unexpired term or terms of the removed Director or Directors.

Section 5.07. Compensation. Directors shall not receive any compensation or salary for their services. Any Director may be reimbursed for his actual expenses incurred in the performance of his duties. A Director who serves the Association in any other capacity, however, may receive compensation therefor.

Section 5.08. Regular Meetings. After each meeting of Members at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business. Such meeting shall be held at such place within or without the State of New York as may be designated by the Board of Directors for such regular meeting, or in default of such designation, at the office of the Association in the Town of Rye, New York.

No notice of such first meeting shall be necessary if held as hereinabove provided. Other regular meetings of the Board of Directors shall be held on such dates and at such places within or without the State of New York as may be designated from time to time by the Board of Directors.

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. The person or

persons authorized to call such Special Meetings of the Board may fix any place, within or without the State of New York, as a place for holding such Special Meeting.

Section 5.10. Quorum. 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 or by the By-Laws, a vote of a majority of such quorum at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by 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 at the meeting as originally called.

Section 5.11. Notice of Meetings. Except as provided in Section 5.06 above, notice of the place, day and hour of every regular and Special Meeting shall be given to each Director at least two (2) days before the meeting, but delivering the same to him personally, or by sending the same to him by telegram, or by leaving the same at his residence or usual place of business, or, in the alternative, by mailing such notice at least three (3) days before the meeting, postage prepaid, and addressed to him at the Association. Any Director may, in writing signed by him, before or after the time of meeting stated therein, waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting. Neither the business to be transacted at, nor the purpose of, any regular or Special Meeting shall be required to be included in said notice, unless specifically required by law, by the Certificate of Incorporation or by these By-Laws.

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

## ARTICLE VI

### OFFICERS

Section 6.01. Officers. The Officers of the Association shall be the President, one (1) or more Vice Presidents (the number thereof to be determined by the Board of Directors), the Secretary and the Treasurer. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, excepting the offices of President and Secretary.

Section 6.02. Election. The election of Officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

Section 6.03. Term. The Officers of the Association shall be elected annually by the Board of Directors and each shall hold office until his successor shall have been duly elected. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.04. Resignation and Removal. Any Officer may be removed by the Board of Directors, with or without cause, whenever, in the judgment of the Board, the best interests of the Association will be served thereby. Any Officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.05. Vacancies. A vacancy in any office may be filled by appointment of the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 6.06. Powers and Duties. The Officers of the Association shall, except as otherwise provided by law, by the Certificate of Incorporation of the Association, by these By-Laws, or by the Board of Directors, each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the Chief Executive Officer of the Association.

## 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, each of which shall consist of one (1) or more Directors, 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 Article of Incorporation of the Association or a plan of merger or consolidation.

Section 7.02. Standing Committees. The Standing Committees of the Association shall be the Audit Committee, the Maintenance Committee, and the Architectural Committee. Each Committee shall consist of a chairman and two (2) or more Members and shall include a Member of the Board of Directors. The Committees shall be appointed by the Board of Directors at its first meeting following each Annual Meeting of Members and Members of the Committees shall serve until their successors are appointed. The Board of Directors may appoint such other Standing Committees as it deems desirable.

The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at the regular Annual Meeting of the Association.

The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and facilities of the Association.

The Architectural Committee shall watch for any proposals, programs or activities which may adversely affect the appearance and value of TALCOTT WOODS and shall suggest to the Board of Directors rules and regulations pertaining to the maintenance, repair and appearance of the dwelling Units and other improvements on the Lots and Common Property.

Section 7.03. Other Committees. Other Committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by the Board of Directors, to perform such duties and to have such powers as may be provided in the resolution.

Section 7.04. 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 the payment of money, notes and other evidences of indebtedness, issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President or Treasurer and countersigned by one (1) Director of the Association, provided that the President or Treasurer and Director so signing are not the same person.

Section 8.02. Annual Reports. A full and correct statement of the financial affairs of the Association shall be prepared annually at the direction of the Board of Directors including a balance sheet and a financial statement of operation for the preceding calendar year. Such report shall be submitted at the Annual Meeting of the Members and filed within twenty (20) days thereafter at the principal office of the Association.

Section 8.03. Fiscal Year. The fiscal year of the Association shall commence January 1st, and end the following December 31st of each year, unless otherwise provided by the Board of Directors. (footnote #2)

## ARTICLE IX

### BOOKS AND RECORDS

Section 9.01. Books and Records. The books, records, and papers of the Association shall be subject to inspection by any Member during reasonable business hours. The Declaration, Certificate of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE X

### CERTIFICATES OF MEMBERSHIP

Section 10.01. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership of the Association, which shall be in such form as may be determined by the Board of Directors. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor, upon such terms and conditions as the Board of Directors may determine or prescribe.

## ARTICLE XI

### INSURANCE

Section 11.01. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, comprehensive general liability coverage on the Association Property in an amount not less than \$300,000 per occurrence.

Section 11.02. TALCOTT WOODS OWNERS ASSOCIATION, INC. is authorized to purchase insurance for indemnification of directors and officers.

## ARTICLE XII

### CORPORATE SEAL

Section 12.01. Corporate Seal. The Board of Directors shall provide a suitable corporate seal, bearing the name of the corporation, the year of its incorporation, and the State of Incorporation.

## ARTICLE XIII

### AMENDMENTS

Section 13.01. Alteration Repeal or Amendment. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or Special Meeting of the Members, by vote of a majority of a quorum of Members present in person or by proxy.

Section 13.02. Conflict. 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.

## ARTICLE XIV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 14.01. It is expressly provided that any and every person made a party to any action, suit, or proceeding by or in the right of TALCOTT WOODS OWNERS ASSOCIATION, INC. to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a director or officer of TALCOTT WOODS OWNERS ASSOCIATION, INC. or of any corporation which he served as such at the request of TALCOTT WOODS OWNERS ASSOCIATION, INC., may be indemnified by TALCOTT WOODS OWNERS ASSOCIATION, INC. by virtue of §722 of The Not-For-Profit Corporation Law to the full extent permitted by law, against any and all reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such officer or director has breached his duty to TALCOTT WOODS OWNERS ASSOCIATION, INC. and §717 of The Not-For-Profit Corporation Law.

It is further expressly provided that any and every person made a party to any action, suit or proceeding other than one by or in the right of TALCOTT WOODS OWNERS ASSOCIATION, INC. to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation of any type or kind, domestic or foreign, which any director or officer of TALCOTT WOODS OWNERS ASSOCIATION, INC. served in any capacity at the request of TALCOTT WOODS OWNERS ASSOCIATION, INC. by reason of the fact that he, his testator or intestate, was a director or officer of TALCOTT WOODS OWNERS ASSOCIATION, INC., or served such other corporation in any capacity, may be indemnified by TALCOTT WOODS OWNERS ASSOCIATION, INC., to the full extent permitted by law, against judgments, fines, amounts paid in settlement, and reasonable

expenses, including attorneys fees; actually and necessarily incurred as a result of such action, suite or proceeding, or any appeal therein, if such person acted in good faith for a purpose which he reasonably believed to be in the best interest of TALCOTT WOODS OWNERS ASSOCIATION, INC. and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

***Footnote #1 and #2-- Amendments to the By-Laws of the Talcott Woods Owners Association, Inc.;***

The Talcott Woods Owners Association, Inc., made two amendments to the by-laws of the Association. Documentation supporting these Amendments could not be found. Accordingly, these Amendments were reconfirmed at the October 9, 1997 Annual Meeting of the members.

1. Change in the fiscal year from a calendar year (January 1 to December 31) to a fiscal year beginning on June 1 and ending on May 31; and
2. Section 5.01 of ARTICLE V creating the number of directors from 5 to 7.

