

EXHIBIT "C"

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

THIS DECLARATION, made on the date hereinafter set forth by SCENIC RIDGE, INC., a New York corporation with its office at Baltic Place, Croton-on-Hudson, New York, 10520, hereinafter referred to as "Declarant,"

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the Village of Croton-on-Hudson, Town of Cortlandt, County of Westchester, State of New York shown on the map entitled "Subdivision Map Scenic Ridge Residential Development located in the Village of Croton-on-Hudson, Town of Cortlandt, Westchester County, N.Y." filed in the Westchester County Clerk's Office (Division of Land Records) on July 22, 1981 as Map No. 20668, and

WHEREAS, Declarant will convey the said real property subject to certain protective covenants, conditions, restrictions, reservations, easements, liens and charges as hereinafter set forth;

NOW THEREFORE, Declarant hereby declares that all or the real property described above shall be held, sold and conveyed subject to the following easements, restrictions, reservations, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, reservations, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to SCENIC RIDGE HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2. "Subdivision Map" shall mean and refer to the map entitled "Subdivision Map Scenic Ridge Residential Development located in the Village of Croton-on-Hudson, Town of Cortlandt, Westchester County, N.Y." filed in the Westchester County Clerk's Office, Division of Land Records on July 22, 1981 as Map No. 20668 as the same may be amended further from time to time.

Section 3. "Properties" shall mean and refer to that certain real property shown on the Subdivision Map, and such additions thereto as may hereafter be brought within the jurisdiction of the Association,

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association. It consists of all the land on the Subdivision Map other than the numbered Lots, Amber Drive and Scenic Drive.

Section 5. "Lot" shall mean and refer to the numbered plots of land shown on the Subdivision Map with the exception of the Common Area.

Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Declarant" shall mean and refer to SCENIC RIDGE, INC. for as long as it continues to own any part of the Properties, its successors, assigns and grantees.

Section 9. "Institutional Lender" shall mean a bank, savings and loan association or insurance company which holds a first mortgage on a Lot, together with the improvements thereon.

ARTICLE II MEMBERSHIP

Declarant represents that it has heretofore caused the Association to be organized under the laws of the State of New York and every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject to covenants of record and to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to an assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE III
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article II with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article II, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership, or
- (b) on January 1, 1984, at which time the Declarant shall not elect a majority of the Board of Directors notwithstanding the number of votes retained by the Declarant.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Members Easements or Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of recreational facilities situated upon the Common Area;
- (b) the right of the Association to limit the number of guests of members to use the Common Areas or recreational facilities.

- (c) the right of the Association to permit nonmembers to use the Common Areas and recreational facilities and to pass rules and regulations, and amendments thereto, to control such use.
- (d) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and recreational facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder.
- (e) the right of the Association to suspend the right to use the Common Areas or recreational facilities by a member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (f) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than 30 days nor more than 60 days in advance; and
- (g) the By-Laws of the Association, as the same are amended from time to time.

Section 2. Delegation of Use. Any member may delegate in accordance with the By-Laws, his right of enjoyment to the Common Areas and recreational facilities to the members of his family and his tenants, provided such persons reside on a Lot.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Areas to the Association free and clear of all mortgages, liens and encumbrances except such encumbrances and conditions as are set forth in this Declaration, on the Subdivision Map and such other encumbrances and conditions as are set forth on Schedule A annexed hereto and further, except that Declarant expressly reserves the right to grant easements to public authorities and/or to utilities, public or private.

Declarant hereby further covenants that it will convey title to the Association prior to or simultaneously with the conveyance of title to a Lot.

Declarant hereby reserves the right, for so long as it owns one or more Lots in the Properties, to use part or all of the Common Areas to permit inspection of the Common Areas by prospective purchasers and hereby grants easements and rights-of-way through, over, upon and across the Common Areas to itself for the completion of the construction on the Common Areas and the Lots.

The Association shall not transfer or lease the Common Areas without the prior written consent of any Institutional Lender holding mortgages on 25~ or more of the Lots, provided such consent is not unreasonably withheld or delayed.

Section 4. Parking. Parts of the Common area are to be designated as parking areas. The owners of homes built on Lots without their own garage shall park in such parking areas and shall have an easement for the exclusive right to use one designated parking space. All other parking in the parking areas shall be for the exclusive use of the owners of homes built on Lots without their own garage, their guests, licensees and invitees. In the case of a Lot containing a garage and which has a driveway that extends over and encroaches upon the Common Area, the owners of such Lots are hereby granted an easement for ingress and egress over the paved driveway to the garage, and the exclusive right to park an automobile on the twenty (20) feet of driveway beginning at the entrance to the garage, said easement being over so much of said twenty (20) feet as extends onto the Common Area for such parking purpose. The Association shall maintain the four Lanes and parking areas on the Common Area and Shall have the right to promulgate reasonable parking rules and conditions.

The Owner of a unit without a garage who has a designated parking space shall be responsible for clearing snow from his own parking space and shall be responsible for shoveling a parking space utilized by himself, a member of his family, guest, licensee or invitee.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or, other conveyance, is deemed to covenant and agree to pay to the Association:

(1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Lot as the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments: Responsibilities of Association.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, taxes, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, the recreational facilities and of the homes situated upon the Properties. The Association shall be responsible for the management of, repairs, replacements and additions to, and maintenance of the Common Areas. In addition, the Association shall structurally maintain the common walkways and stairways and maintain (Note - does not include watering) the grass areas and landscaping planted by the Declarant within the Lot lines in front, at the side and in the rear of each home. The Association shall have the option to maintain landscaping changes and modifications made by Owner with approval (see Article VIII). The Association shall not be responsible for the shoveling of snow from the sidewalks lying within Ridge Road (which is to be dedicated to the Village of Croton-on-Hudson) in front of or along the sides of the numbered Lots nor from the sidewalks and walkways lying within the Common Areas in front of or along the side of the numbered Lots. However the Association will be responsible for the shoveling of snow from all of the stairways whether lying in the Common Area between Lots numbered 12E and 13A or lying within any numbered Lot.

Section 3. Annual Assessments. After consideration of current maintenance costs, taxes and future needs of the Association, the Board of Directors shall fix the annual assessment to be paid by each Owner to the Association. The Board of Directors shall prepare a budget upon which the annual assessments for the ensuing year will be based and a copy of such budget shall be submitted to each member at least 30 days prior to the commencement of the effective date of such budget.

Section 4. Special assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 60 days in advance of the meeting setting forth the purpose of the meeting and if the cost of any such special assessment for repairs, replacements, additions or improvements to the Common Areas shall exceed \$10,000, the prior written consent of Institutional Lenders shall be obtained provided such consent shall not be unreasonably withheld or delayed.

So long as Declarant shall continue to own two or more Lots, the Association may not, without the prior written consent of Declarant (i) levy annual special assessment for capital improvements or make any addition or alteration to the Common Areas, (ii) create any reserve or contingency funds or add unreasonable sums to existing reserve or contingency funds or (iii) borrow money, the annual debt service for which exceeds 30% of the total expense budget of the Association.

In the event an Institutional Lender acquires title to a Lot pursuant to a decree of foreclosure or a deed in lieu of foreclosure prior to the initial sale of all of the Lots by the Declarant to independent third party purchasers, the Association may not levy any special assessments for capital improvements without the prior written consent of such Institutional Lender, provided such consent shall not be unreasonably withheld or delayed.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 6. Declarant's Obligation. Notwithstanding anything to the contrary contained in this Declaration or the By-laws, the Declarant's covenant and obligation to pay assessments shall be limited to the lesser of the following sums:

- (a) the maximum annual or monthly assessment, as the case may be, determined in accordance with Sections 3 and 5 of this Article V, or;

(b) (i) the actual cost of operation, maintenance, insurance and repair of the Common Areas; and (ii) other obligations of the Association for such fiscal year of the Association, less (iii) all assessments levied against all other members for such fiscal year. If (iii) is greater than the sum of (i) and (ii) for any fiscal year, the Declarant shall be entitled to credit such difference against its obligation to pay assessments in any subsequent fiscal year.

In supplying services to the members, the Declarant may direct the Association not to supply maintenance or other services to any Lots to which title remains in the Declarant. For the purpose of this Article V only, title to a home on any Lot which has been leased or rented by the Declarant shall not be considered to remain in the Declarant.

Section 7. Quorum for Any Action Authorized Under Section 4. At the first meeting called, as provided in Section 4, hereof, the presence at the meeting of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots when determined by the Board of Directors. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year. ~~The Board of Directors shall fix the amount of the year.~~ The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. 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 maximum rate of interest allowed under the laws of the State of New York, and the Association may bring an action at law 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 the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage, pursuant to a decree of foreclosure under such mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created therein:

(a) all properties dedicated to and accepted by a local public authority;

(b) the Common Area.

However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Remedies of the Village of Croton-on-Hudson. The Village of Croton-on-Hudson shall have the right to perform any and all such work the Village deems necessary for the repair and maintenance of the water main, sanitary sewer and storm drain after acceptance by the Village and dedication of said utilities to the Village, and shall have an easement in the lands shown herein in order to enable it to perform such work.

ARTICLE VI
MORTGAGES

Section 1. Notice to Association. An Owner who mortgages his Lot with an Institutional Lender shall notify the Board of Directors of the Association in writing of the name and address of such Institutional Lender and shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages of Lots".

Section 2. Notice of Unpaid Assessments. The Board of Directors, whenever so requested in writing by an Institutional Lender of a Lot, shall promptly report any then unpaid assessments due from, or any other default by, the Owner of the mortgaged Lot.

Section 3. Notice of Default. The Board of Directors, when giving notice to an Owner of a default in paying assessments, shall, if such default shall continue for 90 days, send a copy of such notice to the Institutional Lender holding a mortgage covering such Lot whose name and address is theretofore above furnished to the Board of Directors.

Section 4. Right to Contest Assessments Against Common Area. Any Institutional Lender shall have the right to contest and seek reduction of real estate taxes and municipal assessments levied against the Common Areas. The Association shall cooperate with such Institutional Lender by providing the data necessary to commence such contest and to execute such documents reasonably requested by the Institutional Lender. If the Institutional Lender's contest is successful so that there is a reduction of real estate taxes or municipal assessments, the Institutional Lender shall be entitled to be reimbursed for its reasonable expenses, including attorneys fees, in connection with such contest. If the Institutional Lender is not successful, all costs and expenses in connection with the contest shall be the sole cost and expense of the Institutional Lender. The Institutional Lender shall agree to indemnify and hold harmless the Association for any damages, costs and expenses, including reasonable attorneys' fees, resulting from any such contest commenced by an Institutional Lender.

Section 5. Notice of Condemnation. The Association shall send notice to any Institutional Lender holding mortgages on 25% or more of the Lots in the event of a taking in condemnation or by eminent domain of part or all of the Common Area. Such institutional Lenders shall have the right to contest any condemnation awards on behalf of the Association. If the Institutional Lender is successful and obtains an increase in the condemnation award as a result of its contest, the Institutional Lender shall be entitled to be reimbursed out of such award for its reasonable expenses, including attorneys fees, for such contest. If the Institutional Lender is not successful in increasing the condemnation award, the contest shall be at the sole cost and expense of the Institutional Lender so contesting.

ARTICLE VII
SEWERAGE TREATMENT

Section 1. Sewerage Treatment Charge. Sewerage and sanitation service effluent will be treated by Jonas Bastys, Inc., a New York Corporation governed by Article 10 of the Transportation Corporation Law of the State of New York, and the owners will pay a charge for this service stipulated by agreement between the Corporation and the Town Board of the Town of Cortlandt pursuant to Section 121 of the Transportation Corporation Law, which charge must be consented to by the Board of Trustees of the Village of Croton-on-Hudson. At the present time, such charges are \$10.00 per unit per month. Sewerage treatment charges shall be payable monthly on the first day of each month, hereinafter referred to as the "Due Date." The sewerage treatment charge together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Effect of Nonpayment of Sewerage Charge:
Remedies of Jonas Bastys, Inc. Any sewerage charges which are not paid when due shall be delinquent. If the sewerage charge is not paid within thirty (30) days after the due date, the sewerage charge shall bear interest from the date of delinquency at the maximum rate of interest allowed under the laws of the State of New York, and Jonas Bastys, Inc. may bring an action at law 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 sewerage charge. No owner may waive or otherwise escape liability for the sewerage charges provided for herein by abandonment of his Lot.

Section 3. Subordination of the Lien to Mortgages. The lien of the sewerage charges provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the sewerage charge lien. However, the sale or transfer of any Lot which is subject to any first mortgage, pursuant to a decree of foreclosure under such mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such sewerage charges as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any sewerage charges thereafter becoming due or from the lien thereof.

ARTICLE VIII
ARCHITECTURAL CONTROL COMMITTEE

From and after the construction by the Declarant or its successors and assigns of any buildings or other improvements upon the Properties, except as herein provided, no building, canopy, deck, fence, wall or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior modifications or additions to or change or alteration therein of any kind be made (including, but not limited to, changes of color or material) until the plans and specifications showing the nature, kind, shape, dimensions, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board or its designated committee, fails to approve or disapprove such design and location within sixty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

The landscaping in front of, at the side of or in the rear of any home cannot be altered or modified without first obtaining the approval in writing of the Board of Directors of the Association, or by an architectural committee as described above. Any proposed landscaping alterations or modifications must be in harmony with the external design and location in relation to surrounding landscaping and topography. In the event said Board or its designated committee fails to approve or disapprove changes and modifications within 60 days after the request therefor, approval will not be required and this article will be deemed to have been fully complied with. The Association will have the option to maintain landscaping changes and modifications made by an Owner with Board or committee approval. In the event the Association does not elect to maintain such approved changes and modifications, the Owner shall be required, at the Owner's sole cost and expense, to provide such maintenance.

ARTICLE IX
EXTERIOR MAINTENANCE

Section 1, Snow Removal from common sidewalks and/or walkways. It shall be the responsibility and obligation of each of the Owners of the Lots to shovel snow from the common sidewalks and/or common walkways in front of or along the sides of the numbered Lots whether said sidewalks and/or walkways lie within the Lot lines, on the Common Areas or within the 50 foot wide roadway known as Amber Drive to be dedicated to the Village of Croton-on-Hudson.

Nothing herein contained shall be construed to require the Owners of Lots to shovel snow from any stairways or from common sidewalks and/or walkways not in front of or along the sides of the numbered Lots.

Section 2. Rights of Association. In the event an owner of any Lot in the Properties shall fail to maintain the Lots and the improvements situated thereon or fail to remove snow as provided in Section 1 above in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the premises and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance or snow removal as provided in Section 1 above shall be added to and become part of the assessment to which such Lot is subject.

In addition to maintenance upon Common Areas, the Association shall provide exterior maintenance upon each Lot which is subject to assessment under Article V. hereof as follows: structural maintenance of common walkways and stairways and maintenance (Note - does not include watering) of the grass areas and the landscaping planted by the Declarant. For the purpose solely of performing the exterior maintenance required by this Article, the Association, through its duly authorized agent and employees, shall have the right to enter upon any Lot at reasonable hours on any day.

ARTICLE X
RESTRICTIONS ON USE OF LOTS

1. The Lots may be used for residential purposes as defined in the applicable zoning ordinances, as the same may be amended from time to time, and such other accessory uses as permitted by such zoning ordinances.

2. No title in and to the bed of any road, street drive is to be conveyed to the purchaser of a Lot. Declarant retains the said title and the right to convey the said title to the Village of Croton-on-Hudson or the Association. However, the land in the bed of the roads, steets and lanes, shown on the Subdivision Map shall be subject to easements of ingress and egress and to provide for the installation and maintenance of all utilities and drainage facilities now or hereafter installed to provide service for the Owners, whether installed on the surface of, or above or below the ground.

3. Certain homes on adjacent Lot shall have a common walkway in front of said homes. The Owners of such homes shall have an unobstructed easement for said Owners, their families, guests, invitees and licensees for ingress and egress to and from said homes.

4. No commercial vehicles, recreational vehicles, trailers, or campers shall be kept ungaraged on any Lot or on the Common Areas except with the approval of the Declarant or the Board of Directors of ~~The Arbers~~ Homeowners' Association, Inc.

5. No animals, livestock or poultry of any kind shall be raised, bred or kept in any dwelling or on any Lot, except that dogs cats or other domesticated household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that not more than two pets in the aggregate may be kept upon any Lot. No unleashed and unattended animals shall be permitted upon the Common Areas unless carried in suitable containers.

6. Exterior clothes lines shall not be installed.

7. No nuisance nor noises of any kind, unwholesome and offensive to the neighborhood, shall be permitted to exist on said Lots, nor shall any accumulation of rubbish, garbage, junk or materials of any kind be permitted to remain on said Lots. No advertising signs, billboards or other sign devices shall be permitted on any of said Lots excepting developer signs during the period of time the Sponsor is selling homes. A home owner may maintain a "professional office" sign on his Lot and after the Declarant is no longer selling homes an Owner may maintain a "for sale" or "for rent" sign. No permitted sign shall be larger than 12" X 24".

8. No sand, earth or sod shall be removed from a Lot, or excavation be allowed to remain open thereon, except as may be necessary during building construction periods or except as may be approved by Declarant or the Board of Directors of the Association. After construction, lawn and landscaping shall be installed and maintained thereafter in an attractive manner.

9. No radio, television or similar towers shall be erected on any Lot or attached to the exterior of any dwelling except the master television antenna (e) erected or to be erected by the Declarant.

10. There shall be no obstruction of the Common Areas nor shall anything be stored in the Common Areas without the prior consent of the Board of Directors.

11. Fences shall be permitted only if approved by the Board of Directors of the Association or the architectural committee. Any such fence constructed by an owner of a Lot shall be not greater than 5 feet in height and shall be subject to all local codes and requirements. Any such fence shall also allow for easy accessibility for the care and maintenance by the Association of the Properties and the easy accessibility of the utility easements.

12. Where two Lots are separated by a pedestrian stairway and walkway in a Common Area, no fence of wood, living plant material or other material shall be erected on the Lot lines adjoining such stairway and walkway. However, a fence will be considered for approval by the Board of Directors or the architectural Committee if it is either: (a) 2 feet behind the Lot line with a maximum height of 4 feet, or (b) 3 feet behind the Lot line with a maximum height of 6 feet, and provided in any event that there is appropriate planting provided between any fence and the walkway. If the fence is of living plant material it must be placed and trimmed by its Owner so as not to extend beyond said Owner's Lot line.

13. Notwithstanding any provision herein contained to the contrary, it shall be expressly permissible for Declarant to maintain during the period of construction and sale of homes, upon such portion of the Properties or Common Areas as Declarant deems necessary, such facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction and sale of said homes, and improvements to Common Areas, including but without limitation, a business office, storage area, construction trailers, construction yards, signs, model homes and sales office.

ARTICLE XI
PARTY WALLS OR PARTY FENCES

Section 1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article XI the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions, shall apply to each party wall or party fence which is built as part of the original construction of the homes upon the Properties, and any replacement thereof and thereafter constructed by an Owner as provided herein.

In the event that any portion of any structure, as originally constructed by Declarant, including any party wall or fence, shall protrude over an adjoining Lot, such structure, party wall or fence shall not be deemed to be an encroachment upon the adjoining Lot or Lots, and Owners shall neither maintain any action for the removal of a party wall or fence or projection, nor any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection, party wall or fence. The foregoing shall also apply to any replacements of any structures, party walls or fences if same are constructed in conformance with the original structure, party wall or fence constructed by Declarant. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared by the Owners who make use of the wall or fence in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall or party fence is destroyed or damaged by fire Or other casualty, any Owner who has used the wall or fence may restore it, and if the other Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Disputes. In the event any dispute arises concerning a party wall or party fence, under the provisions of this Article, said dispute shall be decided by the Board of Directors of the Association. A vote of 2/3 of the members of the Board of Directors shall be necessary to decide the dispute and said vote shall be binding upon the parties. If such a dispute arises between an Owner and the Declarant as the Owner of an unsold home at a time when the Declarant is in control of the Board of Directors of the Association, the Declarant and the party with whom it is having a dispute shall each select an independent party to represent them in arbitration. The independent parties shall agree upon a third independent party and the decision of the three arbitrators shall be binding.

ARTICLE XII
SPONSOR'S RIGHT TO CHANGE SUBDIVISION MAP

The Declarant hereby reserves the right to make minor revisions of lot lines and road lines from those shown on the Subdivision Map in order to preserve the natural topography of the land and to increase the size of the lots to accommodate the proposed building or buildings thereon. The Declarant's right reserved hereunder shall include the right:

1. to subtract from the land conveyed to the Association insubstantial portions thereof for the purpose of adding such portions to Amber Drive, Scenic Drive or one more of the numbered Lots; and
2. to shift, in an insubstantial manner, the location of a numbered Lot or Lots and the location of a building or buildings; and
3. to change, in an insubstantial way, the direction of a road or roads.

The Association hereby consents (and the deed conveying the Common Areas to the Association shall similarly provide) that the Subdivision Map may be amended to effectuate any of the above provisions without any further consent of the Association being required, and further covenants that the Association will, if requested, execute, acknowledge and deliver, without charge, a deed or deeds reconveying to the Declarant, its successors and assigns, any land theretofore conveyed to the Association so that a revision or correction deed or deeds conforming to an amended map may be delivered to the Association, The deeds to numbered lots

given to Lot Owners shall also provide that the Subdivision Map may be amended accordingly for the above purposes without any consent on their part being required, and that the acceptance or a deed shall be deemed a consent to such future amendment or amendments of the Subdivision Map, and that they covenant that they will, nevertheless, if requested, execute, acknowledge and deliver, without charge, any written consent to such amendment or amendments of the Subdivision Map.

ARTICLE XIII
INSURANCE AND CONDEMNATION

Section 1. Common Areas. The Board of Directors shall maintain public liability insurance, to the extent obtainable, covering each Association Member, lessee and occupant, and the managing agent, if any, against liability for any negligent act of commission or omission attributable to them which occurs on or in the Common Areas. To the extent obtainable, the Board or Directors shall also be required to obtain Workmen's compensation insurance. All insurance premiums for such coverage shall be paid for by the Association.

Section 2. Homes. Each Owner shall be required to obtain and maintain adequate insurance covering his home which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire or other hazards. Such insurance shall be sufficient to cover the full replacement value, or for necessary repair or reconstruction work. The Board or Directors shall have the right to require written notice from each Member, from time to time, of the amount of insurance coverage of such member and to require modification of the coverage if the Board deems the amount thereof to be inadequate taking into account the amount of coverage of all members. The purpose of such insurance shall be protect, preserve and provide for the continued maintenance and support of separately owned homes which shall include common party walls, connected exterior roofs and other parts of the overall structure.

Such policies obtained by each Owner, or by the Association on behalf of an Owner as herein provided, shall provide that the net insurance proceeds shall be payable to the Insurance Trustee (here in after defined) for the Association if \$10,000 or more and to the Owner if less than \$10,000. Such insurance proceeds shall be applied to the repair and restoration of the Property as hereinafter provided. All such insurance policies shall provide that coverage may not be cancelled without first giving the Insurance Trustee ten (10) days written notice of cancellation.

All such policies shall contain, if obtainable, a waiver of the right of subrogation against any Owner, members of the families of Owners and the Association, its officers, agents and employees. Such policies shall also contain waivers of any reduction of pro rata liability of the insurer.

In the event a homeowner does not modify his coverage in accordance with the Board of Directors' requirements, the Board may obtain such insurance coverage and the cost of the premium therefor shall not be part of the common expenses but shall be an individual assessment against the Owner who has not complied with the Board's requirements. Such assessment shall be paid within twenty (20) days after notice of such debt and shall be collected by any lawful procedure permitted by the laws of the State of New York. If such debt is not paid within twenty (20) days after notice, such amount shall automatically become a lien upon such Owner's Lot and shall continue to be a lien until fully paid. Such lien shall be subordinate to the lien of any first mortgage and shall be enforceable in the same manner as the lien created by failure to pay assessments. Insurance obtained by the Board of Directors shall be written in the name of the Association in trust for the benefit of each such homeowner.

Section 3. Insurance Trustee. Any Institutional Lender holding mortgages on 25% or more of the Lots shall have the to be the Insurance Trustee. If more than one Institutional Lender holds mortgages on 25% or more of the Lots they shall agree among themselves as to which shall be the Insurance Trustee. In the event no Institutional Lender holds mortgages on 25% or more of the Lots, or in the event no Institution Lender holding mortgages on 25% or more of the Lots wants to be the Insurance Trustee, or if the Insurance Trustee shall resign, the Board of Directors of the Association shall appoint a new Insurance Trustee which shall be a bank, trust company or savings and loan association having an office in New York City or Westchester County. The Association shall obtain from each Owner from time to time but at least once each year, duplicate originals or all such policies and of all renewals thereof and proof of the payment of the premium therefor and the Association shall forward copies of such to the Insurance Trustee.

Section 4. Repair or Reconstruction After Fire or Other Casualty. In the event of damage or destruction by fire or other casualty to any Lot or the improvements thereon, the Owner of such Lot shall, with the concurrence of the Owner's mortgagee, if any, and the Board of Directors, be required to reconstruct or repair the home so destroyed by fire or other casualty. If the proceeds of loss are less than \$10,000 they shall be held by the insured

homeowner in trust for the benefit of said homeowner and such other homeowner or homeowners whose homes are affected by the casualty resulting in the loss. If the proceeds are \$10,000 or more they shall be held by the Insurance Trustee. Repair or reconstruction of the damaged homes must commence within a reasonable time after occurrence of the loss but in any event not later than 30 days after receipt of the insurance proceeds. Any repair or reconstruction of the exterior of any home must be performed in a good and workmanlike manner and shall conform as nearly as possible, with the original plans and specifications. The plans and specifications for repair or reconstruction to the exterior of any home must be submitted to and approved in writing by the Board of Directors of the Association or by an architectural committee as provided in Article VII hereof. The Owner or the Insurance Trustee, as the case may be, shall disburse proceeds of insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

If any Owner refuses or fails to so repair or rebuild as so provided, then the Association by and through its Board of Directors is hereby irrevocably authorized by such Owner to repair or rebuild such damaged or destroyed portions of the home. The Association shall have a lien against any insurance proceeds being held by the Owner or the Insurance Trustee in trust as herein provided. Such homeowner shall immediately turn over said trust funds being held by him to the insurance Trustee to be used to make the repairs required. In the event such proceeds are not adequate to repair such damage, the Board of Directors shall levy a special assessment against the Owner in whatever amount is necessary to adequately cover any deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

Section 5. Condemnation Proceeds. In the event of a taking in condemnation or by eminent domain of all or part of the Common Area, the award made for such taking shall be payable to the Association if the award does not exceed \$20,000 and shall be payable to the Insurance Trustee if it exceeds \$20,000. The Board of Directors shall arrange for the repair and restoration of such Common Area, and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds,

or if the members shall elect not to repair or restore the Common Area, such surplus or the net proceeds of such award shall be utilized by the Association or disbursed to the members at the discretion of the Board of Directors, subject to the rights of any mortgagees holding mortgages on the Common Area and/or Lots.

ARTICLE XIV
AMENDMENT OF DECLARATION

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective Legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than eighty percent (80%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy five percent (75%) of the Lot Owners. Any amendment must be recorded in the Westchester County Clerk's Office, Division of Land Records.

Notwithstanding anything to the contrary herein contained, there shall be no amendments to this Declaration which would adversely effect any rights of Declarant reserved or provided herein without first obtaining Declarants written consent provided, however, that Declarant, at the time of such amendment, is the owner of two or more Lots.

Any amendment which adversely affects the interest of an Institutional Lender shall be effective only if the prior written consent of such Institutional Lender is obtained, provided such Institutional Lender does not unreasonably withhold or delay its consent.

ARTICLE XP
MERGERS

Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the properties, together with covenants and restrictions established upon any other properties as one scheme. No such merge or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration with the Properties, except as herein provided.

ARTICLE XVI
ADDITIONAL EASEMENTS

The Declarant hereby gives, conveys, grants and reserves for the benefit of the Declarant and or the respective Owners and occupants of all or any part of the properties, their guests, licensees and invitees the following:

(a) an easement and right of way for Ingress and egress, by vehicle or on foot, in, to, upon and across the streets, and lanes now or hereafter constructed on the Properties.

(b) an easement, right, license and privilege to connect to and make use of, and maintain, repair and replace utility lines, wires, pipes, conduits, sewers, water and drainage lines and appurtenances now or hereafter installed in all or any part of the properties, subject to the requirement a or governmental bodies and public utility companies and their ownership of such utilities.

The aforementioned easements, rights, and privileges are hereby established and created by the Declarant and the Declarant does hereby grant them to each individual, business or other entity hereafter owning any portion of the properties, including Declarant itself. Said easements shall also be for the benefit of the Association, its members, guests, licensees, invitees and employees. The granting of the aforementioned easements, rights and privileges is perpetual and such easements, rights and privileges shall run with the land.

ARTICLE XVII
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this _____ day of _____ 1979.

SCENIC RIDGE, INC.

By: _____
President

STATE OF NEW YORK

SS.:

COUNTY OF WESTCHESTER

On the _____ day of _____, 1979, before me came JONAS BASTYS to me known, who, being by me duly sworn did depose and say that he resides at 18 John Cova Lane, Peekskill, N.Y., that he is the President of Scenic Ridge, Inc., the corporations 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.

Notary Public

SCHEDULE A

1. Water Company Agreement recorded in Liber 1956 Cp 382 relative to the waters of Furnace Brook and its tributaries.
2. Gas and Electric Easement Agreement recorded in Liber 6885 Cp. 555.
3. Telephone and Electric Easement Agreement recorded in Liber 6600 cp 414.
4. Gas Easement Agreement recorded in Liber 6600 Cp. 416.
5. Telephone Easement Agreement recorded in Liber 1961 Cp. 231.
6. Declaration of Scenic Easement recorded in Liber 7543 Cp. 579.
7. Variations between the location of stone wall, fence and the Southeasterly record line of premises.
8. Easements to utility companies to be recorded.
9. Except rights and easements of others than the owner herein, to drain through or otherwise use the tributary of Furnice Brook abutting or running through the premises herein.