

INITIAL SUPPLEMENTAL DISCLOSURE STATEMENT
TO THE
STERLING WOODS PUBLIC OFFERING STATEMENT
FOR
THE SUMMIT AT STERLING WOODS

IMPORTANT NOTE

THIS REVISED SUPPLEMENT IS ONLY VALID FOR UNITS OFFERED
IN THE SUMMIT AT STERLING WOODS

Other supplements are available for
Units located in other Villages within Sterling Woods

CAUTION:

THE REVISED STERLING WOODS PUBLIC OFFERING STATEMENT IS
INCOMPLETE WITHOUT THIS SUPPLEMENT

Nabby Road
Danbury, Connecticut 06811

OFFERED BY

DECLARANT

SILVERSMITH HEIGHTS, LLC
157 Old Ridgefield Road
Wilton, CT 06897

CURRENT DATE JANUARY 25, 1999

INTRODUCTION

All of the information which the Declarant is required to provide to potential buyers at The Summit at Sterling Woods ("The Summit") is contained in the Revised Public Offering Statement ("POS") for Sterling Woods, except for the following documents, which are unique to this Village:

1. Initial Supplemental Disclosure Statement for The Summit.
2. The Village Declaration for The Summit.
3. The following Exhibits to the Village Declaration for The Summit:
 - (a) Property Description;
 - (b) Allocated Interests Table;
 - (c) Village Survey;
 - (d) Unit Plans; and,
 - (e) The Structural Completion Certificate.
4. The Village Bylaws for The Summit.

In addition, the current budget for The Summit and for the Master Association, is attached to the Revised Master POS.

After the date of this Supplemental Disclosure, the Declarant expects that a variety of events will occur as the development process continues within The Summit. Those events may include, for example, an increasing number of declared Units within The Summit up to a maximum of seventy (70) Units, or the fact that additional Villages may have been created within Sterling Woods.

Any such updated information will be contained in the most current Supplement to the POS, which forms part of the Declarant's current POS for Units being offered in The Summit.

This is a current Supplement and is dated as of January 25, 1999.

**CURRENT SUPPLEMENTAL DISCLOSURE STATEMENT
FOR THE SUMMIT AT STERLING WOODS**

The Revised POS for the Sterling Woods Planned Community is part of this Supplemental POS for The Summit at Sterling Woods ("The Summit"). The Master POS contains the primary disclosure material for The Summit, and is completely applicable to The Summit. The limited information contained in this Supplement is the relevant additional disclosure which is unique to The Summit.

The Summit may contain up to seventy (70) Units. However, the first construction phase will have four (4) Units in one (1) building, as shown on the Village Survey. All Summit Units will be Residential Units and the boundaries of these Units will be the walls, floors and ceilings of each Unit, as shown on the Unit Plans.

The Summit is organized as a condominium, subject to the same Development Rights as apply to the Master Community. This condominium contains 7.191 acres of land and no additional land will be added to it. Initially, the density of the condominium with four (4) Units will be less than 0.5 Units per acre.

However, if all seventy (70) Units were created, the density would be approximately 9.7 Units per acre.

All other statements in the Master POS apply.

DECLARATION

OF

THE SUMMIT AT STERLING WOODS

DECLARATION
OF
THE SUMMIT AT STERLING WOODS CONDOMINIUM

TABLE OF CONTENTS

	PAGE NO.
ARTICLE 1 - SUBMISSION; DEFINED TERMS	1
Section 1.1 - Submission of Real Estate	1
Section 1.2 - Defined Terms	1
ARTICLE 2 - NAMES; DESCRIPTION OF REAL ESTATE	1
Section 2.1 - Names	1
Section 2.2 - Real Estate	1
ARTICLE 3 - THE ASSOCIATION	1
Section 3.1 - Authority	1
Section 3.2 - Powers	2
Section 3.3 - Master Association Powers	3
Section 3.4 - Declarant Control	3
ARTICLE 4 - UNITS	3
Section 4.1 - Number of Units	3
Section 4.2 - Identification of Units	3
Section 4.3 - Unit Boundaries	3
ARTICLE 5 - COMMON ELEMENTS AND LIMITED COMMON ELEMENTS	3
Section 5.1 - Common Elements	3
Section 5.2 - Limited Common Elements	3
Section 5.3 - Allocation of Reserved Limited Common Elements	3
Section 5.4 - Allocation of Specified Common Elements	4

ARTICLE 6 - MAINTENANCE, REPAIR AND REPLACEMENT 4

ARTICLE 7 - DEVELOPMENT RIGHTS AND OTHER SPECIAL
DECLARANT RIGHTS 4

Section 7.1 - Special Declarant Rights 4

Section 7.2 - Limitations on Special Declarant Rights 5

ARTICLE 8 - ALLOCATED INTERESTS 5

Section 8.1 - Allocated Interests 5

Section 8.2 - Determination of Allocated Interests 5

ARTICLE 9 - RESTRICTIONS ON USE AND OCCUPANCY 5

Section 9.1 - Use and Occupancy Restrictions 5

ARTICLE 10 - EASEMENTS AND LICENSES 5

Section 10.1 - Recording Data 5

LIST OF EXHIBITS

Exhibit A - Property Description

Exhibit B - Allocated Interest Table - See Exhibit 2 to the Master Declaration

Exhibit C - Village Survey

Exhibit D - Unit Plans

Exhibit E - Certificate of Structural Completion.

Section 3.2. Powers.

(a) General. Subject to the restrictions on its powers contained in the Master Declaration, The Village Association shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of The Summit Village.

(b) Village Association Powers. Notwithstanding Section 3.2(a) above, the Association has the following powers which it may exercise at any time:

1. After giving notice to Unit Owners in the Village and an opportunity to comment, the Association may adopt Rules governing the use of the Common Elements located within the Village. The Village Association Rules shall be in addition to any Rules of the Master Association, but if the Village Rules and Master Rules directly conflict with each other, the Master Rules shall govern.

2. If the Village Association wishes to build additional Common Elements serving some or all of the Units in the Village, the Association may do so, either directly or through the Master Association, by vote pursuant to Section 25.5 of the Master Declaration. The costs of building, maintaining and insuring any such Common Elements shall be borne solely by the Unit Owners in the Village. At the Village Association's option, those fees shall be charged and collected either by a separate Common Expense assessment on the Units, as administered by the Village Board, or as a surcharge on only the Units in the Village which shall be added to the Master Association's periodic Common Expense assessments in accordance with the Master Association's standard assessment policies.

3. The Village Association may, by vote pursuant to Section 25.5 of the Master Declaration, require a higher level of maintenance of the Master Common Elements in the Village than mandated by the Master Association, or may choose to maintain additional portions of the Units in that Village. If the Village Association adopts such a policy, the Village Board shall require that Unit Owners in the Village pay, the entire additional cost of that additional work either directly or through a surcharge to the Master Association, in the same manner as described in subsection (b)(2) of this Section.

4. The Village Association may also decide to withdraw from the Master Board's maintenance program as provided, and subject to the limitations, in Section 6.2 of the Master Declaration.

(c) Pursuant to Section 47-244(a)(14) of the Act, the Village Association may assign its future income, including its rights to receive Common Expense assessments, only by the affirmative vote of Unit Owners of Units to which at least 51 percent of the votes in the Village Association are allocated, at a meeting called for that purpose.

Section 3.3. Master Association Powers. Pursuant to C.G.S. Section 47-239(a) and (b), the Master Association is empowered to exercise all powers enumerated in C.G.S. Section 47-243 on behalf of The Summit Village, including, but not limited to, the powers enumerated in subsection (a)(2), except to the extent the Village Association members elect to the contrary pursuant to Section 6.2 of the Master Declaration.

Section 3.4. Declarant Control. The Declarant shall have all the powers reserved in Section 47-245(d) of the Act to appoint and remove officers and members of the Village Board.

ARTICLE 4 UNITS

Section 4.1. Number of Units. Initially, the number of Units in the Village is to be four (4). The Declarant reserves the right to create an additional sixty-six (66) Units in The Summit Village. The actual number of Units in The Summit Village from time to time will be reflected in amendments to Exhibit 2 to the Master Declaration.

Section 4.2. Identification of Units. The identification number of each Unit is shown on the Village Survey and Plans, and in Exhibit 2 to the Master Declaration.

Section 4.3. Unit Boundaries. The boundaries of each Unit are located as shown on the Village Plans and are more particularly described as the walls, floors and ceilings of each Unit. The boundaries are further defined in Section 4.3.2. of the Master Declaration.

ARTICLE 5 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 5.1. Common Elements. All portions of the Buildings in The Summit Village which contain Units, except the Units themselves, are Village Common Elements owned on an undivided interest basis by the Unit Owners in the Village.

Section 5.2. Limited Common Elements. This term means those portions of the buildings in The Summit Village containing Units which are described in Section 7.1 of the Master Declaration as Limited Common Elements. All the expenses of maintaining the Limited Common Elements shall be allocated as described in Section 7.2 of the Master Declaration.

Section 5.3. Allocation of Reserved Limited Common Elements.

(a) Portions of the Common Elements may be marked on either the Master Survey or the Village Survey as "Common Elements which may be allocated as Limited Common Elements." These portions of the Common Elements include, without limitation, vehicle parking areas. They may be allocated to Units pursuant to Section 7.3 of the Master Declaration.

(f) the right to exercise any Development Right described in Article 8 of the Master Declaration or any other rights described in the Master Declaration anywhere within The Summit Village, provided that no Additional Land may be added to The Summit.

Section 7.2. Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by the Declarant, any Special Declarant Right may be exercised by the Declarant for twenty-five (25) years from the date this Declaration is recorded. Other restrictions may appear in the Master Declaration.

ARTICLE 8 ALLOCATED INTERESTS

Section 8.1. Allocated Interests. The Common Expense Liability and votes in the Association and the undivided interests in the Village Common Elements allocated to each Unit are set forth in Exhibit 2 to the Master Declaration.

Section 8.2. Determination of Allocated Interests. The interests allocated to each Unit have been calculated as described in Section 9.2 of the Master Declaration.

ARTICLE 9 RESTRICTIONS ON USE AND OCCUPANCY

Section 9.1. Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved by the Declarant, the use restrictions contained in the Master Declaration shall apply to all Units and to the Village Common Elements.

ARTICLE 10 EASEMENTS AND LICENSES

Section 10.1. Recording Data. All easements and licenses to which the Village is presently subject are recited in Exhibit A. In addition, the Village may be subject to other easements or licenses granted by the Declarant pursuant to the Master Declaration.

LIST OF EXHIBITS

Exhibit A - Property Description

Exhibit B - Allocated Interest Table - See Exhibit 2 to The Master Declaration

Exhibit C - Village Survey

Exhibit D - Unit Plans

Exhibit E - Certificate of Structural Completion. As future units are added, these certificates will appear as exhibits to the Master Declaration.

**EXHIBIT A
TO THE SUMMIT VILLAGE DECLARATION**

PROPERTY DESCRIPTION

BEGINNING AT A POINT LYING ALONG A WESTERLY BOUNDARY LINE OF A PRIVATE ROADWAY KNOWN AS SILVERSMITH DRIVE LOCATED WITHIN "STERLING WOODS, A PLANNED COMMUNITY" BEING THE MOST NORTHERLY CORNER OF THE HEREIN DESCRIBED PARCEL AND ALSO BEING THE NORTHEASTERLY CORNER OF OTHER LAND OF "STERLING WOODS, A PLANNED COMMUNITY", WHICH OTHER LAND IS KNOWN AS "THE MAPLES";

THENCE ALONG SAID WESTERLY BOUNDARY LINE OF SILVERSMITH DRIVE, ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 425.00', A DISTANCE OF 404.26' TO A POINT;

THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY LINE OF SILVERSMITH DRIVE ON A COURSE BEARING S03°00'00"W, A DISTANCE OF 88.18' TO A POINT;

THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY LINE OF SILVERSMITH DRIVE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 168.00', A DISTANCE OF 313.74' TO A POINT, BEING A NORTHEASTERLY CORNER OF THE HEREIN DESCRIBED PARCEL AND ALSO LYING ALONG A WESTERLY BOUNDARY LINE OF OTHER LAND OF "STERLING WOODS, A PLANNED COMMUNITY";

THENCE ALONG SAID WESTERLY BOUNDARY LINE OF OTHER LAND OF "STERLING WOODS, A PLANNED COMMUNITY", THE FOLLOWING COURSES AND DISTANCES: (S14°00'00"E, 100.00') AND (S33°00'00"W, 279.51') TO A POINT LYING ALONG THE MOST SOUTHERLY LINE OF THE HEREIN DESCRIBED PARCEL AND LYING ALONG A NORTHERLY BOUNDARY LINE OF SAID OTHER LAND OF "STERLING WOODS, A PLANNED COMMUNITY";

THENCE ALONG SAID NORTHERLY BOUNDARY LINE OF OTHER LAND OF "STERLING WOODS, A PLANNED COMMUNITY", ON A COURSE BEARING DUE WEST, A DISTANCE OF 250.56' TO A POINT LYING ALONG SAID MOST SOUTHERLY LINE OF THE HEREIN DESCRIBED PARCEL AND ALSO LYING ALONG AN EASTERLY LINE OF OTHER LAND OF "STERLING WOODS, A PLANNED COMMUNITY", WHICH OTHER LAND IS THE AFOREMENTIONED "MAPLES";

THENCE ALONG THE EASTERLY BOUNDARY LINE OF SAID "THE MAPLES", THE FOLLOWING COURSES AND DISTANCES: (N56°00'00"W, 180.00') AND (N16°00'00"W, 290.00') TO A POINT;

THENCE TURNING AND CONTINUING ALONG SAID EASTERLY BOUNDARY LINE OF "THE MAPLES" ON A COURSE BEARING N48°00'00"E, A DISTANCE OF 220.00' TO A POINT;

THENCE TURNING AND CONTINUING ALONG SAID EASTERLY BOUNDARY LINE OF "THE MAPLES" THE FOLLOWING COURSES AND DISTANCES: (N01°00'0"E, 290.00') AND (N30°15'00"E, 150.00') TO THE POINT OF BEGINNING.

THE ABOVE DESCRIPTION INCLUDES AN AREA OF 7.191 ACRES.

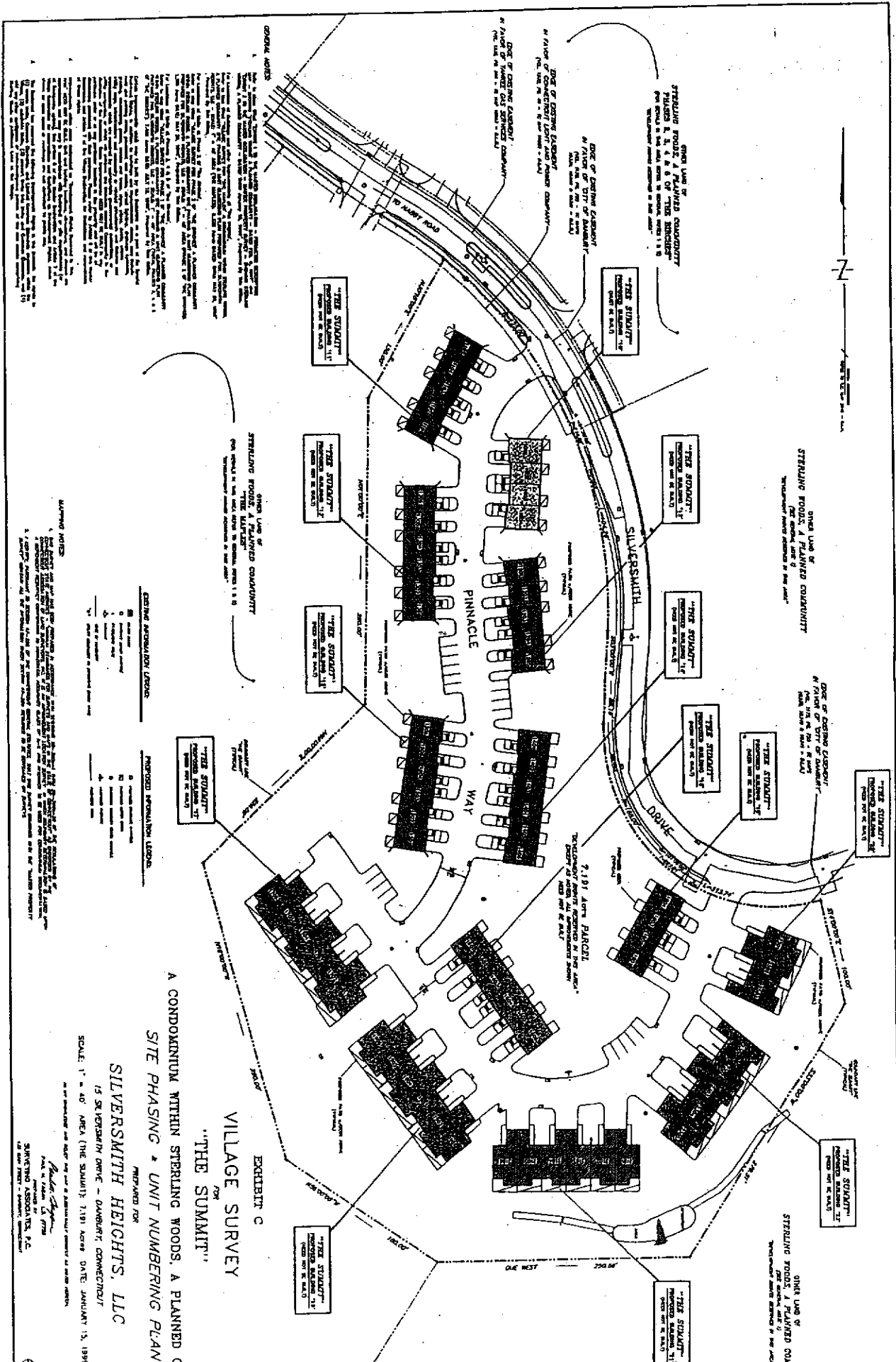
**EXHIBIT 2 TO THE MASTER DECLARATION
AND EXHIBIT B TO THE VILLAGE DECLARATIONS**

**TABLE OF ALLOCATED INTERESTS
FOR UNITS AT STERLING WOODS**

TO BE DECLARED UNITS

VILLAGE: THE SUMMIT

Unit No.	Description of Unit	Declarant Calculated Habitable Area (s.f.)	Undivided % Share of Ownership of Village Common Elements	% Share of Village Common Expenses Including Village Reserves	Share of Expenses to Maintain Master Common Elements and Operate Master Association Including Master Reserves	Vote in the Affairs of the Village Association	Vote in the Affairs of the Master Association	Shares of Garage Unit Expenses
1001	Townhouse-B	1,650	28.08%	28.08%	See Exhibit 2 to the Master Declaration.	1	1	N/A
1002	Townhouse-A	1,288	21.92%	21.92%		1	1	N/A
1003	Townhouse-A	1,288	21.92%	21.92%		1	1	N/A
1004	Townhouse-B	1,650	28.08%	28.08%		1	1	N/A



GENERAL NOTES:

1. THIS SURVEY IS A PRELIMINARY SURVEY AND IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.
2. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO OBVIOUS ENCUMBRANCES OR EASEMENTS.
3. THE SURVEYOR HAS ASSUMED THAT ALL UTILITIES ARE SHOWN ON THE ATTACHED UTILITY MAPS.
4. THE SURVEYOR HAS ASSUMED THAT ALL EASEMENTS AND RIGHTS-OF-WAY ARE SHOWN ON THE ATTACHED EASEMENT MAPS.
5. THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.
6. THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.
7. THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.
8. THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.
9. THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.
10. THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.

EXISTING APPROPRIATION LEGEND:

- 1. Easement
- 2. Right-of-Way
- 3. Other

PROPOSED APPROPRIATION LEGEND:

- 1. Easement
- 2. Right-of-Way
- 3. Other

MAPPING NOTES:

THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO OBVIOUS ENCUMBRANCES OR EASEMENTS.

THE SURVEYOR HAS ASSUMED THAT ALL UTILITIES ARE SHOWN ON THE ATTACHED UTILITY MAPS.

THE SURVEYOR HAS ASSUMED THAT ALL EASEMENTS AND RIGHTS-OF-WAY ARE SHOWN ON THE ATTACHED EASEMENT MAPS.

THE SURVEYOR HAS ASSUMED THAT ALL RECORD DEEDS AND PLATS HAVE BEEN REVIEWED AND FOUND TO BE CORRECT.

EXHIBIT C

VILLAGE SURVEY

FOR

"THE SUMMIT"

A CONDOMINIUM WITHIN STERLING WOODS, A PLANNED COMMUNITY

SITE PHASING & UNIT NUMBERING PLAN

PREPARED FOR

SILVERSMITH HEIGHTS, LLC

15 SILVERSMITH DRIVE - DANBURY, CONNECTICUT

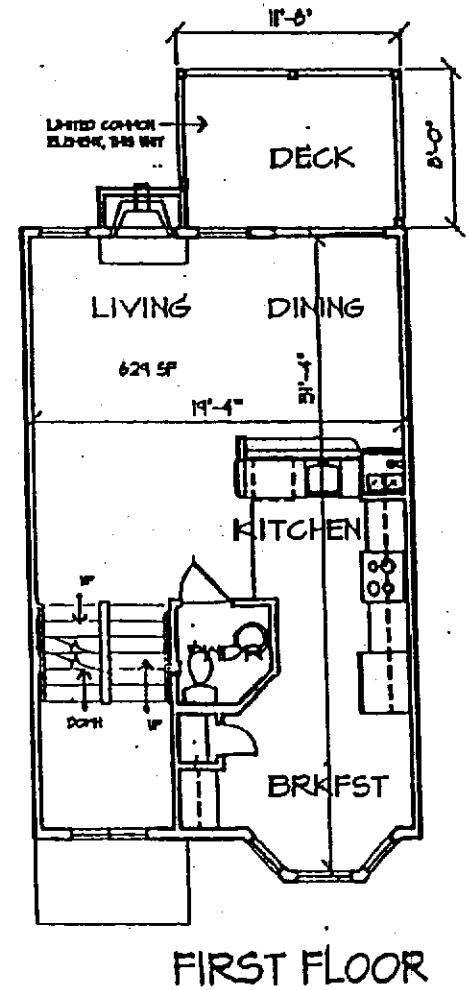
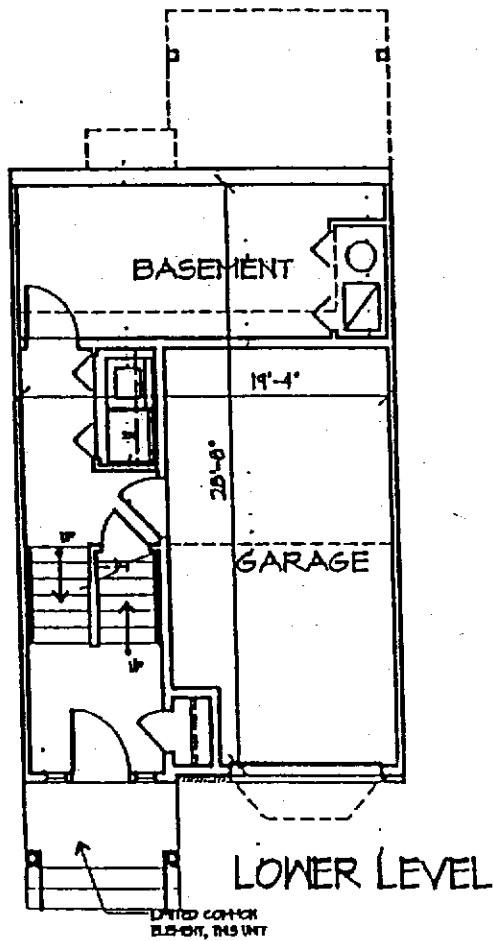
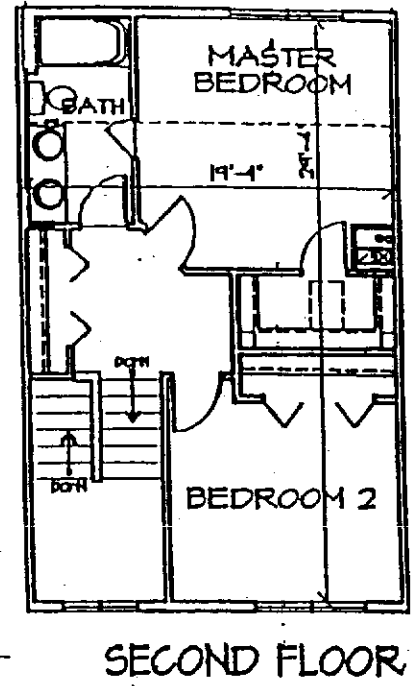
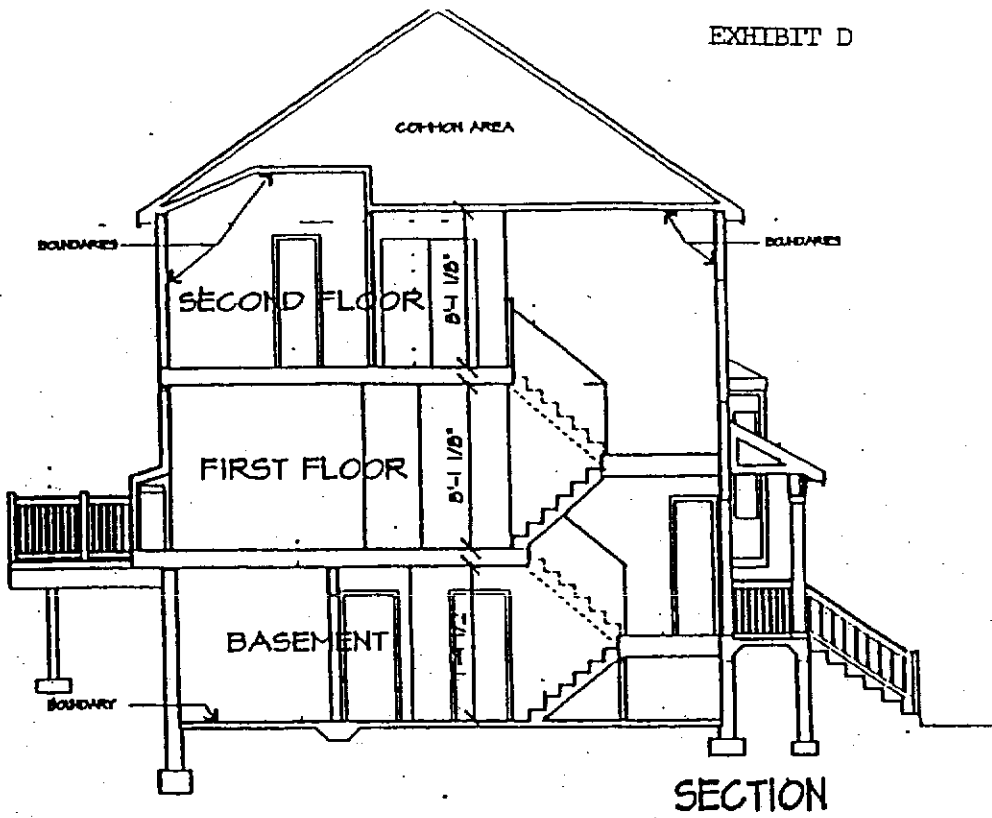
SCALE: 1" = 40' AREA (THE SUMMIT) 7,191 ACRES DATE: JANUARY 13, 1995

PREPARED BY

SAVING ASSOCIATES, P.C.

1500 MAIN STREET - DANBURY, CONNECTICUT

EXHIBIT D

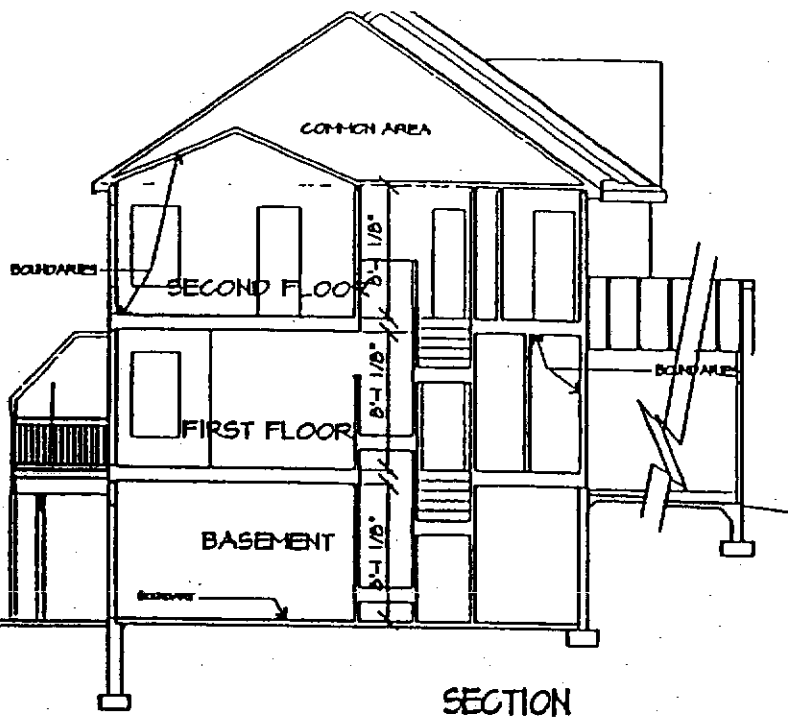


UNIT-A (AREA = 1,288 S.F.)

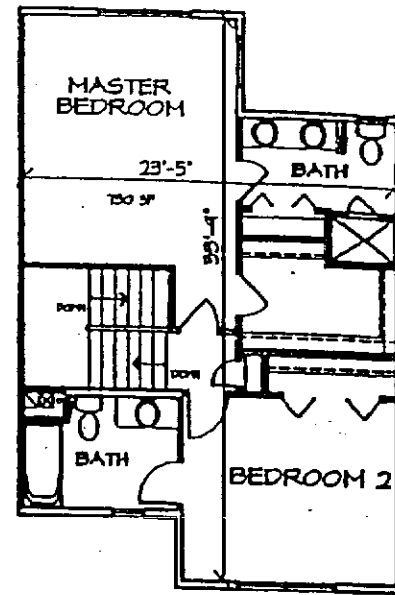


EDI ARCHITECTURE
 5751 BRIARPARK DRIVE, SUITE 500
 HOUSTON, TEXAS 77042
 (713) 784-0343

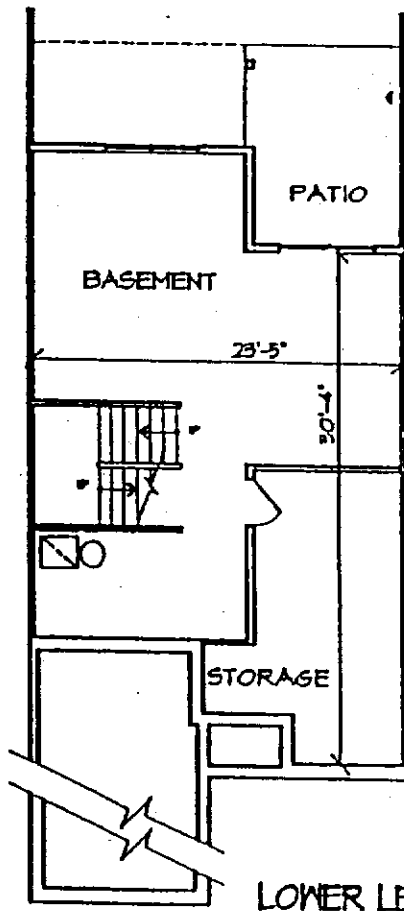
NOTE: 1. THE TOTAL AREA AS CALCULATED BY DECLARANT EXCLUDES THE GARAGE, BUT INCLUDES THE AREA LABELED 'BASEMENT', ROUNDED TO THE NEAREST SQUARE FOOT, AND



SECTION

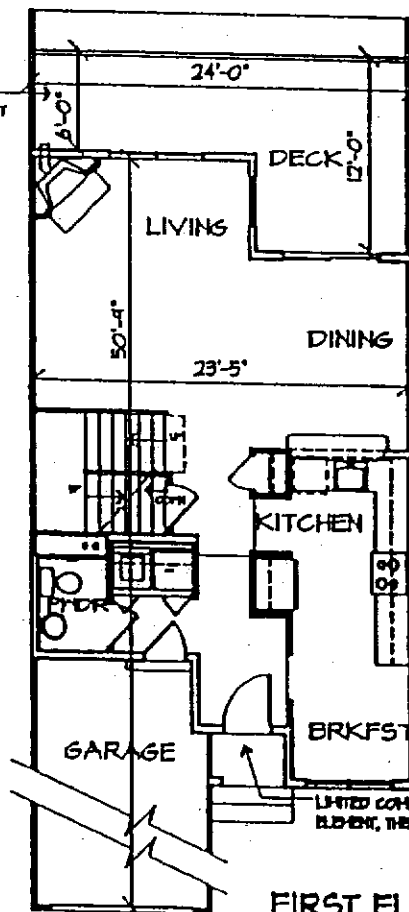


SECOND FLOOR



LOWER LEVEL

LIMITED COMMON ELEMENT, THIS UNIT



FIRST FLOOR

LIMITED COMMON ELEMENT, THIS UNIT

* INCLUDES OPTIONAL FINISHED LOWER LEVEL OF 400 S.F.

UNIT-C (AREA = 1,820 S.F.) *



EDI ARCHITECTURE
 5731 BRIARPARK DRIVE, SUITE 500
 HOUSTON, TEXAS 77042
 (713) 784-0345
 TEXAS • CALIFORNIA • NEW YORK

NOTE: 1. THE TOTAL AREA AS CALCULATED BY DECLARANT EXCLUDES THE GARAGE, BUT INCLUDES THE AREA LABELED "BASEMENT", ROUNDED TO THE NEAREST SQUARE FOOT; AND

EXHIBIT E

FORM OF ARCHITECT'S,
SURVEYOR'S OR ENGINEER'S CERTIFICATE

I, _____ [insert name of engineer or architect] certify that Units
[_____ through _____] being created by [this _____ Amendment to] the
Declaration of The Summit Village at Sterling Woods, are structurally completed as required by
Section 47-220 of the Common Interest Ownership Act, and conform to the Plans for those Units
as they appear in the Supplement to the Public Offering Statement for The Summit Village at
Sterling Woods.

(Insert name of registered Engineer,
Surveyor or Architect)

VILLAGE BYLAWS

OF

THE SUMMIT AT STERLING WOODS ASSOCIATION, INC.

VILLAGE BYLAWS
OF
THE SUMMIT AT STERLING WOODS ASSOCIATION, INC.

TABLE OF CONTENTS

	PAGE
ARTICLE I-Introduction	1
ARTICLE II-Executive Board; Directors	2
Section 2.1-Number and Qualification; Termination of Declarant Control	2
Section 2.2-Powers and Duties	2
Section 2.3-Standard of Care	3
Section 2.4-Additional Limitations	3
Section 2.5-Manager	3
Section 2.6-Removal of Directors	3
Section 2.7-Vacancies	3
Section 2.8-Regular Meeting	3
Section 2.9-Special Meetings	4
Section 2.10-Location of Meetings	4
Section 2.11-Waiver of Notice	4
Section 2.12-Quorum of Directors	4
Section 2.13-Compensation	4
Section 2.14-Consent to Corporate Action	4
Section 2.15-Fidelity Bonds	4
ARTICLE III-Unit Owners	5
Section 3.1-Annual Meeting	5
Section 3.2-Budget Meeting	5
Section 3.3-Special Meetings	5
Section 3.4-Place of Meetings	5
Section 3.5-Notice of Meetings	5
Section 3.6-Adjournment of Meeting	5
Section 3.7-Order of Business	5
Section 3.8-Voting	6
Section 3.9-Quorum	6
Section 3.10-Majority Vote	6

ARTICLE IV-Officers	7
Section 4.1-Designation	7
Section 4.2-Election of Officers	7
Section 4.3-Removal of Officers	7
Section 4.4-President	7
Section 4.5-Vice President	7
Section 4.6-Secretary	7
Section 4.7-Treasurer	8
Section 4.8-Agreement, Contracts, Deed, Checks, etc.	8
Section 4.9-Compensation	8
Section 4.10-Resale Certificates and Statements of Unpaid Assessments	8
ARTICLE V- Enforcement	9
Section 5.1-Abatement and Enjoinment of Violation by Unit Owners	9
Section 5.2-Fine for Violation	9
ARTICLE VI- Indemnification	9
ARTICLE VII-Records	9
Section 7.1-Records and Audits	9
Section 7.2-Examination	9
Section 7.3-Records	10
Section 7.4-Form Resale Certificate	11
ARTICLE VIII-Miscellaneous	11
Section 8.1-Notices	11
Section 8.2-Fiscal Year	11
Section 8.3-Waiver	11
Section 8.4-Office	11
ARTICLE IX-Amendments to Bylaws	11

VILLAGE BYLAWS
OF
THE SUMMIT AT STERLING WOODS ASSOCIATION, INC.

ARTICLE I
INTRODUCTION

(a) These are the Bylaws of The Summit at Sterling Woods Association, Inc. (the "Village Association"). The Village Association is the Unit Owners Association for The Summit at Sterling Woods, a condominium (the "Village"). Other initial capitalized terms are defined in Article I of the Master Declaration for Sterling Woods and the Declaration for the Village. Wherever the term "Common Interest Community" is used in these Bylaws, it refers to the Village.

(b) Except as expressly provided to the contrary in the Master Declaration, all the powers of the Village Association and the Village Board, except the powers in Section 3.2 of the Village Declaration, are subject to the overriding authority of the Master Board.

(c) In addition, all the duties of the Village Association and the Village Board under these Bylaws shall be performed by the Master Board except to the extent that:

(1) The Village Association assumes those duties pursuant to a vote under Section 6.2 of the Master Declaration; or

(2) The Master Board requests, in writing, that the Village Board assume those responsibilities; or

(3) Those duties are undertaken in connection with the exercise of a power enumerated in Section 3.2(b) of the Village Declaration.

(d) Similarly, collection of any Village Common Expenses incurred pursuant to these Village Bylaws shall be the responsibility of the Master Board unless those Common Expenses were incurred in connection with a duty which was performed by the Village Board, or the Village Board assumes that obligation pursuant to the Master Declaration.

Section 2.9 - Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three (3) business days notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

Section 2.10 - Location of Meetings. All meetings of the Executive Board shall be held within the City of Danbury, unless all Directors consent in writing to another location.

Section 2.11 - Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

Section 2.12 - Quorum of Directors; No Proxy Voting. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the meeting. If, at any time, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum is present any business which might have been transacted at the meeting originally called may be transacted without further notice. Directors may not vote by proxy.

Section 2.13 - Compensation. A Director may receive a fee from the Association for acting as such, as may be set by resolution of the Unit Owners, and reimbursement for necessary expenses actually incurred in connection with his or her duties. Directors acting as officers or employees may also be compensated for such duties.

Section 2.14 - Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors or committee constitutes a quorum for such action, such action shall be valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The Secretary shall file such consents with the minutes of the meeting of the Executive Board.

Section 2.15 - Fidelity Bonds. To the extent reasonably available, the Executive Board may obtain adequate fidelity bonds for all officers, employees and agents of the Association handling or responsible for Association funds. The premiums on the bonds are a Village Common Expense.

ARTICLE III
Unit Owners

Section 3.1 - Annual Meeting. The annual meeting shall be held at such time as the Executive Board may designate within a period of thirteen (13) months from the date of the previous annual meeting. At such meeting, the Directors shall be elected by ballot of the Unit Owners, in accordance with the provisions of Article II. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 3.2 - Budget Meeting. Meetings of Unit Owners to consider proposed budgets shall be called in accordance with Section 19.5 and 19.6 of the Declaration. The budget may be considered at annual or special meetings called for other purposes as well.

Section 3.3 - Special Meetings. Special meetings of Unit Owners may be called by the President, a majority of the Executive Board, or by Unit Owners having twenty percent (20%) of the votes in the Association.

Section 3.4 - Place of Meetings. Meetings of the Unit Owners shall be held at such suitable place within the City of Danbury convenient to the Unit Owners as may be designated by the Executive Board or the President.

Section 3.5 - Notice of Meeting. Except for budget meetings, for which notice shall be given in accordance with the Act, the secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner, not less than ten (10) nor more than sixty (60) days in advance of any meeting. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove an officer or Director of the Executive Board. No action shall be adopted at a meeting except as stated in the notice.

Section 3.6 - Adjournment of Meeting. At any meeting of Unit Owners, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.7 - Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call (or check-in procedure).
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports.

- (e) Establish term of memberships of the Executive Board (if required and noticed).
- (f) Election of inspectors of election (when required).
- (g) Election of Directors of the Executive Board (when required).
- (h) Ratification of Budget (if required and noticed).
- (i) Unfinished business.
- (j) New business.

Section 3.8 - Voting.

(a) If only one of several owners of a Unit is present at a meeting of the Association, that owner is entitled to cast all the votes allocated to that Unit. If more than one of the owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit.

(b) Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. A Unit Owner may revoke a proxy given pursuant to this subsection only by actual notice of revocation to the person residing over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.

(c) The vote of a corporation or business trust may be cast by any officer of such corporation or business trust in the absence of express notice of the designation of a specific person by the Board of Directors or Bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust owner is qualified so to vote.

(d) No votes allocated to a Unit owned by the Association may be cast.

Section 3.9 - Quorum. Except as otherwise provided in these Bylaws, the Unit Owners present in person or by proxy, at any meeting of Unit Owners, shall constitute a quorum at such meeting.

Section 3.10 - Majority Vote. The vote of a majority of the Unit Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

ARTICLE IV
Officers

Section 4.1 - Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be Directors. Any two offices may be held by the same person, except the offices of President and Vice President, and the office of President and Secretary. The office of Vice President may be vacant.

Section 4.2 - Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Executive Board from among the Directors and shall hold office at the pleasure of the Executive Board.

Section 4.3 - Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for that purpose.

Section 4.4 - President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Unit Owners and of the Executive Board. He or she shall have all of the general powers and duties which are incident to the office of president of a nonstock corporation organized under the laws of the State of Connecticut, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. He or she may fulfill the role of treasurer in the absence of the treasurer. The President, as attested by the Secretary, may cause to be prepared and may execute amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 - Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other Director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as may be imposed upon him or her by the Executive Board or by the President.

Section 4.6 - Secretary. The Secretary shall keep the minutes of all meetings of the Units Owners and the Executive Board. He or she shall have charge of such books and papers as the Executive Board may direct and he or she shall, in general, perform all the duties incident to the office of secretary of a nonstock corporation organized under the laws of the State of Connecticut. The

Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 - Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Executive Board, and he or she shall, in general, perform all the duties incident to the office of treasurer of a nonstock corporation organized under the laws of the State of Connecticut. He or she may endorse on behalf of the Association for collection only, checks, notes and other obligations, and shall deposit the same and all monies in the name of and to the credit of the Association in such banks as the Executive Board may designate. He or she may have custody of and shall have the power to endorse for transfer on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others.

Section 4.8 - Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7 and 4.10 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by such other person or persons as may be designated by the Executive Board.

Section 4.9 - Compensation. An officer may receive a fee from the Association for acting as such, as may be set by resolution of the Unit Owners, and reimbursement for necessary expenses actually incurred in connection with his or her duties.

Section 4.10 - Resale Certificates and Statements of Unpaid Assessment. The Treasurer, assistant treasurer, or a manager employed by the Association, or, in their absence, any officer having access to the books and records of the Association, may prepare, certify, and execute resale certificates in accordance with C.G.S. §47-258(h), to the extent the Master Association does not meet the Village Association's obligations under law.

The Association may charge a reasonable fee for preparing resale certificates and statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. The Association may refuse to furnish resale certificates and statements of unpaid assessments until the fee is paid. Any unpaid fees may be assessed as a Village Common Expense against the Unit for which the certificate or statement is furnished.

ARTICLE V
Enforcement

Section 5.1 - Abatement and Enjoinment of Violations by Unit Owners. The violation of any of the Village Rules adopted by the Executive Board, or the breach of any provision of the Documents, shall give the Executive Board the right, after Notice and Hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws to:

(a) Enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist therein) that is existing and creating a danger to the Village Common Elements contrary to the intent and meaning of the provisions of the Documents, and the Executive Board shall not thereby be deemed liable for any manner of trespass; or

(b) Enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 5.2 - Fine or Violation. By resolution, following Notice and Hearing, the Executive Board may levy a fine of up to \$25 per day for each day that a violation of the Documents or Village Rules persists after such Notice and Hearing, but such amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

ARTICLE VI
Indemnification

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in Sections 33-455 and 33-454 of the Connecticut General Statutes, as those statutes may be amended or supplanted.

ARTICLE VII
Records

Section 7.1 - Records and Audits. The Association shall maintain and audit financial records, unless they are maintained by the Master Association. The financial records shall be audited in accordance with the Master Declaration. The cost of the audit shall be a Village Common Expense unless otherwise provided in the Documents.

Section 7.2 - Examination. All records maintained by the Association or by the manager shall be available for examination and copying by any Unit Owner, by any holder of a mortgage on a Unit,

or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 - Records. The Association shall keep the following records:

- (a) An account for each Unit which shall designate the name and address of each Unit Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account, and the balance due.
- (b) An account for each Unit Owner showing any other fees payable by the Unit Owner.
- (c) A record of any capital expenditures anticipated by the Association for the current and next succeeding fiscal year.
- (d) A record of the amounts, and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs.
- (e) The current operating budget adopted pursuant to C.G.S. §47-257(a) and ratified pursuant to the procedures of C.G.S. §47-245(c).
- (f) A record of any unsatisfied judgment against the Association and the existence of any pending suits in which the Association is a defendant.
- (g) A record of insurance coverage provided for the benefit of Unit Owners and the Association.
- (h) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Village Common Elements.
- (i) Annually the Association shall prepare a balance sheet showing the financial condition of the corporation as of a date not more than four (4) months prior thereto, and a statement of receipts and disbursements for twelve (12) months prior to that date. The balance sheet and statement shall be kept for at least ten (10) years from such date in the principal office of the Association.
- (j) Tax returns for state and federal income taxation.
- (k) Minutes of proceedings of incorporators, Unit Owners, Directors, committees of Directors and waivers of notice.

(l) Current copies of the Declaration, Bylaws, certificate of incorporation, and any Rules concerning Sterling Woods.

Section 7.4 - Form Resale Certificate. The Executive Board shall adopt a form resale certificate to satisfy the requirement of C.G.S. §47-270.

ARTICLE VIII
Miscellaneous

Section 8.1 - Notices. All notices to the Association or the Executive Board shall be delivered to the office of the manager, or if there is no manager, to the office of the Association, or to such other address as the Executive Board may hereafter designate from time to time, by notice in writing to all Unit Owners and to all holders of mortgages on the Units who have notified the Association that they hold a mortgage on a Unit. Except as otherwise provided, all notices to any Unit Owner shall be sent to his or her address as it appears in the records of the Association. All notices to holders of mortgages on the Units shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Association. All notices shall be deemed to have been given when mailed except notice of changes of address which shall be deemed to have been given when received.

Section 8.2 - Fiscal Year. The Executive Board shall establish the fiscal year of the Association. Until changed, the fiscal year shall be the calendar year.

Section 8.3 - Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 - Office. The principal office of the Association shall be on the property or at such other place as the Executive Board may from time to time designate.

ARTICLE IX
Amendments to Bylaws

These Bylaws may be amended only pursuant to the provisions of Article 16 of the Master Declaration.

Certified to be the Bylaws adopted by consent of the Incorporator of The Summit at Sterling Woods Association, Inc. dated this _____ day of _____, 1999.

, Incorporator