

BYLAWS
of
HIDDEN HARBOUR CONDOMINIUM OWNERS' ASSOCIATION

The within bylaws are attached to the Declaration of Hidden Harbour Condominium pursuant to Chapter 5311 of the Ohio Revised Code. Their purpose is to provide for the establishment of a unit owners' association for the government of the condominium property in the manner provided by the Declaration and by these bylaws. All present or future owners or tenants or their employees, or any other person who might use the facilities of the condominium property in any manner, shall be subject to the covenants, provisions or regulations contained in the Declaration and these bylaws, and shall be subject to any restriction, condition or administrative regulations hereafter adopted by the Board of Managers of the Hidden Harbour Condominium Owners' Association or the Developer during his period of control. The mere acquisition, rental or lease of any of the family units, hereafter called "units" located within the condominium property described in the Declaration, or the mere act of occupancy of any of the units will constitute acceptance and ratification of the Declaration and of these bylaws.

ARTICLE I: THE ASSOCIATION.

A. Name and Nature of Association. The Association shall be called Hidden Harbour Condominium Owners' Association, hereafter called "Association".

B. Membership. The Grantor, so long as it owns any family units, and each unit owner upon acquisition of his interest in the unit and, if such unit is being purchased from the Developer, upon payment of the initial assessment of Two Hundred Twenty-Five Dollars (\$225.00) to the Association, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such member of his unit, at which time the new owner of such unit shall automatically become a member of the Association.

C. Voting Rights. There shall be one voting member for each unit. Such voting member may be the owner or the group composed of all the owners of a unit. The total number of votes of all voting members shall be one hundred, and each owner or group of owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities appurtenant to his or their unit ownership as set forth in the Declaration. Grantor shall be entitled to vote each unit owned by it with the same voting power as any other unit owners.

Only unit owners in good standing shall be entitled to vote in the affairs of the Association at any annual or special meeting thereof. A unit owner shall be deemed to be in "good standing" and "entitled to vote" if, and only if: (i) at least three (3) days prior to the date fixed for such annual or special meeting, he shall have fully paid all assessments made or levied against him and all of his units by the Association as hereinafter provided, together with all interest, costs, attorneys' fees, penalties, and other expenses, if any, properly chargeable to him and against all his units, and (ii) as of the date of the meeting, his voting rights are not suspended through action taken by

the Board of Managers, after notice and opportunity for hearing, as a penalty for infraction of the rules and regulations or any of the provisions of the Declaration or these bylaws.

A unit which has been acquired by the Association in its own name or in the name of its agent, designee, or nominee on behalf of all of the unit owners shall not entitle such owner to vote so long as it continues to be so held.

D. Proxies. Members may vote or act in person or by written proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board of Managers of the Association and shall be revocable at any time by actual notice to the Board of Managers by the member or members making such designation. Notice to the Board of Managers in writing or in open meeting of the revocation of the declaration of a proxy shall not affect any vote or act previously taken or authorized. No proxy shall be valid for more than three years from date of execution.

E. Meeting of Members.

1. Establishment of Association. The Association shall be established not later than the date the deed or other evidence of ownership is filed for record following the first sale of a condominium ownership interest in the development by the Developer. As provided in the Declaration, the Developer shall exercise the powers and responsibilities of the Association, the Board of Managers or other officers until such time as the Developer's control is terminated pursuant to the Declaration, unless Developer voluntarily relinquishes such control at an earlier time.

2. Annual Meeting. The annual meeting of members of the Association for the election of members of the Board of Managers, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting, shall be held at the office of the Association, or at such other place as may be designated by the Board of Managers and specified in the notice of such meeting at a time specified in such notice. Not later than the time that condominium ownership interests to which twenty-five percent (25%) of the undivided interests in the common areas and facilities appertain have been sold and conveyed by the Developer in the condominium development, the unit owners' association shall meet in the first annual meeting and the unit owners other than the Developer shall elect not less than twenty-five percent (25%) of the members of the Board of Managers. Not later than the time that condominium ownership interests to which fifty percent (50%) of the undivided interest appertain have been sold and conveyed such unit owners shall elect not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Managers. Developer's right to exercise control over the Association and the Board of Managers is subject to the unit owners' right to elect a certain percentage of the Board of Managers as provided in this paragraph, and Developer shall not remove members of the Board of Managers so elected by the unit owners exclusive of the Developer, and shall exercise his right to control the Association and the Board of Managers in conjunction with said elected members of the Board of Managers. The Developer's right to retain control over the Association shall expire upon the earlier of (1) thirty (30) days after sale and

conveyance of units to which seventy-five percent (75%) of the common areas and facilities appertain, or (ii) five (5) years after the Association is established, or (iii) when the Developer notifies the unit owners in writing that he is terminating his exercise of control. Within thirty (30) days of the expiration of Developer's control of the Association, the unit owners shall meet and elect all members of the Board of Managers and all other officers of the Association. For purposes of this paragraph, the percentage interest in common areas and facilities shall be computed by comparing the number of units sold and conveyed to the maximum number of units that may be created upon the condominium property and upon the additional property described in the Declaration, as set forth in the Declaration.

The annual meeting of members of the Association shall be held in the same month as the first annual meeting in each successive year at a time and place to be specified in a written notice from the Board of Managers. If the Board of Managers does not establish a time and place for meeting, then the meeting shall be on the last day of the month aforesaid at 7:00 p.m., if not a legal holiday, and if a legal holiday, then on the next succeeding business day at the same time.

3. Special Meetings. Special meetings of the members of the Association may be held on any business day when called by the President of the Association or by the Board of Managers of the Association, or by members entitled to exercise at least twenty-five percent (25%) of the voting power of the Association. Request for a special meeting shall be in writing and shall indicate the matter or matters to be discussed or upon which action is to be taken. Upon request in writing delivered either in person or by certified mail to the President or the Secretary of the Association by any persons entitled to call a meeting of members, such officer shall forthwith cause to be given to the members entitled thereto notice of a meeting to be held on a date not less than seven (7) nor more than sixty (60) days after the receipt of such request as such officer may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such request, the persons calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be called to convene at the office of the Association or at such other place as shall be specified in the notice of the meeting.

4. Notices of Meetings. Not less than ten (10) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association, or by any other person or persons required or permitted by these bylaws or by the Board of Managers to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association who is an owner of a unit of record as of the day next preceding the day on which notice is given. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. If mailed, notice shall be deemed complete upon placing same in the U.S. Mail, postage prepaid. Notice of the time, place and purpose of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any members of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the commencement

of the meeting, shall be deemed to be a waiver by him of notice of such meeting.

5. Quorum: Adjournment. Except as may be otherwise provided by law or by the Declaration, at any meeting of the members of the Association, the members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration or by these bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time; if any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed within thirty (30) days and announced at such meeting.

F. Order of Business. The order of business at all meetings of members of the Association shall, unless agreed upon by those voting members present by person or proxy, be as follows:

- (1) Calling of meeting to order.
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Reports of officers
- (5) Reports of committees
- (6) Election of inspectors of election
- (7) Election of managers
- (8) Unfinished and/or old business
- (9) New business
- (10) Adjournment.

G. Actions With a Meeting. All actions, except removal of a member of the Board of Managers, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of and in a writing or writings signed by members having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association. Written notice of any action proposed to be taken by such written consent of members shall be given to all parties who are entitled to notice hereunder, not less than seven (7) days prior to commencing the circulation of the action for written consent among the members.

ARTICLE II: BOARD OF MANAGERS.

A. Number and Qualification. Unless otherwise provided, the Board of Managers shall consist of not less than two (2) nor more than nine (9) persons. All members of the Board of Managers other than the Developer must be both owners and occupiers of a unit.

B. Election of Managers: Vacancies. The managers shall be elected at each annual meeting of members of the Association or at a special meeting called for the purpose of electing managers. At a meeting of members of the Association at which managers are to be elected, only persons nominated as candidates shall be eligible for election as managers and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board of Managers, however caused, the remaining managers, though less than a majority of the whole authorized number of managers, may, by the vote of a majority of their number, fill any such vacancy for the unexpired term.

C. Term of Office: Resignations. Each manager shall hold office until the next annual meeting of the members of the Association and until his successor is elected, or until his earlier resignation, removal from office or death. Any manager may resign at any time by oral statement to that effect made at a meeting of the Board of Managers or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the manager may specify. Members of the Board of Managers shall serve without compensation.

D. Organization Meeting. Immediately after each annual meeting of members of the Association, the managers shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

E. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and places as shall be determined by a majority of the managers, but at least two such meetings shall be held during each year.

F. Special Meetings. Special meetings of the Board of Managers may be held at any time upon call by the President or any manager. Written notice of the time and place of each such meeting shall be given to each manager either by personal delivery or by mail, which shall be deemed delivered when placed in the U.S. Mails, postage prepaid, telegram or telephone at least seven (7) days before the meeting, which notice need not specify the purposes of the meeting; provided, however, that attendance of any manager at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting, by any manager, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

G. Quorum: Adjournment. A quorum of the Board of Managers shall consist of a majority of the managers then in office, provided that a majority of the managers present at a meeting duly held, whether or not a quorum is present, may

adjourn such meeting from time to time; if any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed within thirty (30) days and announced at such meeting. At each meeting of the Board of Managers at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these bylaws.

H. Removal of Managers. At any regular or special meeting of members of the Association duly called, at which a quorum shall be present, any one or more of the managers may be removed with or without cause by the vote of members entitled to exercise seventy-five percent (75%) of the voting power of the Association, and a successor or successors to such manager or managers so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any manager whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

I. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds.

J. Powers of Board of Managers. The Board of Managers, or Developer during his period of control, is to exercise all the powers and authority of the Association and to fulfill all the duties of the Association. The Board of Managers, or the Developer during his period of control, may engage a manager or managing agent.

K. Action in Writing Without Meeting. Any action that could be taken by the Board of Managers at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of all of the members of the Board of Managers.

L. Non-Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the unit owners or to the Association or its members for any mistake of judgment or for any acts or omissions made in good faith as such Managers. The unit owners and the Association and its members shall indemnify and hold harmless each member of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration applicable to the units or the condominium property or contrary to the bylaws of this Association. The liability of any unit owner or member arising out of the aforesaid indemnity shall be limited to such proportion of the total liability as the unit owner's percentage of interest in the common areas and facilities relates to the total percentage of interest of all unit owners in the common areas.

ARTICLE III: OFFICERS.

A. Election and Designation of Officers. The Board of Managers shall elect a President, a Vice President, a Secretary-Treasurer or a Secretary and a Treasurer, each of whom shall be a member of the Board of Managers and any member of the Board of Managers can hold more than one office. The Board of Managers may also appoint an Assistant Treasurer and an Assistant

Secretary and such other officers as in their judgment may be necessary who are not members of the Board of Managers but who are members of the Association.

B. Term of Office: Vacancies. The officers of the Association shall hold office until the next organization meeting of the Board of Managers and until their successors are elected, except in case of resignation, removal from office or death. The Board of Managers may remove any officer at any time with or without cause by a majority vote of the managers then in office. Any vacancy in any office may be filled by the Board of Managers.

C. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board of Managers. Subject to directions of the Board of Managers, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board of Managers or otherwise provided for in the Declaration or in these bylaws.

D. Vice President. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board of Managers.

E. Secretary. The Secretary shall keep the minutes of meetings of the members of the Association and of the Board of Managers. He shall attest the execution of all authorized deeds, contracts and other obligations of the Association. He shall keep such books as may be required by the Board of Managers, shall give notices of meetings of members of the Association and of the Board of Managers required by law, or by these bylaws or otherwise, and shall have such authority and shall perform such other duties as may be determined by the Board of Managers.

F. Treasurer. The Treasurer shall receive and have in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board of Managers. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the managers and shall have such authority and shall perform such other duties as may be determined by the Board of Managers.

G. Other Officers. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board of Managers may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board of Managers.

H. Delegation of Authority and Duties. The Board of Managers is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

ARTICLE IV: GENERAL POWERS OF THE ASSOCIATION.

A. Payments from Maintenance Funds. The Association, for the benefit of all the owners, shall acquire, and shall pay for out of the maintenance fund hereinafter provided for, the following:

1. Utility Service for Common Areas and Facilities. Water, waste removal, electricity, telephone, heat, power or any other necessary utility service for the common areas and facilities.

2. Casualty Insurance. A policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually.

3. Liability Insurance. A policy or policies insuring the Association, the members of the Board of Managers, and the owners against any liability to the public or to the owners (of units and of the common areas and facilities, and their invitees, or tenants), incident to the ownership and/or use of the common areas and facilities and units, as provided in the Declaration, the limits of which policy shall be reviewed annually.

4. Worker's Compensation. Worker's compensation and unemployment compensation insurance to the extent necessary to comply with any applicable laws.

5. Wages and Fees for Services. The services of any person or firm employed by the Association or Developer, including, without limitation, the services of a person or firm to act as a manager or managing agent under a management agreement for the condominium property, the services of any person or persons required for the maintenance or operation of the condominium property, and legal and/or accounting services necessary or proper in the operation of the condominium property or for the enforcement of the Declaration, bylaws or administrative regulations, and for the organization, operation and enforcement of the rights of the Association.

6. Care of Common Areas and Facilities. Landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating, repair and replacement of the common areas and facilities (which does not include the interior surfaces of the units, which the owner shall paint, clean, decorate, maintain and repair), and such other facilities and equipment as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the common areas and facilities.

7. Additional Expenses. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration, bylaws, regulations or by law, which in its opinion shall be necessary or proper for the maintenance and operation of the condominium property or for the enforcement of the Declaration, bylaws and regulations.

8. Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire condominium property, or any part

thereof, which may in the opinion of the Association constitute a lien against the condominium property or against the common areas and facilities, rather than merely against the interest therein of particular owners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall be specifically assessed to said owners.

9. Certain Maintenance of Units. Maintenance and repair of any unit if such maintenance or repair is necessary in the discretion of the Board of Managers to protect the common areas and facilities or any other portion of a building, and the owner or owners of said unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said owner or owners, provided that the Association shall levy a special assessment against such unit owner for the cost of said maintenance or repair. This provision applies only to repairs, replacement and expenses for which the unit owner is responsible pursuant to the Declaration.

10. Association's Right to Enter Units. The Association or its agents at any reasonable time may enter any unit when necessary in connection with any maintenance or construction for which the Association is responsible. It may likewise at any reasonable time enter upon any patio or porch for maintenance, repairs, construction or painting. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Association, at the expense of the maintenance fund. The Association reserves the right to retain a passkey to each unit and no locks or other devices shall be placed on the doors to the units to obstruct entry through the use of such passkey. In the event of any emergency originating in or threatening any unit whether or not at a time when required alterations or repairs are scheduled, the management agent or his representative or any other person designated by the Board of Managers may enter the unit immediately, whether the owner is present or not.

11. Capital Additions and Improvements. The Association's powers hereinabove enumerated shall be limited in that the Association shall have no authority to acquire and pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the common areas and facilities, subject to all the provisions of the Declaration and these bylaws) having a total cost in excess of Five Hundred Dollars (\$500.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of the common areas and facilities requiring an expenditure in excess of Five Hundred Dollars (\$500.00), without in each case the prior approval of the members of the Association entitled to exercise a majority of the voting power of the Association.

12. Certain Utility Services to Units. The Association may pay from the maintenance fund for waterlines, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual unit owners. However, the Association may discontinue such payments at any time, in which case each owner shall be responsible for direct payment of his share of such expenses as shall be determined by

the Board of Managers of the Association. The Association reserves the right to levy additional assessments against any owner to reimburse it for excessive use, as shall be determined by the Board of Managers, by such owner of any utility service, the expense of which is charged to the maintenance fund.

13. Miscellaneous. A. The Association shall pay such other costs and expenses designated as "common expenses" in the Declaration and in these bylaws and regulations.

B. Rules and Regulations. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, may adopt such reasonable rules and regulations and from time to time amend the same supplementing the provisions set forth in the Declaration and these bylaws as it may deem advisable for the maintenance, conservation and beautification of the condominium property, and for the health, comfort, safety and general welfare of the owners and occupants of the condominium property. Written notice of such rules and regulations shall be given to all owners and occupants and the condominium property shall at all times be maintained subject to such rules and regulations. In the event such supplemental rules and regulations shall conflict with any provisions of the Declaration or of these bylaws, the provisions of the Declaration and of these bylaws shall govern.

C. No Active Business to be Conducted for Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the owners or any of them.

D. Special Services. The Association may arrange for the provision of any special services and facilities for the benefit of such owners and/or occupants as may desire to pay for the same, including, without limitation, cleaning, repair and maintenance of units. Fees for such special services and facilities shall be determined by the Board of Managers and may be charged directly to participating owners, or paid from the maintenance fund and levied as a special assessment due from the participants.

E. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Managers and officers, from delegating to persons, firms, or corporations of its choice, including any manager or managing agent, such duties and responsibilities of the Association as the Board of Managers of the Association shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

F. Applicable Laws. The Association shall be subject to and governed by the provisions of any statute adopted at any time and applicable to property submitted to the condominium form of ownership (including, without limitation, Chapter 5311, Ohio Revised Code); provided, however, that all inconsistencies between or among the permissive provisions of any statute and any provisions of the Declaration and these bylaws, shall be resolved in favor of the Declaration and these bylaws, and any inconsistencies between any statute applicable to associations formed to administer property submitted to the condominium form of ownership shall be resolved in favor of the latter statute. In the event of any conflict or inconsistency between the provisions of the Declaration and the bylaws of the Association, the terms and provisions of the Declaration shall prevail; and the owners and all persons claiming under them covenant to vote in favor of such

amendments in the bylaws as will remove such conflicts or inconsistencies.

G. General Authority of Board. Except where otherwise specifically limited by the Declaration or bylaws, the Association shall conduct its affairs and take action through its Board of Managers or the Developer during his period of control, which shall have the general power and duty to do all those things necessary and proper to carry out the purposes of the Association.

ARTICLE V: PREPARATION OF BUDGET, DETERMINATION AND PAYMENT OF ASSESSMENTS.

A. Preparation of Estimated Budget. On or before the 15th day of December each year, the Board of Managers shall estimate or cause to be estimated the total amount necessary to pay the cost of wages, materials, insurance, management or other services and supplies which will be required during the ensuing year, together with a reasonable amount considered by the Board of Managers to be necessary for a reserve for contingencies and replacements, and shall on or before the 15th day of December each year notify each owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the owner according to each owner's percentage of ownership in the common areas and facilities as set forth in the Declaration. On or before the first day of the month following the 31st day of December and the first of each and every month of said fiscal year, each owner shall be obligated to pay to the Association or as the Board of Managers may direct, one-twelfth (1/12) of the common assessment made pursuant to this Article. The amount of the assessment is subject to change by the Board of Managers at any time during the year.

On or before the 31st day of December each year the Board of Managers shall make available to all owners, the books and records of the Association showing the common expenses charged to each unit owner's account for the year and the amounts credited to such account over the year.

The Developer shall establish the amount of the initial common assessments, the collection of which will begin upon the conveyance of the first condominium ownership interest by the Developer and the first of each month thereafter. If such conveyance does not occur on the first day of a month, a pro rata payment shall be made to cover the remainder of such month. The amount of the initial assessment shall be stated in the Disclosure Statement which has been delivered to each purchaser of a condominium ownership interest from the Developer pursuant to Section 5311.26 of the Ohio Revised Code. Such amount is subject to change by the Developer at any time during his period of control.

B. Obligation of Owners to Pay Assessments and to be Responsible for Common Expenses. As indicated in the Declaration, all unit owners are obligated to pay assessments when due, regardless of the status of their account on the books of the Association. The books of the Association shall reflect appropriate credits to each unit owner's account for assessments paid by him and for his share of the common profits. Each unit owner

shall be responsible for his proportionate share of the common expenses, which share shall be charged to the unit owners' account as the common expense is incurred, as provided in the Declaration. Charges on a unit owner's account at the end of the year shall be paid by the unit owner as provided in the Declaration. Any common surplus for a yearly period, which is the amount by which the common assessments exceed the common expenses, shall be used as a reserve for contingency or returned to the unit owners, as the Board of Managers determines. Any return of surplus to a unit owner shall be a charge against his account.

C. Common Utilities Charged to Unit Owners. The unit owners of those units in which the electric meter reflects the electrical usage of foundation sump pumps or master television antennae, if any, shall receive a \$1.00 per month credit against his common expense account in lieu of any attempt to calculate actual usage, which such method of credit the affected unit owner is deemed to accept by purchase of such unit.

D. Reserve for Contingencies and Replacements. The Board of Managers shall establish, build up and maintain a reasonable reserve for contingencies and replacement if possible from the amounts collected from the unit owners. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year shall be charged first against such reserve.

E. Failure to Prepare Annual Budget. The failure or delay of the Board of Managers to prepare or serve the annual adjusted estimate on the owner shall not constitute a waiver or release in any manner of such owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until such time as a new budget has been prepared and a new monthly maintenance charge has been established.

F. Books and Records of Association. As provided in the Declaration, the Developer or the Board of Managers shall keep full and correct books of account and the same shall be open for inspection by any owner or any representative of any owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the owner. Upon ten (10) days' notice to the Board of Managers for a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

G. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the owners in proportion to each owner's percentage ownership in the common areas and facilities as provided in the Declaration.

H. Assessments Prior to Organization of Association. From the date the Declaration is filed for record, the Developer shall assume the rights and obligations of a unit owner in his capacity as owner of condominium ownership interests not yet sold, including the obligation to pay common assessments and be charged for common expenses attaching to such unsold units.

I. Annual Audit. The books of the Association shall be closed and financial statements following generally accepted accounting practices prepared at least once a year by the Board of Managers, and such statements shall be completed prior to each annual meeting. If required by a majority of the members of the Board of Managers, such reports shall be prepared under the supervision of a certified public accountant. In addition, and at any time when requested by the owners of a majority of the units, including the Grantor, the Board of Managers shall cause an additional audit to be made, the form, scope and manner of such audit to be designated in the request.

J. Remedies for Failure to Pay Assessments. If any unit owner is in default in the payment of the aforesaid charges or assessments for ten (10) days, the entire unpaid balance shall, at the option of the Board of Managers, without demand or notice, bear interest at the rate of ten percent (10%) per annum until paid. If an owner is in default in the payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board of Managers may bring suit for and on behalf of themselves and as representatives of all owners, to enforce collection thereof or to foreclose the lien therefor as provided in the Declaration; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the court and interest in the amount of ten percent (10%) per annum. Any encumbrancer holding a lien on a unit may pay any unpaid common expenses payable with respect to such unit and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid at the same priority as the lien of his encumbrance.

K. Security Deposits from Certain Owners. If in the judgment of the Board of Managers the equity interest of any owner (whether the original owner or a subsequent purchaser or transferee) in his unit at any time is not sufficient to assure realization (whether by foreclosure of the lien referred to in Paragraph J of this Article, or otherwise) of all assessments, charges or other sums which may be levied by the Association, whether or not such owner shall be delinquent in the payment of such assessments, charges or other sums, the Association shall have the right to require such owner to establish and maintain a security deposit in an amount which the Board of Managers deems necessary for such purposes; provided, however, that such security deposit shall in no event exceed an amount which, when added to such owner's equity interest in his unit, will equal twenty-five percent (25%) of the fair market value of the unit in question. In the event that any owner shall fail to pay any assessments, charges or other sums which may be due hereunder or shall otherwise violate any covenants, terms and conditions of this Declaration, the Association shall have the right, but not the obligation, to apply such security deposit in reduction of its alleged damages resulting from such failure or violation, which right shall be in addition to all other remedies provided for in the Declaration or these bylaws. Upon any sale by such owner of his unit, or at such time as such owner's equity in his unit is sufficiently great to dispense with the necessity of such

security deposit, any unapplied balance of said security deposit remaining to the credit of said owner shall be refunded, provided that such owner shall not be in default under any of his obligations under the Declaration. The Association shall have the duty to maintain all security deposits held by it as aforesaid in a single savings account, but it shall not be required to credit interest to any owner until such time as the security deposit is refunded. Said security deposit shall at all times be subject and subordinate to the lien referred to in the Declaration and Paragraph K of this Article and all rights thereto shall inure to the benefit of the lienor.

ARTICLE VI: SALE, LEASING OR OTHER ALIENATION.

A. Sale or Lease. The respective family units shall not be rented by the owners thereof except as provided in the Declaration.

B. Gift, Devise or Intestacy. Any owner may make a gift, testamentary disposition or disposition under the applicable statute of descent and distribution to anyone were he or she to die so long as the entire fee simple interest therein is transferred.

C. Involuntary Sale.

1. Purchase by the Association. In the event any unit or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the person acquiring title within fifteen (15) days after acquiring title through such sale and before taking possession or allowing another to take possession of the unit so sold shall give thirty (30) days' written notice to the Board of Managers that he has acquired title and his intention to possess or allow another to possess said unit, whereupon the members of the Board of Managers and their successors in office, acting on behalf of consenting unit owners as hereinafter provided, shall have an irrevocable option to purchase such unit or interest therein at the same price for which it was sold at said sale. If said option is not exercised by the Board of Managers within forty-five (45) days after receipt of such notice, it shall thereupon expire and said purchaser may thereafter take possession of said unit. The Board of Managers shall be deemed to have exercised its option if it tenders the required sum of money to the purchaser within said forty-five (45) day period.

2. Consent of Voting Members. The Board of Managers shall not exercise any option to purchase any unit or interest therein without the prior written consent of the members entitled to exercise not less than fifty-one percent (51%) of the voting power in the Association, and whose units are not the subject matter of such option. The Board of Managers may bid to purchase at any sale of a unit or interest therein which said sale is held pursuant to an order or direction of a court upon the prior written consent of the aforesaid voting members, which said consent shall set forth a maximum price which the Board of Managers is authorized to bid and pay for said unit or interest therein. Any options shall be exercised by the Board of Managers solely for the use and benefit of the owners consenting thereto.

3. Release, Waiver and Exception to Option. Upon the written consent of the Board members, any option may be

released or waived and the unit or interest therein which is subject to an option set forth in this Article may be sold, conveyed, leased, given or devised free and clear of the provisions of any option.

4. Financing of Purchase Under Option. Acquisition of units or any interest therein under the provisions of this Article shall be made from the maintenance fund. If said fund is insufficient, the Association shall levy an assessment against each consenting owner in the ratio which his ownership bears with respect to the total ownership of all consenting owners, which assessment shall become a lien and be enforceable in the same manner as provided in Article V. To reimburse the maintenance fund for sums used in acquisition of any units or interests therein under provisions of this Article, the Association shall levy an assessment against each consenting owner in the ratio which his ownership bears with respect to the total ownership of all consenting owners, which assessment shall become a lien and be enforceable in the same manner as provided in Article V.

The Board of Managers, in its discretion, may borrow money to finance the acquisition of any unit or interest therein authorized by this Article, provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the condominium property other than the unit or interest therein to be acquired. The loan documents evidencing such borrowing may be executed by the President of the Board of Managers or members of the Board of Managers or a nominee of the Board of Managers, or by a trustee pursuant to a title holding agreement in which the Board of Managers shall be a trust beneficiary.

5. Title to Acquired Interests. Units or interests therein acquired pursuant to the terms of this Article shall be held of record in the name of the Association or its nominee as the Board of Managers shall designate, or by a land trust of which the Association shall be the beneficiary. Such holding shall be in trust for the benefit of all the owners consenting to and participating in such acquisition. Said units or interests therein shall be sold or leased by the Board of Managers for the benefit of such owners. All net proceeds of such sale and/or leasing shall be deposited in the maintenance fund to the account of the consenting owners and may thereafter be disbursed at such time and in such manner as the Board may determine.

ARTICLE VII: GENERAL PROVISIONS.

A. Copies of Notices to Mortgage Lenders. Upon written request to the Board of Managers, the holder of any duly recorded mortgage or trust deed against any unit shall be given a copy of any and all notices permitted or required by the Declaration or these bylaws to be given to the owner or owners whose unit is subject to such mortgage or trust.

B. Service of Notices on the Board of Managers. Notice required to be given to the Board of Managers or to the Association may be delivered to the President and any other one officer of the Association who is a member of the Board of Managers, either personally or by mail addressed to such officers at their unit.

C. Service of Notices on Devisees and Personal Representatives. Notices required to be given any devisee or personal representative of a deceased owner may be delivered either personally or by mail to such party at his, her or its address appearing on the records of the court wherein the estate of such deceased owner is being administered.

D. Nonwaiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or 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.

E. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these bylaws shall be deemed to be binding on all unit owners, their heirs and assigns.

F. Notices of Mortgages. Any owner who mortgages his unit shall notify the Association in such manner as the Association may direct of the name and address of his mortgagee and thereafter shall notify the Association of payment, cancellation or other alteration in the status of such mortgage. The Association shall maintain such information in a book entitled "Mortgages of Units".

G. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of these bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these bylaws.

H. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by these bylaws shall be unlawful or void for violation of (i) the rule against perpetuities or some analogous statutory provision, (ii) the rule restricting restraints on alienation, or (iii) any other statutory or common-law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of Richard Celeste, present Governor of the State of Ohio.

I. For purposes of these bylaws, the term "owner" shall include a purchaser under a land installment contract, as provided in the Declaration.

The undersigned, as President of Hidden Harbour Associates, Inc., does hereby certify that the foregoing Exhibit D to the Declaration of Condominium Ownership of Hidden Harbour Condominium is a true copy of the bylaws of the Hidden Harbour Condominium Owners' Association.

IN WITNESS WHEREOF, I have signed my name this 12th day of December, 1986.

HIDDEN HARBOUR ASSOCIATES, INC.

By: Thomas S. Pirace
THOMAS S. PIRACE, President

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DEC 31 1986
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RECORDER, LUCAS COUNTY, OHIO

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