

EXHIBIT TWO

BY-LAWS OF  
ROCKPORT COLONY CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.

This Instrument Prepared By:

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## BY-LAWS OF

### ROCKPORT COLONY CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.

The within By-Laws have been executed and are attached as Exhibit "D" to the Declaration of Condominium Ownership for Rockport Colony Condominiums pursuant to Chapter 5311, Ohio Revised Code, said Chapter 5311 being hereinafter referred to as the "Condominium Act" and said Declaration, and any amendment thereto, being hereinafter referred to as the "Declaration". For purpose of these By-Laws, the definition of any and all words, terms and/or phrases which appear or are used in these By-Laws are defined in the Declaration and shall have the same meaning in these By-Laws as set forth in the Declaration and in the event any words, terms and/or phrases are not defined in the Declaration and are defined in the Condominium Act, such words, terms and/or phrases shall have the same meaning herein as are set forth in the Condominium Act. The purpose of these By-Laws (hereinafter referred as the "By-Laws") is to provide for the establishment of a Unit Owners Association (hereinafter referred to as the "Association") for the government of the Condominium Property described in the Declaration in the manner provided by the Declaration and these By-Laws (said condominium property being hereinafter referred to as the "Condominium Property"). 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 and/or regulations contained in the Declaration and these By-Laws and shall be further subject to any and all restrictions, conditions and/or regulations hereafter adopted by the Board of Managers of the Association. The mere rental of any Unit or Units described in the Declaration, or the mere act of occupancy of any Unit or Units shall constitute acceptance and ratification of the Declaration and these By-Laws.

## ARTICLE I

### THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an Ohio corporation not for profit and shall be called Rockport Colony Condominium Unit Owners Association, Inc.

Section 2. Membership. The membership of the Association shall consist of all the Owners of Units in the Condominium Property (hereinafter referred to as the "Members") in accordance with the respective percentages of ownership of said Owners in the Common Areas and Facilities of the Condominium Property established under the Declaration. Each Member shall have voting rights equal to each of their respective percentage interest in the Common Areas and Facilities as set forth in the Declaration. No purchaser of a Unit shall be deemed an Owner until the sale and purchase of such Unit has been consummated by the payment of

the purchase price and delivery and recording of the deed therefor.

Section 3. Membership Not Transferable. Except as provided herein or in the Declaration, membership in the Association shall not be transferable. The membership in the Association of each Owner shall terminate upon a sale, transfer of other disposition of the Owner's ownership interest in the Unit, accomplished in accordance with the provisions of the Declaration, and all rights and privileges of a Member in the Association, the Owner's Unit and the Condominium Property shall cease on the termination of such membership, and thereupon, the membership of such respective Owner in the Association shall automatically transfer to the vest of the succeeding Owner. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

Section 4. Proxies. Members may vote or act in person(s) or by proxy. The person appointed as a proxy need not be a Member of the Association. Designation by a Member or a proxy to vote or act on the Owner(s) 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 designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meetings of Members.

(a) Annual Meeting. The annual meeting of the 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 be properly brought before the meeting, shall be held at the offices of the Association or at such other place upon the Condominium Property or at such other place as designated by the Board of Managers and specified in the notice of such meeting at 8:00 P.M. or at such other time as may be designated by the Board of Managers and specified in the notice of the meeting, which notice shall be given as provided in Section 5(c) of this Article I. Subject to the provisions and conditions specified in Article VI, Section 1 of these By-Laws, the first annual meeting of the Members of the Association at which Unit Owners other than Grantor and the Developer have a right to elect more than 51% of the members of the Board of Managers shall be held as soon as practicable on the date selected by Grantor and designated in the notice after the events specified in Article VI, Section 1, of these By-Laws have occurred; provided, however, in the event that the events specified in Article VI, Section 1, have not occurred within five (5) years after the date of the filing of the Declaration for record, then in all events, the first annual meeting of the Members of the Association at which the members of the Board of Managers are elected by Unit Owners other than Grantor or Developer shall be held on the next succeeding

business day following the expiration of said five year period. After the first meeting of the Members of the Association at which the Unit Owners other than Grantor or Developer elected all or a majority of the members of the Board of Managers, the annual meeting held thereafter shall be held in succeeding years on the third (3rd) Tuesday of April, if not a legal holiday, and if a legal holiday, on the next succeeding business day.

(b) 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 cast at least twenty percent (20%) of the votes of the Association. Upon request in writing delivered either in person or by certified mail or registered mail to the President or the Secretary of the Association by any person or persons entitled to call a meeting of Members, such officer shall forthwith cause to be given to the Members entitled thereto written notice by personal delivery or by mail of a meeting to be held on a date not less than seven (7) days nor more than sixty (60) days after the receipt of such request as such office may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such request, the Members calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be held at the office of the Association or at such other place upon the Condominium Property or at such place as shall be specified in the notice of such meeting.

(c) Notices of Meetings. Not less than seven (7) days nor more than sixty (60) days before the date fixed for any meeting of the Members of the Association, written notice stating the date, time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these By-Laws 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 record as of the day preceding the day on which notice is given. If mailed, the notice shall be addressed to the respective Members of the Association at their respective addresses as they appear on the records of the Association. 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 Member, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member 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 the Owners of notice of such meeting.

(d) 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. No action may be authorized or taken by a lesser percentage than required by law, by the Declaration or

by these By-Laws. The Members 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 and announced at such meeting.

(e) Order of Business. The order of business at all annual meetings of Members of the Association shall 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) Appointment of Inspectors of Election by Chairman of Meeting;
- (7) Election of Managers;
- (8) Unfinished and/or old business;
- (9) New business
- (10) Adjournment.

(f) Actions Without a Meeting. All actions, except removal of a Manager, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of and in 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.

(g) Voting Rights for Units. The aggregate number of votes for all Owners shall be One Hundred (100) and shall be divided among the respective Members in accordance with their respective percentages of ownership interest in the Common Areas and Facilities of the Condominium Property. If any Unit is owned by more than one (1) person, the voting rights for such Unit shall not be divided but shall be exercised only as a Unit. Except as otherwise prohibited under the Condominium Act, the Grantor may exercise the voting rights with respect to any Units title to which is in the name of the Grantor or Developer. Unless, by express statutory provision of the statutes of the State of Ohio or of these By-Laws or the Declaration, a different vote is required, each question presented at a meeting of Members shall be determined by a majority vote of those present. With respect to all elections of the Board of Managers, each Member shall be entitled to cast his vote on a cumulative voting basis.

(h) Vote by a Business Entity. The vote of any corporate, partnership or trust Member may be cast on its behalf by any officer, partner, or beneficiary of such Member. Any individual Member may appoint only the Member's spouse or another Member as a proxy. Each proxy must be filed with the Secretary prior to the commencement of a meeting, or at the time the proxies are called for.

## ARTICLE II

### BOARD OF MANAGERS

Section 1. Number and Qualifications. The Trustees of Rockport Colony Condominium Unit Owners Association, Inc. shall be and shall be known and designated as the Managers and shall collectively comprise the Board of Managers of the Association. The Board of Managers shall consist of three (3) persons except as otherwise provided in these By-Laws, all of whom must be Owners (or persons who could be heirs-at-law of Owners under the Ohio statutes of descent and distribution) and occupiers of a Unit, except as provided otherwise in these By-Laws. The Grantor shall designate all of the Managers of the first Board of Managers of the Association who shall have all of the powers, authorities and duties herein conferred upon and/or delegated to the Board of Managers until the periods of time set forth in Article I, Section 5 and Article VI, Section 1 of the By-Laws, whichever event shall first occur.

Section 2. Powers, Authorities and Duties. The Board of Managers (the term "Board of Managers" whenever used in these By-Laws shall include and also mean the first Board of Managers designated by Grantor) shall have the powers, authorities and duties necessary for the administration of the affairs of the Association and the Condominium Property and shall have all powers, authorities and duties necessary for the administration of the affairs of the Association and the Condominium Property and shall have all powers, authorities and duties referred to in the Declaration, these By-Laws, Chapter 1702 of the Ohio Revised Code, as amended from time to time with regard to things provided by the Condominium Act to be done by the Board of Managers or by the By-Laws or by the Declaration directed to be exercised and done by the Members individually. The powers of the Board of Managers shall include but not be limited to the following:

- (a) To elect the officers of the Association;
- (b) To administer the affairs of the Association and the Condominium Property
- (c) To engage the services of a manager or managing agent for the Condominium Property and to fix the terms of such engagement and the compensation and authority of such manager or managing agent;
- (d) To promulgate such rules and regulations concerning the operation and use of the Condominium Property or of the Common Areas and Facilities as may be consistent with the Declaration and these By-Laws and to amend such rules and regulations from time to time;
- (e) To provide for the maintenance, repair and replacement of the Common Areas and Facilities and Limited Common

Areas and Facilities, except as otherwise provided in the Declaration or these By-Laws;

- (f) To estimate and adopt an annual operating budget and to provide for the assessment and collection from the Owners of their respective share of the Common Expenses; and
- (g) To provide for the distribution of Common Profits, if any.

-Section 3. Election of Managers-Vacancies. The required number of Managers shall be elected at each annual meeting of Members of the Association. Only persons nominated as candidates shall be eligible for election as Managers and the candidates receiving the greatest number of votes shall be elected. Each Member may vote for as many candidates as there are authorized numbers of positions to be filled in the Board of Managers. In the event that there is a vacancy or vacancies in the Board of Managers, however caused, the remaining Managers, though less than a majority of the authorized number of Managers, may, by the vote of a majority of their number, fill any vacancy for the unexpired term; provided, however, that a vacancy in the position of a representative of a lending institution as provided in Article II, Section 1 of the By-Laws, if any, shall be filled by such lending institution.

Section 4. Term of Office; Resignations. Except as specifically provided otherwise herein, each Manager shall hold office for a two (2) year term and until the annual meeting of the Members of the Association at which the Manager's successor is elected, or until the Manager's earlier resignation, removal from office or death. Any Manager may resign at any time by oral statement to the 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 shall take effect immediately or at such other time as the Manager may specify. Members of the Board of Managers shall serve without compensation for their services except as expressly provided by a resolution of the Members. At the first annual meeting of the Members of the Association at which Unit Owners other than Grantor elect a majority of the Managers, the term of office of the elected Managers shall be fixed so that such terms shall expire one year from the date of said first annual meeting of Members of the Association. The term of office of the designated Managers shall be fixed so that such terms will expire on the date of the annual meeting two (2) years from the date of the first annual meeting. At the expiration of such initial term of office of such respective Managers, all Managers shall be elected to serve for a term of two (2) years.

Section 5. Organizational Meeting. Immediately after each annual meeting of Members of the Association, the newly elected Managers of those Managers whose terms continue shall hold an organizational meeting for the purpose of electing officers and

transacting any other business. Notice of such meeting need not be given.

Section 6. Regular Meetings. Regular meetings of the Board of Managers may be held at such times and places as shall be determined by a majority of the Managers, but at least three (3) such meetings shall be held during the fiscal year of the Association.

Section 7. Special Meetings. Special meetings of the Board of Managers may be held at any time upon call by the President or any two Managers. Notice of the time and place of each such meeting shall be given to each Manager, either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purposes of the meeting. 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 the Manager 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 and all business may be transacted at any organizational, regular, or special meeting.

Section 8. Quorum and Adjournment. A quorum of the Board of Managers shall consist of the Managers present at a meeting duly noticed and held, whether or not a majority of the members of the Board of Managers are present, and said quorum 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 and announced at such meeting. At such 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, and the act of the majority of such Managers present is the act of the Board of Managers, except as may be otherwise expressly provided in the Declaration or in these By-Laws.

Section 9. 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, except the Manager, if any, acting as a representative of a lending institution, may be removed with or without cause by the vote of Managers entitled to exercise at least 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.

Section 10. Non-Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Owners or to the Association or its Members for any mistake or



judgment or for any acts or omissions made in good faith as such Managers. The 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 By-Laws of this Association. The liability of any Owner or Member arising out of the aforesaid indemnity shall be listed to such proportion of the total liability as the Owner's percentage of interest of all Owners in the Common Areas and Facilities.

Section 11. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Association holding or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association and shall be a Common Expense.

### ARTICLE III

#### OFFICERS

Section 1. Election and Designation of Officers. The Board of Managers shall elect a President, a Vice President, a Secretary and a Treasurer of the Association, each of whom shall be a member of the Board of Managers. A member of the Board of Managers may hold more than one office. The Board of Managers may also appoint one or more Assistant Treasurers and/or one or more Assistant Secretaries and such other officers as in their judgment may be necessary who are neither Members of the Board of Managers nor Unit Owners.

Section 2. Term of Office: Vacancies. The officers of the Association shall hold office until the next organizational 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 of the Managers then in office. Any vacancy in any office may be filled by the Board of Managers.

Section 3. President. The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the 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. The President 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 By-Laws.

Section 4. 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.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of the Members of the Association and of the Board of Managers. The Secretary 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 those By-Laws or otherwise, and shall have such authority and shall perform such other duties as may be determined by the Board of Managers.

Section 6. Treasurer. The Treasurer shall receive and have charge of 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. The Treasurer shall keep accurate financial accounts and hold the same open for 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.

Section 7. 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.

Section 8. 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 actions of the officers and to require the performance of duties in addition to these mentioned herein.

#### ARTICLE IV

##### GENERAL POWERS OF THE ASSOCIATION

Section 1. Payments from Maintenance Funds. Each Owner shall pay to the Association, Common Expenses and/or assessments for Common Expenses as provided herein and/or in the Declaration, for the benefit of all of the Owners and the Association shall place the funds so collected in one or more accounts of the Association (said account or accounts being hereinafter referred to as the "Maintenance Fund"), and out of the Maintenance Fund the Association shall arrange and pay for the following:

(a) Utility Services. The cost of water, waste removal, electricity, telephone, heat, power, and/or any other necessary utility service for the Common Areas and facilities, and the cost of water lines, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual 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; and 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 having been charged against or to the Maintenance Fund;

(b) Casualty Insurance. The premiums upon a policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, and if appropriate, flood insurance, as provided in the Declaration, the amount of which insurance shall be reviewed annually;

(c) Liability Insurance. The premiums upon 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, and their invitees or tenants, incident to the ownership and/or use of the Units and/or the Limited Common Areas and Facilities and/or Common Areas and Facilities, as provided in the Declaration, the limits of which policy or policies shall be reviewed annually;

(d) Workers' Compensation. The costs of workers' compensation insurance to the extent necessary to comply with any applicable law;

(e) Wages and Fees for Services. The fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent 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 operation of the Condominium Property or the enforcement of the Declaration and these By-Laws and for the organization, operation and enforcement of the rights of the Association;

(f) Care of Common Areas and Facilities. The cost of landscaping, gardening, snow removal, cleaning, tuck-pointing, maintenance, decorating, repair, and replacements of the Common Areas and Facilities and the parts of the Limited Common Areas and Facilities which are to be maintained and repaired as Common Expenses pursuant to the Declaration (but not including the interior surfaces of the Units or the Limited Common Areas and Facilities, which are not to be maintained, repaired and/or replaced by the Association as a Common Expense which the respective Owners shall paint, clean, decorate, maintain and repair), the painting, cleaning and decorating of the exterior surfaces of the buildings and all surfaces of the garages and parking spaces (whether the same are Limited Common Areas and Facilities or Common Areas and Facilities) and such furnishings and equipment for the Common Areas and Facilities as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to require

the same for the Common Areas and Facilities, except as otherwise provided in the Declaration or in these By-Laws;

(g) Certain Maintenance of Units. The cost of the maintenance and repair of any Unit or Limited Common Areas and Facilities if such maintenance or repair is necessary, in the discretion of the Association, to protect or improve the Common Areas and Facilities, or any other portion of the Condominium Property, and if 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 is delivered by the Association to said Owner or Owners, provided that the Association shall levy special assessments against such Owner or Owners for the cost of said maintenance or repair;

(h) 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 entire Condominium Property rather than merely against the interests therein of particular Unit Owners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter, and 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 specially assessed to said Owner or Owners; and

(i) Additional Expenses. The cost of any other materials, supplies, furniture, labor services, maintenance, repairs, structural alterations, insurance, Common Expenses or Assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration, these By-Laws, easement and other agreements regarding the Association and/or the Condominium Property or by law or which is in the opinion of Association necessary or proper for the maintenance and operation of the Condominium Property as a first class condominium project or for the enforcement of the Declaration and these By-Laws.

Section 2. Capital Additions and Improvements. The Association's powers hereinabove numbered 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 By-Laws), having a total cost in excess of One Thousand Dollars (\$1,000.00), 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 One Thousand Dollars (\$1,000.00), 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, provided that during the

seven (7) year period following recording of the Declaration. *Rules*  
Grantor shall own any of the Units, Grantor's consent to such  
expenditure shall be required. *4 d 5*

Section 3. Contracts with Developer. Anything contained in these By-Laws and the Declaration to the contrary notwithstanding, neither the Grantor nor the Developer shall enter into any contract with the Association to provide any services to the Association and/or the Condominium Property is for a period in excess of one (1) year from and after the the Unit Owners of the Condominium Property other than Grantor and Developer, have assumed control of the Association, unless such management contract or other agreement is renewed and continued by the Association by a majority vote of the Unit Owners, other than the Grantor and Developer, duly taken and had in accordance with the By-Laws and the Condominium Act.

Section 4. Rules and Regulations. The Board of Managers may adopt rules and regulations and the Association, by vote of the Members entitled to exercise a majority of the voting power of the Association, may from time to time, supplement, amend, and modify such rules and regulations 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 any such rules and regulations shall conflict with any provisions of the Declaration or of these By-Laws, the provisions of the Declaration and of these By-Laws shall govern.

Section 5. 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 any or all of the Owners.

Section 6. 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.

Section 7. Applicable Laws. The Association shall be subject to and governed by the provisions of any statutes 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 By-Laws, shall be resolved in favor of the Declaration or these By-Laws,

and any inconsistencies between any statute applicable to associations generally and 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 By-Laws 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 By-Laws as well remove such conflicts or inconsistencies.

## ARTICLE V

### DETERMINATION AND PAYMENT OF COMMON EXPENSES AND ASSESSMENTS

Section 1. Obligation of Owners to Pay Common Expenses and Assessments. It shall be the duty of every Owner to pay the Owner's proportionate share of Common Expenses and any and all assessments therefor. Such proportionate share of the Common Expenses shall be in the same ratio as the Owner's percentage of ownership in the Common Areas and Facilities as set forth in the Declaration. Payment therefor shall be in such amounts and at such times as may be determined by the Board of Managers of the Association, as herein provided:

Section 2. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay the cost of management fees, wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all such services in connection with the Condominium Property, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and shall on or before December 15th, notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said estimated cash requirements (hereafter referred to as the "Estimated Cash Requirement"), shall be assessed to the Owners according to each Owner's percentage of Ownership in the Common Areas and Facilities as set forth in the Declaration. On or before January 1st of the ensuing year, and the first day of each and every month of said ensuing year, each Owner shall be obligated to pay to the Association, or as it may direct, the monthly amount determined to be payable that month as the appropriate amount of the annual Common Expenses for that year as well as the amount of any other assessment made pursuant to the terms of the By-Laws and Declaration. On or before the date of the annual meeting in each calendar year, the Association shall supply to all Owners an itemized accounting of the maintenance expenses actually incurred in the preceding calendar year, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage of ownership in the Common Areas and Facilities to the

next monthly installments for Common Expenses due from Owners under the then-current years estimate, until exhausted, and any net shortage shall be added accordingly to each Owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six (6) months after rendering of the accounting. The annual budget, including the initial budget of the Association, shall be established on an annual basis, but a different amount may be due for each month during the year so that the amount of the Common Expenses per month, which each Unit Owner shall be required to pay, may be increased or decreased each month based upon the annual budget and amount then required for Common Expenses. Each Unit Owner recognizes that the initial cost for the maintenance and operation of the Condominium Property shall be less during the initial period of operation due to the new condition of the Condominium Property and its partial use and that, thereafter, it is probable that the amount of the monthly Common Expense shall increase. The monthly assessments may vary from month to month, and the annual budget shall designate the estimated amount which would be payable for each particular month during the first two (2) years after the filing of the Declaration.

Section 3. Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said Estimated Cash Requirement proves inadequate for any reason, including non-payment of any Owner's assessment, the amount or amounts necessary to make it adequate shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Areas and Facilities. The Association shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the first monthly maintenance payment which occurs more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount.

Section 4. Budget for First Year. The Board of Managers of the Association, when the Declaration is filed for record, shall continue to service as and be the members of the Board of Managers of the Association until the Unit Owners of the Condominium Property have the right to elect members of the Board of Managers of the Association as set forth and provided in Article VI, Section 1 of the By-Laws and pursuant to the provisions of the Condominium Act. The Board of Managers of the Association, as designated by the Grantor or Developer, shall promptly prepare an Estimated Cash Requirement which will be consistent with the Projected Budget disclosed in the Disclosure Statement which will be the basis for determining the amount of the monthly Common Expenses which each Unit Owner shall be obligated to pay. Payments, if any, made by the Unit Owners prior to the filing of the deed for record pursuant to the provisions of Developer's standard Purchase Agreement



("Agreement") shall be used by the Association, as set forth and provided in Article V. Section 9, or these By-Laws. Each year thereafter the Board of Managers of the Association, whether designated by the Grantor or Developer or elected partially by the Grantor or Developer and the Unit Owners as provided by the Condominium Act and Article VI, Section 1, of these By-Laws, shall prepare, within thirty (30) days after the date of their election, an Estimated Cash Requirement for the following year. All Estimated Cash Requirements shall be made on a calendar year basis, except for the first two years the same may be for less than a twelve (12) month period and prepared and listed on a monthly basis. All Estimated Cash Requirements shall be made on an annual basis but may be determined on a monthly basis so that the amount due and payable each month may vary.

Section 5. Failure to Prepare Annual Budget. The failure or delay of the Association or Board of Managers to prepare or serve the annual or adjusted estimate on the Owners shall not constitute a waiver or release in any manner of any Owner's obligation to pay the Common Expense for maintenance costs and necessary reserves or any other charge as herein provided, whenever the same shall be determined. In the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly Common Expenses at the existing monthly rate or rates established for the previous period until the first monthly Common Expense payment date which occurs more than ten (10) days after such new annual adjusted estimate shall have been mailed or delivered.

Section 6. Books and Records of Association. The Association shall keep full and current books of accounts and the same shall be open for inspection by any Owner or any representative of any Owner duly authorized in writing, at reasonable times and upon request by an Owner. Upon ten (10) days notice to the Board of Managers and upon payment of a reasonable fee, any 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.

Section 7. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for 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.

Section 8. Escrow Payments and Assessments. The payment into escrow which may have been made by a respective Owner of a Unit pursuant to the provisions of a certain Condominium Purchase Agreement ("Agreement") entered into by and between Grantor, as the "Seller" of a Unit, and said respective Owner, as the "Buyer" of the Unit, which payment is designated in the Agreement as a



sum to be used in payment of operating expenses for the Condominium Property, shall be paid to Grantor by the escrow agent promptly after the date the deed to the respective Owner of this respective Unit is filed for record, and such sum so paid by said escrow agent to Grantor shall be deposited in a bank or a savings and loan association in Summit County, Ohio in the Association's name as part of the Maintenance Fund and may be used by the Association as herein provided.

Section 9. Annual Audit. The books of the Association shall be audited once a year by the Board of Managers, and such audit shall be completed prior to each annual meeting of the Members. If requested by two (2) members of the Board of Managers, such audit shall be made by a Certified Public Accountant. In addition, and at any time requested by Owners having a total more than sixty-six and two thirds percent ( $66 \frac{2}{3}\%$ ) interest in the Common Areas and facilities of the Condominium Property, or by the Grantor so long as Grantor or Developer is an Owner of a Unit, the Board of Managers shall cause an additional audit to be made by a certified public accountant.

Section 10. Remedies for Failure to Pay Assessments. If an Owner is in default in the monthly payment of any of the aforesaid charges or assessments for Common Expenses for thirty (30) days, the Members of the Board of Managers may bring suit for and on behalf of themselves and/or as representatives of all Owners and/or on behalf of the Association, to enforce collection thereof or to foreclose the lien therefor as provided in the Declaration. There shall be added to the amount due the cost of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by the Declaration, or by any decision of the Court based on any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges, Common Expenses and/or assessments, interest, costs and fees as above provided, shall be a lien and/or charge against the Unit involved when payable, and may be foreclosed by an action brought in the name of the Association and/or its Board of Managers as in the case of foreclosure of liens against real estate, as provided in the Declaration. As provided in the Declaration, the members of the Board of Managers and their successors in office acting on behalf of the Association and/or the Owners, shall have the power to bid on the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any holder of an encumbrance on a Unit may from time to time request in writing a written statement from the Board of Managers setting forth the unpaid Common Expenses and/or assessments with respect to the Unit covered by the Owner's encumbrances and said request shall be complied with promptly. Any holder of an encumbrance holding a lien on a Unit may pay any unpaid Common Expenses and/or assessments payable with respect to such Unit and upon such payment such holder of said encumbrance shall have a lien on such Unit for the amounts paid on the same basis and with the same effect as if such lien were a lien of the Association. Past due assessments and charges

shall bear interest until paid at the rate and in the manner as set forth in the Declaration.

## ARTICLE VI

### GENERAL PROVISIONS

Section 1. Grantor's Rights. As set forth in the Declaration, Grantor has the right to expand the Condominium Property so that there is a maximum total of Units which may become a part of the Condominium Property. Grantor shall have the right to manage and control the Association for a term of five (5) years from the date of the filing of the Declaration for record or until the first of the following events shall occur and, while Grantor has such right, all of the Members of the Board of Trustees may be elected and designated by the Grantor: firstly, when Units having a twenty-five percent (25%) interest in the Common Areas and Facilities have been sold and transferred, then the Unit Owners, other than Grantor and Developer, shall have the right to elect not less than twenty-five percent (25%) of the Members of the Board of Managers; secondly, when Units having a fifty percent (50%) interest in the Common Area and Facilities have been sold and transferred, the Unit Owners, other than Grantor and Developer, shall have the right to elect thirty-three and one-third percent (33 1/3%) of the Members of the Board of Managers; and thirdly, when Units have a seventy-five percent (75%) interest in the Common Areas and Facilities have been sold and transferred, then the Unit Owners, other than the Grantor and Developer, shall have the right to elect one hundred percent (100%) of the Members of the Board of Managers. In all events, the Unit Owners, other than the Grantor and Developer, shall have the right to elect all of the Members of the Board of Managers five (5) years after the date of the filing of the Declaration for record. In determining the percentage interest in the Common Areas and Facilities, the Common Areas and Facilities of the Condominium Property shall be computed and determined based upon the maximum number of Units which may be subject to the Declaration as set forth and provided in Article XX of the Declaration.

Section 2. Copies of Notice 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 By-Laws to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

Section 3. Service of Notices on the Board of Managers. Notice is required to be given to the Board of Managers or to the Association and may be delivered to any Member of the Board of Managers or officer of the Association either personally or by mail addressed to such member or officer at such person's Unit.

Section 4. Service of Notices on Devisees, Heir-at Law, and Personal Representatives. Notices required to be given to any

devisee, heirs-at-law or personal representative of a deceased Owner may be delivered either personally or by mail to such person at his, her or its address appearing on the records of the Court wherein the estate of such deceased Owner is being administered.

Section 5. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these By-Laws 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 6. Agreements Binding. All Agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and By-Laws shall be deemed to be binding on all Owners, their respective successors, heirs and assigns.

Section 7. Notices of Mortgages. Any Owner who mortgages the Owner's Unit shall notify the Association, in such manner as the Association may direct, of the name and address of the Owner's mortgagee and thereafter shall notify the Association of the full payment, cancellation or any other alteration in the status of such mortgage. The Association shall maintain such information in a book entitled "Mortgages of Units."

Section 8. Enforceability of Covenants. The invalidity of any covenant, restriction, condition, limitation or any other provision of these By-Laws, or any part of the same shall not impair or affect in any manner the validity, enforceability or effectiveness of these By-Laws.

Section 9. Rule Against Perpetuities. If any of the privileges, covenants or rights established by these By-Laws shall be unlawful or void for violation of (1) the rule against perpetuities or some analogous statutory provision; (b) the rule restricting restraints or alienation; or (c) 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 Howard Metzenbaum, United States Senator from Ohio, and Ted Kennedy, United States Senator from Massachusetts.

Section 10. Joint Management Contracts. Subject to the limitation contained in Article IV, Section 3 of the By-Laws, the Board of Managers shall have the power to enter into an agreement or agreements on behalf of the Association with Grantor and/or one or more entities associated in any manner with Grantor and relating to any other condominium properties and/or non-condominium properties for the common management, by one or more Managing Agents, of one or more of said properties and without intending hereby to limit the generality of the foregoing, such agreement or agreements may provide for the allocation of joint expenses, purchase of maintenance equipment

and supplies, and the joint sharing of employees and management overhead. The Board of Managers shall have the right to enter into any agreement authorized under the Condominium Act, the Declaration and/or these By-Laws.

Section 11. Use and Occupancy Restrictions.

(a) Restrictions on Use of Units. Except as is provided in these By-Laws or in the Declaration, with respect to the use permitted by Grantor and/or his agents, no Unit shall be used for any purpose other than as a private dwelling for the Owner and the Owner's immediate family or by a person and such person's immediate family to whom the Owner shall have leased the Owner's Unit subject to all the provisions of these By-Laws and the Declaration. No Owner or lessee or any Owner shall permit or suffer anything to be done or kept upon the Condominium Property which will increase the rate of insurance on the Condominium Property, or any part thereof, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises or otherwise, nor shall any Owner commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or upon the Condominium Property.

(b) Maintenance of Unit By Owner. Each Owner shall maintain the Owner's own Unit in good condition, order and repair at the Owner's own expense. No Owner shall display, hang, store, or use any signs of articles whatsoever on the Owner's balcony or patio, if any, or outside the Owner's Unit other than such draperies, curtains or shades as may be permitted in accordance with the rules and regulations established by the Board of Managers. No Owner may paint, decorate, or otherwise alter or modify, in any way the outside of the Owner's Unit, or install outside the Owner's Unit any canopy, awning, covering, radio or television antenna or structure or addition of any kind whatsoever without prior written consent of the Board of Managers. Notwithstanding the foregoing, each Owner may install landscaping, including plantings, within that portion of the Common Areas which is within eight feet (8') of such Owner's Unit, or within eight feet (8') of the Limited Common Area pertinent to such Unit. In addition, each Owner may install a board-on-board wooden fence not exceeding six (6) feet in height made of either redwood or cedar and painted white within the Limited Common Area attributable to such Owner's Unit. All such landscaping, plantings, and fences shall be maintained by such Owner, and said maintenance obligation may be enforced by the Association.

(c) Disposal of Trash. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in rules and regulations established by the Board of Managers. No articles of personal property belonging to any Owner shall be stored in any portion of the Common Areas and Facilities except in the storage area specifically designated for the respective

Owner by the Board of Managers or the Managing Agent as Limited Common Areas and Facilities.

(d) Restrictions on Alterations. No Owner shall overload the electrical wiring in the buildings or operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board of Managers, any unreasonable disturbance or make any alteration to or connections with the heating or air conditioning or plumbing system without the prior written consent of the Board of Managers.

(e) Insurance Coverage. Each Owner shall be required upon request by the Board of Managers to maintain in effect a comprehensive public liability insurance policy in such limits as the Board of Managers may establish from time to time insuring the Owner and the Association, the Board of Managers, the Managers and the Managing Agent, against liability in connection with such Owner's own Unit; provided, however, that the Board of Managers shall have the authority, if it shall deem such action to be in the best interest of the Owners collectively, to obtain a comprehensive public liability insurance policy insuring all of the Owners, the Association, the Board of Managers, the Managers and The Managing Agent, from liability in connection with the individual Units, and in such latter event, each Owner may, but shall not be required to, obtain individual liability insurance. The Board of Managers shall also have the authority, if it shall deem such action to be in the best interest of the Owners collectively, to require that all such individual public liability policies be placed with the same insurer.

(f) Insurance on Contents of Units. Each Owner shall be responsible for the Owner's own insurance on the contents of the Owner's own Unit and Owner's respective Limited Common Areas and Facilities and the Owner's additions and improvements thereto and decorating and furnishing and personal property therein, and the Owner's personal property stored elsewhere on the Condominium Property, and the Owner's personal liability to the extent not covered by the liability insurance for all of the Unit Owners obtained as part of the Common Expenses as above provided. All policies maintained by the Owner under this provision shall obtain a waiver of subordination in the event of a loss for the benefit of the Association, Grantor, Developer, Manager, Managing Agent, and their respective agents.

Section 12. Governmental Requirements. If any Unit in the Condominium Property shall be encumbered by a first mortgage as to which the requirements of Federal Home Loan Mortgage Corp. or other governmental agency shall be applicable, then any provision of these By-Laws (or any provision of the Declaration to which the same are attached) to the contrary notwithstanding the following provision shall be applicable:

(a) Each holder of a first mortgage upon any of the Units, at the request of such holder thereof, shall receive written notification from the Association of any default by the Owner(s)

of said Unit in the performance of said Owner's obligations under the Declaration of these By-Laws if said default is not cured within thirty (30) days.

(b) Unless at least seventy-five percent (75%) of all of the holders of the first mortgages encumbering the Units (based upon one vote for each first mortgagee) have given their prior written approval, the Association shall not be entitled to: (i) by act or omission, seek to abandon or terminate Rockport Colony Condominiums as a condominium under the Condominium Act; (ii) change the respective percentages of interest pertaining to each Unit as set forth in the Declaration or change in the obligation of any of the Units for the purpose of levying assessments or charges or allocating distributions of the proceeds of insurance referred to in Article XV of the Declaration or the proceeds of any award made or received in lieu of a taking in eminent domain; (iii) partition or subdivide any of the units; (iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the Common Areas and Facilities, provided, however, that within the meaning hereof the granting of easements for public utilities or other public purposes or private purposes for the benefit of the Condominium Property consistent with the intended use of said Common Areas and Facilities shall not be deemed a transfer; and (v) to use any of the proceeds of the insurance referred to in Article XV of the Declaration (whether for damage or destruction of any of the Units or to the Common Areas and Facilities) for other than the repair, replacement or reconstruction of that portion of the Condominium Property so damaged or destroyed, except as provided by the Condominium Act in case of substantial loss to said Unit and/or said Common Areas and Facilities.

(c) Each holder of a first mortgage encumbering any of the Units shall have the right to examine the books and records of the Association.

(d) The Association shall establish and maintain an adequate reserve fund for replacement of Common Areas and Facilities and the amounts required for said fund shall be provided for by regular monthly payments rather than by special assessments.

(e) No Unit Owner or any other party shall have priority over the rights of any holder of a first mortgage encumbering any Unit in the case of a distribution to Owners of any proceeds of insurance or award made in connection with any proceeding in eminent domain for losses to, or an eminent domain taking of any of the Units and/or any of the Common Areas and Facilities.

(f) Any agreement for the management of the Condominium Property shall provide that said agreement may be terminated for cause on not more than ninety (90) days written notice and the term of any such agreement shall not exceed one (1) year and shall further be subject to the limitation provided in Article IV, Section 3 of these By-Laws.

(g) Upon the request of the Federal Home Loan Mortgage Corp., or other governmental agency, the Association shall give written notice thereto or any party designated by it as to any loss to, or eminent domain taking of, the Common Areas and Facilities comprising the Condominium Property if such loss or taking exceed Ten Thousand Dollars (\$10,000.00).

Section 13. Amendment of By-Laws. These By-Laws may be amended or modified at any time, from time to time by action or approval of Owners exercising seventy-five percent (75%) or more of the voting power; except the By-Laws affecting the rights or interests of Grantor and/or his agent shall not be amended or modified without the prior written consent of Grantor, provided further amendment may be made to these By-Laws for the reasons as provided in Article XX (L) of the Declaration.

IN WITNESS WHEREOF, the Grantor has executed this instrument at Painesville, Ohio on the 24th day of February, 1993.

Signed and Acknowledged in  
the Presence of:

[Signature of Witness]

MARIE J. MOTONSEK

[Printed Name of Witness]

[Signature of Witness]

Kelly D. Paketti

[Printed Name of Witness]

ROCKPORT COLONY CONDOMINIUMS, INC.  
An Ohio Corporation

BY:

[Signature]  
Kenneth T. Sowul, President

STATE OF OHIO )  
 ) SS.  
COUNTY OF LAKE )

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named ROCKPORT COLONY CONDOMINIUMS, INC. an Ohio Corporation, by KENNETH T. SOWUL, its President, who acknowledged that he did sign the foregoing instrument and that the same is his free and voluntary act and deed personally and as such officer and the free and voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto affixed my signature and official seal at Painesville, Ohio this 24th day of February, 1993.

  
Notary Public

DAVID J. RICHARDS, JR., Attorney  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration date  
Section 147.03 R. C.

This Instrument Prepared By:  
David J. Richards, Jr., Esq.  
153 E. Erie Street  
Painesville, Ohio 44077



EXHIBIT THREE

# EXHIBIT THREE



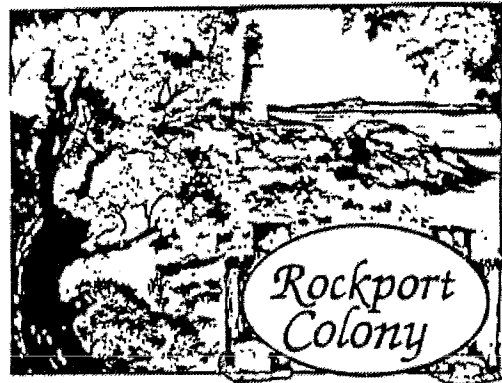
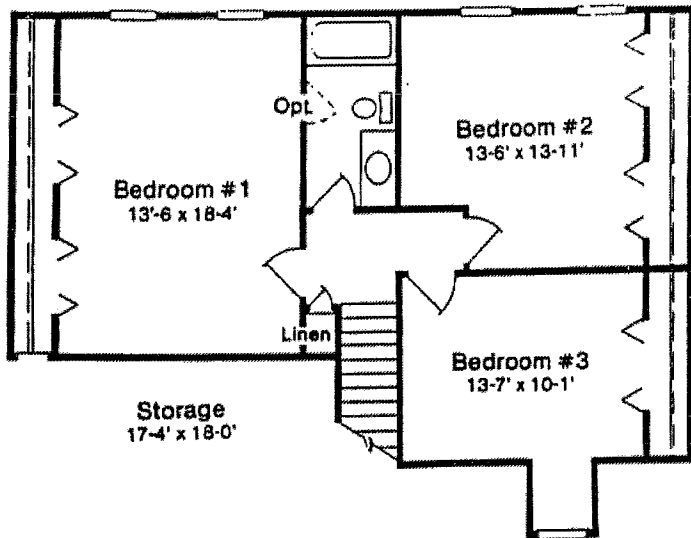
**LANDMASTER**

LANDSCAPE ARCHITECTS & CONSTRUCTORS  
 1000 10th Ave. New York, N.Y. 10018  
 Tel. (212) 691-1100

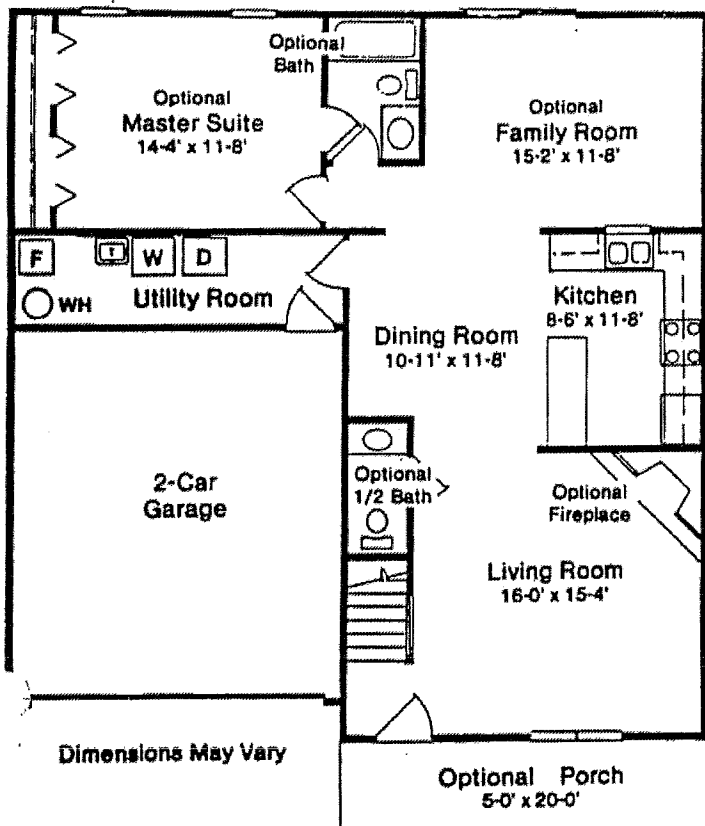
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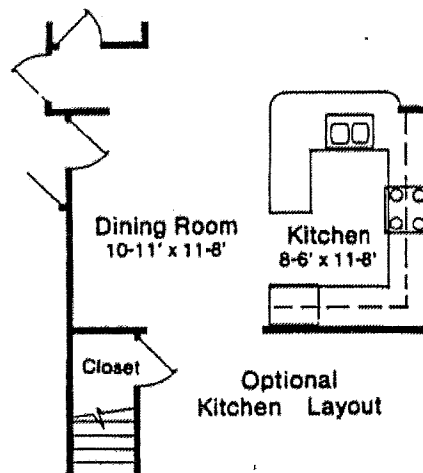
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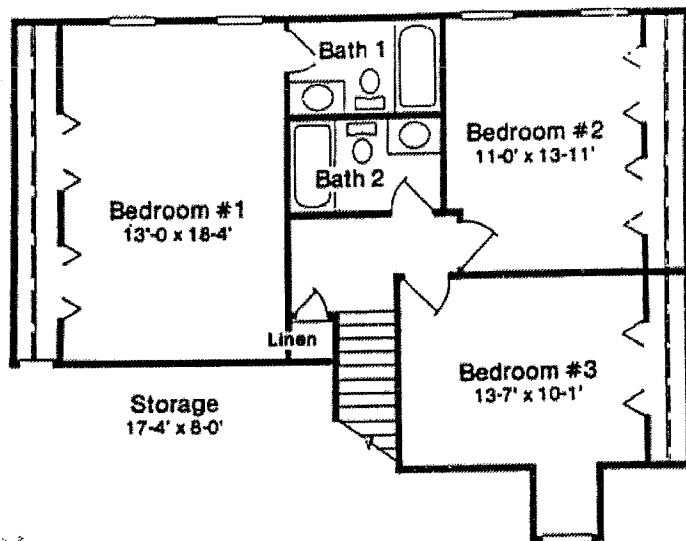
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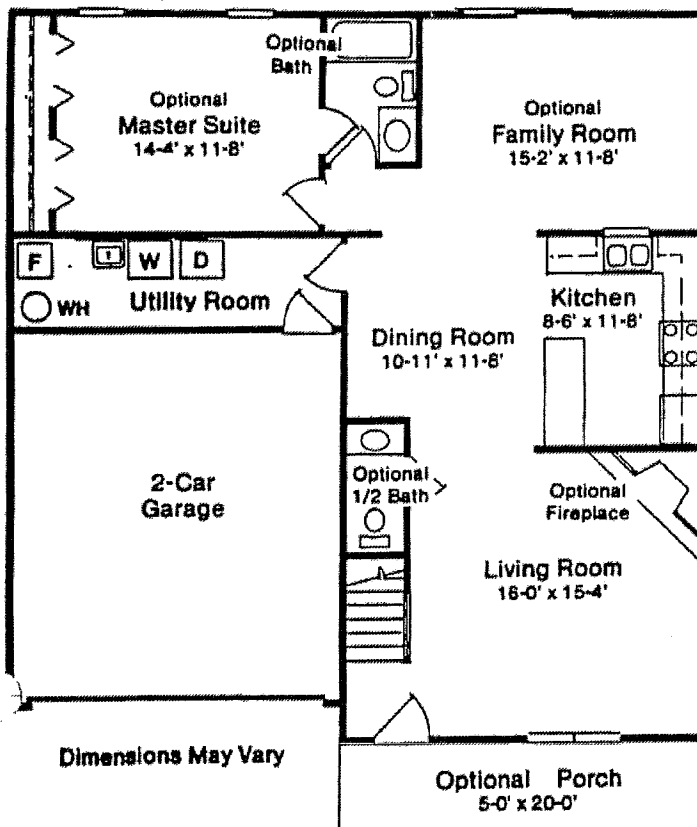
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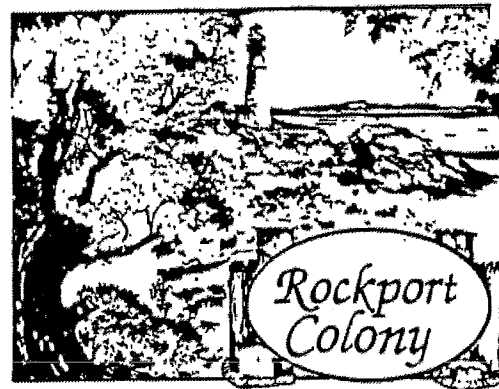
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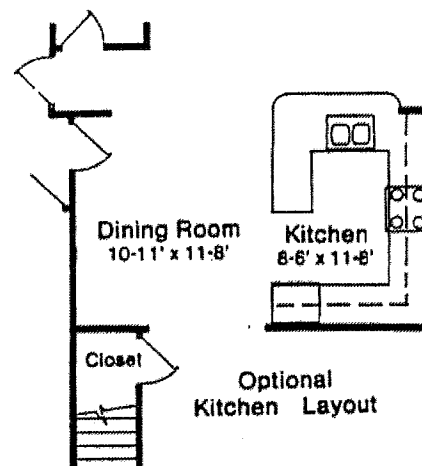
## 1st Floor

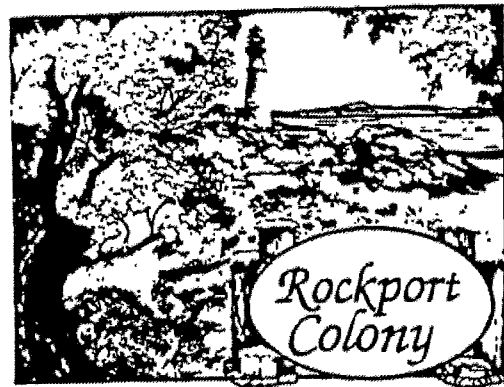


Dimensions May Vary

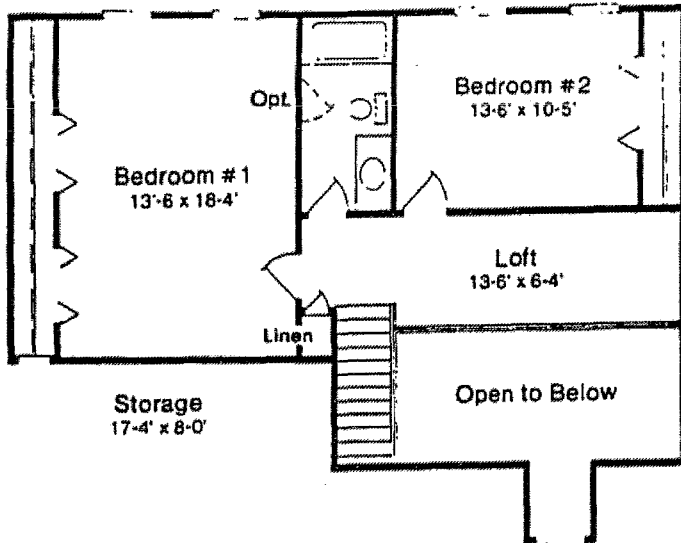


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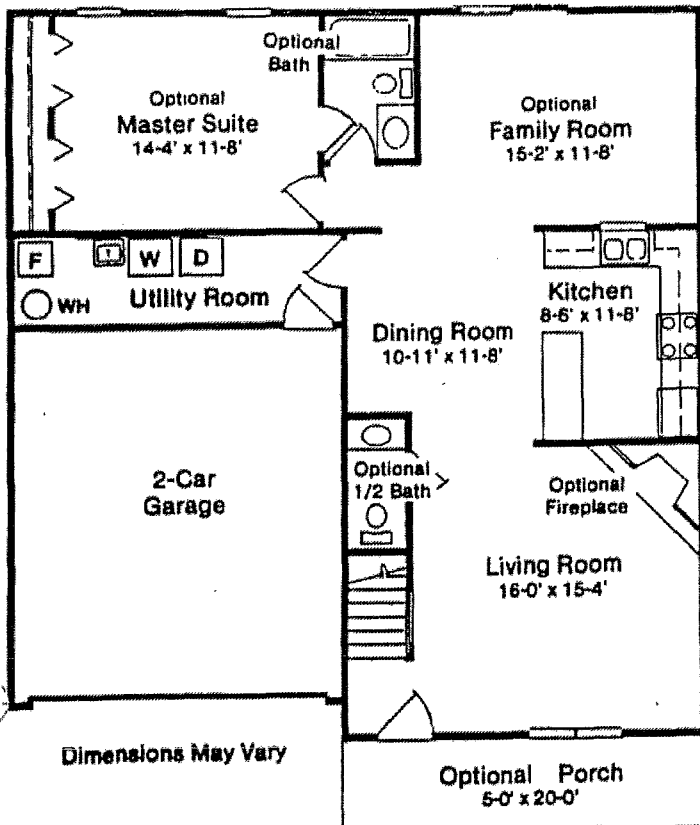


## 2nd Floor

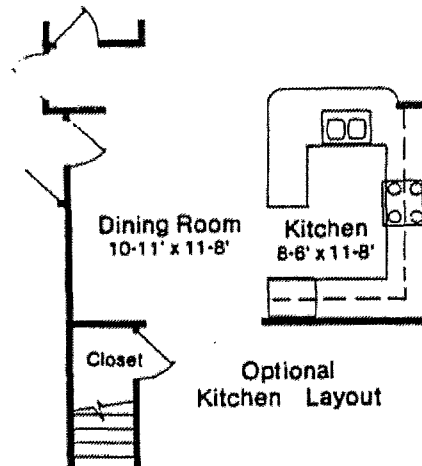


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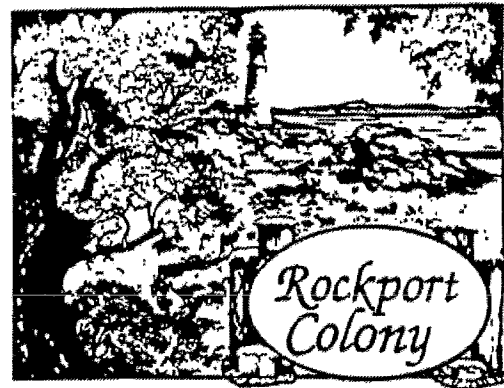
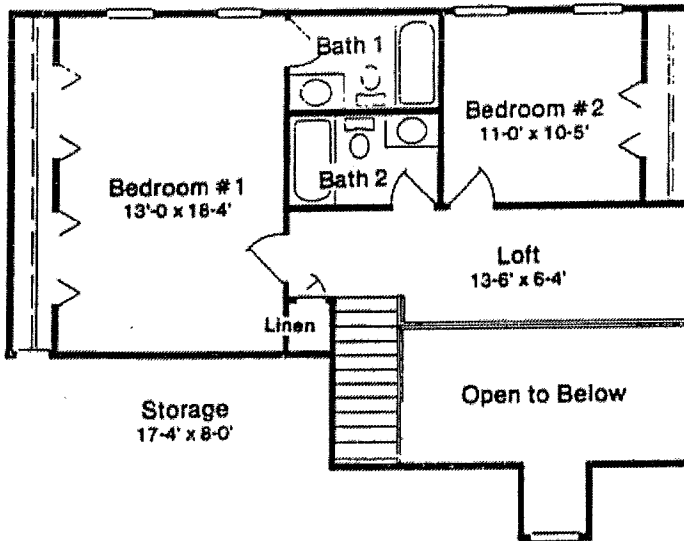
## 1st Floor



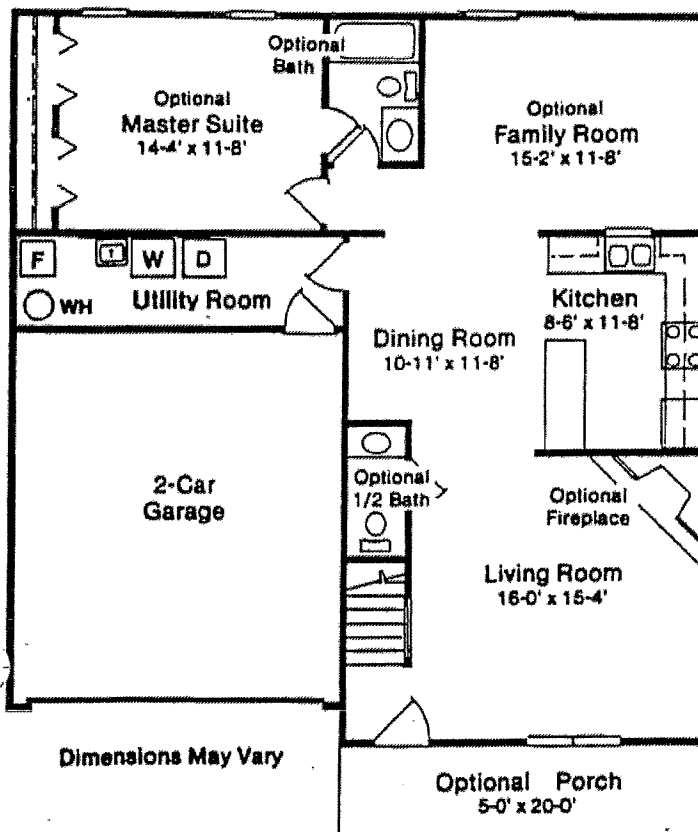
Dimensions May Vary



2nd Floor

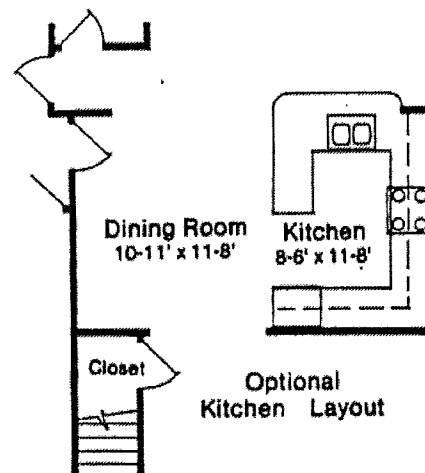


1st Floor



Dimensions May Vary

Model D



Optional Kitchen Layout

EXHIBIT FOUR

EXHIBIT FOUR  
ARTICLES OF INCORPORATION  
OF

ROCKPORT COLONY CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.

The undersigned, desiring to form a corporation, not for profit, under Section 1702.01 et seq., of the Ohio Revised Code, does hereby certify:

**FIRST:** The name of the corporation shall be ROCKPORT COLONY CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.

**SECOND:** The place in Ohio where the principal office of the corporation is to be located is in the City of Stow, Summit County.

**THIRD:** The purpose for which the corporation is formed is to establish and be the association and organization (known as the "Unit Owners Association") of all the owners of units in the condominium property, known as Rockport Colony Condominiums, located in the City of Stow, County of Summit, and State of Ohio, in accordance with the Declaration of Condominium Ownership and By-Laws for Rockport Colony Condominium Unit Owners Association, Inc. recorded in Deed Volume \_\_\_\_\_, Page \_\_\_\_\_ et seq., of Summit County, Ohio Deed Records, and in conformity therewith, and to do any and all corporate acts which are otherwise authorized by law.

**FOURTH:** The following persons having their addresses set forth opposite their respective names, shall be the initial trustees of the corporation, to serve until the first annual meeting or other meeting called to elect trustees:

<u>Name</u>	<u>Address</u>
Kenneth T. Sowul	7474 Auburn Road Concord, Ohio 44077
Holly M. Sowul	7474 Auburn Road Concord, Ohio 44077
Mary Jo Matousek	7474 Auburn Road Concord, Ohio 44077



The trustees of the corporation shall be and shall be known and designated as the Managers and shall collectively comprise the Board of Managers provided for in the By-Laws of Rockport Colony Condominium Unit Owners Association, Inc.

IN WITNESS WHEREOF, I have hereunto subscribed my name this  
\_\_\_\_\_ day of \_\_\_\_\_, 1993.

\_\_\_\_\_  
Kenneth T. Sowul

ORIGINAL APPOINTMENT OF AGENT

The undersigned, being the sole incorporator of Rockport Colony Condominium Unit Owners Association, Inc. does hereby appoint DAVID J. RICHARDS, JR., a natural person resident in the county in which said corporation has its principal office, upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. His complete address is 153 E. Erie Street, Painesville, Ohio 44077.

ROCKPORT COLONY CONDOMINIUM  
UNIT OWNERS ASSOCIATION, INC.

BY: \_\_\_\_\_

ROCKPORT COLONY CONDOMINIUM  
UNIT OWNERS ASSOCIATION, INC.

Gentlemen:

I hereby accept appointment as agent of your corporation upon whom process, tax notices or demands may be served.

\_\_\_\_\_  
David J. Richards, Jr.

**EXHIBIT FIVE**

EXHIBIT FIVE

**COMMON AREA MAINTENANCE BUDGET**  
**March 1, 1993**

<u>Category</u>	<u>First Year</u>		<u>Second Year</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
Landscaping	\$47,592.00	\$ 3,966.00	\$47,592.00	\$ 3,966.00
Snow Removal	13,596.00	\$ 1,133.00	13,596.00	1,133.00
Insurance	13,008.00	1,084.00	13,008.00	1,084.00
Management	16,308.00	1,359.00	16,308.00	1,359.00
Legal & Acct.	6,000.00	500.00	6,000.00	500.00
Rubbish Rem.	18,120.00	1,510.00	18,120.00	1,510.00
Repairs, Maintenance	7,680.00	640.00	7,680.00	640.00
Replacement Reserve	9,060.00	755.70	9,060.00	755.00
Street Lights	8,160.00	680.00	8,160.00	680.00
	<u>\$139,524.00*</u>	<u>\$11,627.00*</u>	<u>\$139,524.00*</u>	<u>\$11,627.00*</u>

**PROJECTION OF MONTHLY AND ANNUAL**  
**COMMON EXPENSES PER UNIT**

<u>Percentage Interest in Common Areas and Facilities</u>	<u>First Year</u>		<u>Second Year</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
5.5%	\$ 924.00*	\$ 77.00*	\$ 924.00*	\$ 77.00*

\*The estimated amounts set forth in the two (2) year projection shown above are based upon the construction of a total of one hundred fifty one (151) Units and are further based upon the Developer's building and management experience and information obtained from companies providing the services stated above. Prior to the time that all one hundred fifty one (151) Units have been constructed total Common Expenses may be expected to be less than the amounts stated above, but as such, will be spread over fewer Units and may result in an increased Common Expense per Unit.

EXHIBIT SIX

EXHIBIT SIX

MANAGEMENT AGREEMENT

This Management Agreement ("Agreement") made and entered into at \_\_\_\_\_, Ohio this \_\_\_\_\_ day of \_\_\_\_\_, 1993, by and between PINE REEF PROPERTIES CO., an Ohio Corporation, who with its successors and assigns, is hereinafter referred to as the "Manager", and ROCKPORT COLONY CONDOMINIUMS, INC., an Ohio Corporation not for profit, who, with its successors, is hereinafter referred to as the "Association"

W I T N E S S E T H

WHEREAS, the Manger desires to provide for the maintenance, operation, service and care of the Common Areas and Facilities of Rockport Colony Condominiums (hereinafter referred to as the "Condominium Property"), pursuant to the authority vested in the Association by the Declaration of Condominium Ownership for Rockport Colony Condominium and the By-Laws of the Association, and to charge the costs thereof as Common Expenses to the respective Unit Owners of Rockport Colony Condominiums (each such unit owner being hereinafter referred to as "Owner") in proportion to their respective percentage ownership interest in the Common Areas and Facilities in the Condominium Property as of the date of execution of this Agreement; and

WHEREAS, the Association desires that Manager provide for the maintenance, operation, service and care of the Condominium Property.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other valuable consideration mutually received, and in and for the covenants and promises hereinafter set forth, the parties hereto covenant and agree as follows:

1. Employment of Manager. Association shall and does hereby appoint and engage Manager as its sole and exclusive agent to maintain, operate, service and care for the Condominium Property, and Manger shall and does hereby accept the appointment as sole and exclusive agent to maintain, operate, service and care for the Condominium Property upon the terms and conditions hereinafter set forth. Association, during the term of this Agreement or any extension thereof, shall not authorize or permit any other person, firm or corporation to perform any work or render any services delegated, conferred or imposed upon Manager hereunder unless prior written approval is obtained from Manager.

2. Term. The term of employment of the Manager shall be for one (1) year commencing on April 1, 1993, and terminating on March 31, 1994 and shall automatically renew itself for consecutive one-year additional terms, subject to and upon the terms and provisions hereinafter set forth. If either party hereto desires to terminate the term of this Agreement, then sixty (60) days prior to the expiration of the original term or any renewal term, the party desiring to exercise its right to terminate the original term or any renewal term hereof shall give the other party hereto written notice of such termination, which written notice shall be delivered to the other party hereto sixty (60) days prior to the date of the end of the original term or the renewal term as the case may be. Anything contained herein to the contrary notwithstanding when a majority of the Board of Managers of the Association are elected by Unit Owners other than the Developer, then at the meeting next following the election of the members of the Board of Managers of the Association who are elected by a majority of Unit Owners other than Developer, this Agreement shall be submitted to that Board of Managers and, if the same is approved at that time, and accepted by the Manager, then the term hereof shall be extended for three (3) years from and after the date of such approval and thereafter shall be automatically extended for additional one (1) year periods unless and until either party here to gives the other party hereto sixty (60) days written notice prior to the end of the term or renewal term of its intention to terminate the term of this Agreement. If this Agreement is not approved at the time of such submittal, it shall thereafter terminate on the earlier of one (1) year after the date of such submittal, or on the next annual anniversary of the date of this Agreement.
3. Duties and Authority of Manager. From and after the commencement date of the term of this Agreement, Manager shall have the exclusive right and duty to manage the Condominium Property as general manager, with full authority, power and control over all phases of the management thereof, and the Association expressly agrees to assume and pay all expenses incurred in connection therewith. In its capacity as general manager of the Condominium Property, Manager shall be responsible for furnishing, at the expense of the Association, all services incident to the management of the Condominium Property, including, but not limited to, the following rights, duties, responsibilities and authorities:
- a) Cause to be hired, paid and supervised any and all persons and employees who are deemed necessary by Manager to be employed, hired and/or supervised in order to properly maintain, operate, service and care for the Condominium Property.

- b) Cause the Condominium Property to be maintained, operated, serviced and cared for in such condition as may be deemed advisable by Manager, including interior and exterior cleaning, and cause repairs and alterations of the Condominium Property to be made, including, but not limited to, electrical, plumbing, carpentry, decorating and such other incidental alterations or changes thereof as the Manager shall deem necessary and proper, subject only to the limitations contained in this Agreement. Ordinary repairs or alterations involving any single expenditure in excess of One Thousand Dollars (\$1,000.00) shall be made only upon prior approval of the Board of Managers of the Association; provided, however, those repairs immediately necessary for the preservation or safety of the Condominium Property may be made by the Board of Managers of the Association after consultation with the President of the Association, the Vice President of the Association, or any one of the Board of Managers of the Association in the order given or if no such officer or person is available to Manager, then the Manager shall make such repairs and provide such services as are deemed reasonably necessary by Manager to provide for the preservation or safety of the Condominium Property and the Owners and occupants thereof.
- c) Cause such acts or things to be done in and about the Condominium Property as may be necessary or desirable to comply with any and all orders, statutes, rules and/or ordinances applicable to the Condominium Property by any federal, state, municipal and/or governmental authority having jurisdiction thereof; provided, however, that should any single expenditure be in excess of \$1,000.00, in order to obtain compliance with such order, statute, rule and/or ordinance, approval therefor shall be first obtained from the Association.
- d) Enter into contracts on behalf of the Association for the maintenance, operation, service and care of the Condominium Property, including, but without limiting the foregoing, rubbish removal, snow removal, landscaping and the like, but any such contract shall not be for a term in excess of one year or provide for annual payments in excess of Two Thousand Dollars (\$2,000.00) for each contract unless approval therefor shall be first obtained from the Association, and such contract may be with persons, firms, and corporations related to or controlled by Manager.
- e) Purchase all material, equipment and supplies which are necessary to maintain, operate, service and care for the Condominium Property.



- f) Supervise the moving in and out of Owners or other occupants of the Condominium Property, as far as possible arrange the date thereof so that there shall be a minimum of disturbance to the operation of the Condominium Property and of inconvenience to other Owners, and to establish rules, regulations and deposits, if any, required to be paid to the Association in connection with moving in or out of a Unit by an Owner or tenant.
- g) Consider and receive and, when reasonable, attend to the complaints of Owners and the Association and, if Manager deems that any such complaint is unreasonable, it shall advise the complaining party of the reason that such complaint is unreasonable.

Manager shall have such other rights and authorities to make any and all contracts and disbursements and to incur obligations on behalf of the Association and do all other things necessarily required of it to carry out the rights, duties, responsibilities, authorities delegated, conferred and/or imposed upon Manager by this Agreement. Manager, in performing its services provided herein, shall have the right to enter into contracts or agreements with persons, firms or corporations related to and/or connected with the Manager and, provided that all of the same are on reasonable price and terms, the same shall not be challenged by the Association by virtue of the relationship between the Manager and the other contracting party.

4. Compensation. The Association shall pay to Manager as and for full compensation for its services hereunder during the term of this Agreement:

- a) The sum of \$1,200.00 for the initial term of this Agreement (hereinafter referred to as "Base Compensation"), which Base Compensation shall be payable in equal monthly installments on the first day of each calendar month, in the sum of \$100.00, the first such monthly installment to be due and payable on the first (1st) day of April, 1993, and each such monthly installment to be due and payable on the first day of each month thereafter throughout the initial term of this Agreement and/or renewal term.
- b) After the initial term of this Agreement, Manager's Base Compensation shall be fixed annually at such amount as Manager and the Association may agree upon, and such amount shall be paid in monthly installments as noted above.
- c) Any and all such additional amounts set forth in a monthly statement which Manager shall mail or deliver to the Association (all such costs and expenses which the

Association is required to pay Manager as set forth in this Agreement and this Paragraph 4 are hereinafter referred to as "Additional Compensation") and the same shall be paid to Manager within ten (10) days of the mailing or delivery of such monthly statement to the Association and said monthly statement to the Association shall include; (i) any and all costs and expenses incurred by Manager in connection with the maintenance, operation, service and care of the Condominium Property; (ii) all costs and expenses of all goods, materials, equipment and machinery acquired, maintained and/or operated by Manager in connection with its maintenance, operation, service and care of the Condominium Property; (iii) any and all other direct costs and expenses which Manager attributes to the maintenance, operation, service and care of the Condominium Property; (iv) a proportionate part of the monthly wages or salaries of all employees in the employ of Manager in connection with the work done and services rendered by such employees in or about the Condominium Property; (v) a proportionate part of any and all costs and expenses for wages, salaries and/or other compensation for clerical personnel, office personnel and the like who are employed by Manager in connection with the preparation of the Annual Budget (hereinafter defined), monthly statements and/or any other work or acts in connection with the operation of Manager's office and/or clerical staff or the rendering of any services in connection with the maintenance, operation, service and care of the Condominium Property, and (vi) any and all other costs and expenses which are incurred by Manager in connection with the maintenance, operation, service and care of the Condominium Property which Manager attributes to the Condominium Property.

5. Budget. Manager shall, from time to time, and at least annually commencing in the year 1993, prepare and submit to the Association a tentative annual budget (hereinafter referred to as "Annual Budget") of any and all costs and expenses which Manager expects to incur in connection with the maintenance, operation, service and care of the Condominium Property and which Annual Budget shall specifically include the following terms:
  - a) A listing of such expense to be incurred and/or paid.
  - b) A listing of any and all contracts entered into by Manager on behalf of the Association for the maintenance, operation, service and care of the Condominium Property and annual payments required thereunder.

- c) A listing of all costs which are to be shared or apportioned to the Unit Owners of the Condominium Property.
- d) Any and all sources of income derived from or generated in or about the Condominium Property and the projected amount thereof, estimated on an annual basis.
- e) A projection of annual costs and expenses for the next succeeding year for the maintenance, operation, service and care of the Condominium Property.
- f) A listing of any individual cost or expense which totals more than \$1,000.00 on an annual basis in connection with the maintenance, operation, service and care of the Condominium Property.

Manager shall not be bound by the Annual Budget and any and all estimates and projections of costs, expenses and/or income contained herein shall only service as an estimate and a projection of such anticipated costs, expenses and/or revenues in connection with the Condominium Property and the Annual Budget shall only be used as a planning tool both for the Association and for Managers.

6. Collection of Funds. Any and all monies collected by Manager in or from the operation of the Condominium Property, including but not limited to, vending machines and services rendered to Owners or at the request of Owners to persons or parties for which Manager receives separate compensation and/or other receipts from the Condominium Property, including common assessments shall be deposited by Manager in an account in a bank or savings and loan association in Lake County, Ohio, in the name of Manager for the benefit of the Association, and shall be appropriately and adequately designated and identified and, out of such amount, Manager may pay itself or reimburse itself for any and all obligations and expenditures necessary and proper in connection with the maintenance, operation, service and care of the Condominium Property, and any and all such credits and payments to or from such accounts shall be specifically listed and designated on the monthly statement sent to the Association. Manager shall have the right to commingle the Association's payment in its general accounts and the Manager shall make allocations and separations only on its books and records. The first funds paid each month from receipts by the Association shall be the monthly amount of the Base Compensation.

7. Association Default. In the event of default on the part of the Association in the payment of any Base Compensation or any other sum due and payable to Manager after the Association has received written notice specifying such default and, should

each such specified default continue for a period of ten (10) days thereafter, Manager shall be entitled to all rights and remedies at law with or without terminating this Agreement, including one or more of the following rights and remedies:

- a) To bring a suit for the collection of any Base Compensation, Additional Compensation and/or any other amounts which the Association may be in default of payment to Manager.
- b) To sue the Association for the collection of any Base Compensation remaining unpaid for the balance of the term of this as liquidated damages.
- c) To sue and to charge the Association for any and all expenses, direct or indirect, incurred by Manager in connection with such default.

All rights and remedies granted to Manager herein and any other rights and/or remedies which Manager may have at law or in equity are hereby declared cumulative and non-exclusive, and Manager may elect, without terminating this Agreement, to exercise any and all rights herein granted to Manager, and the fact that Manager may have exercised any remedy without terminating this agreement shall not impair Manager's rights thereafter to terminate this Agreement or to exercise any other remedy herein granted or to which Manager may otherwise be entitled. All amounts due to Manager which are not paid when due shall bear interest at the rate equal to four percent (4%) over the Prime Interest Rate in effect on the date when such payments are due and shall continue to bear interest at the Prime Interest Rate plus 4% on the last day of each calendar quarter while said amount is unpaid, and all funds received by Manager shall be first applied to the payment of accrued and unpaid interest. The term "Prime Interest Rate" shall mean the interest rate from time to time charged by AmeriTrust Company National Bank, for unsecured loans to its best customers for periods of less than ninety (90) days.

8. Manager Default. In the event of default on the part of Manager in its performance of the terms hereof and if Manager fails to perform such action or duty within thirty (30) days after due written notice has been served by the Association upon Manager specifying such default (or if the default is such that it cannot be removed within said thirty-day period and Manager shall thereafter fail to proceed with reasonable diligence to completely remove or cure such default), then Manager shall be deemed to be in default and the Association may, as its sole remedy, terminate this Agreement by thirty (30) days written notice to Manager specifying the particular default and the failure to cure such default and by paying to Manager any and all sums accrued to the date of termination and thereafter accruing.

9. Indemnification. The Association, for itself and each Unit Owner, shall and does hereby agree to defend, indemnify and save harmless Manager and its agents and employees from and against:

- a) Any and all claims, demands, expenses, costs and/or causes of action, including reasonable attorney fees, sustained or incurred for loss, injury and/or damage to any person or property in, about the Condominium Property and/or in connection with the Association, its properties and facilities, for any cause whatsoever, unless such loss, injury or damage shall be caused by Manager's own gross negligence or failure to comply with its obligations hereunder.
- b) Any and all claims, demands, liabilities, damages, penalties, costs and/or expenses for any and all acts performed by Manager pursuant to the instructions of the Association and/or the rights, duties, responsibilities and/or authorities herein delegated to and/or conferred or imposed upon Manager.

Manager shall not be liable or responsible for any error judgment or for anything it may do or refrain from doing under this Agreement, except in cases of willful misconduct or gross negligence. The Association and each Unit Owner shall and do hereby waive and relinquish any claim, demand or cause of action it or they may have against the Manager for any damage to person or property which the Association or any Unit Owner may incur due to the acts of the Manager and its agents, servants and employees; provided, however, that the within waiver shall be applicable only to the extent that the event causing such damage is insured by insurance policies maintained by the Association or any Unit Owner to the extent that the within waiver shall not invalidate any policies of insurance so maintained. The Association shall maintain fire and extended coverage insurance and public liability insurance, insuring the Association, its property and Condominium Property against all perils customarily insured against fire and extended coverage insurance.

10. Notice. Any and all notices required herein shall be delivered by hand or mail to the party entitled to receive the same by regular United States mail, postage prepaid, except notice of default or termination of this Agreement, which shall be delivered by hand or mailed to the party entitled to receive the same by United States Certified Mail Return Receipt Requested as follows.

11. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands at the time and place hereinabove written.

MANAGER:  
PINE REEF PROPERTIES CO.

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

AND BY: \_\_\_\_\_

ITS: \_\_\_\_\_

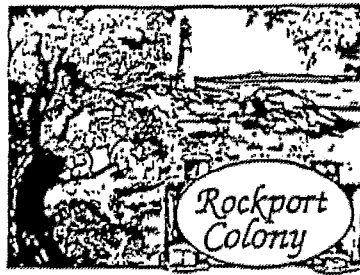
ASSOCIATION:  
ROCKPORT COLONY CONDOMINIUM  
UNIT OWNERS ASSOCIATION, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

**EXHIBIT SEVEN**

# EXHIBIT SEVEN



FEBRUARY 27, 1993

## ROCKPORT COLONY

### BASE PRICES:

MODEL "A".....	\$ 89,900
MODEL "B".....	\$ 91,900
MODEL "C".....	\$ 90,900
MODEL "D".....	\$ 92,900

### OPTION LIST:

REAR MASTER SUITE AND FAMILY ROOM....	\$ 10,900
1/2 BATH BELOW STAIRS.....	\$ 1,600
AIR CONDITIONING.....	\$ 1,495
FRONT PORCH.....	\$ 2,550
BAY WINDOW.....	\$ 1,260
PORTICO.....	\$ 1,075
FRONT DOOR SIDELITES (2).....	\$ 400
OPEN WALL KITCHEN.....	\$ 1,400
WALK OUT LOWER LEVEL (WITH DECK).....	\$ 14,500
FIREPLACE (WITH GAS LOG LIGHTER).....	\$ 2,475
END UNITS.....	\$ 750
ADDITION FOR EACH FUTURE PHASE.....	\$ 750

UPGRADE CABINETS: (includes hardware)	STANDARD	OPEN WALL
MEADOW OAK AND SUMMERHILL CATHEDRAL	\$ 1,000	\$ 1,300
CHERRY AND WHITEBAY.....	\$ 1,200	\$ 1,500



EXHIBIT EIGHT  
TO  
DISCLOSURE STATEMENT  
FOR  
ROCKPORT COLONY CONDOMINIUMS  
UNIT NUMBERS AND SCHEDULE OF PERCENTAGE INTEREST  
IN COMMON AREAS AND FACILITIES  
PHASE I-A

Unit Numbers	Building No.	Percentage Interest
11381	1	25.0%
11385	1	25.0%
11389	1	25.0%
11393	1	25.0%
TOTAL:		100.0%

Note:

In the event that the Developer elects to submit all or any portion of Parcel II to the Condominium Act and to construct additional Units thereon, each Owner's interest in the Common Areas and Facilities shall be reduced to that percentage which is represented by a fraction, the numerator of which is one (1) and the denominator of which is four (4) plus the number of Units contained in those portions of Parcel II which are submitted to the Condominium Act.

The maximum number of Units which may be constructed as part of Rockport Colony Condominiums in any event is one hundred fifty-one (151), including a maximum of one hundred forty-seven (147) Units to be constructed on Parcel II. In the event that a total of one hundred fifty-one (151) Units become a part of Rockport Colony Condominiums, each Owner's percentage interest in the Common Areas and Facilities shall be approximately .66225%.

EXHIBIT NINE

EXHIBIT NINE

ROCKPORT COLONY CONDOMINIUMS  
SCHEDULE OF LIMITED WARRANTIES

The following are the warranties with respect to the Condominium Property and the Units:

1. Limited Warranties are provided by the Developer for roof, structural and certain other portions of the Common Areas and with respect to certain components of each Unit as set forth in the Declaration.
2. Dishwasher, disposal and range hood 1 year Labor & Material
3. Hot Water Heater 1 Year Labor & Material

EXHIBIT TEN

EXHIBIT TEN

PURCHASER'S STATUTORY RIGHTS

Section 5311.27. OHIO REVISED CODE, READS AS FOLLOWS:

"Sec. 5311.27. (A) In addition to any other remedy available, a contract or agreement for the sale of a condominium ownership interest that is executed in violation of Section 531.26 of the Revised Code shall be voidable by the purchaser for a period of fifteen days after the date of sale of the condominium ownership interest or fifteen (15) days after the date upon which the purchaser executes a document evidencing receipt of the information required by Section 5311.26 of the Revised Code, whichever occurs later. Upon exercise of this right to void the contract or agreement, the Developer or his agent shall refund fully and promptly to the purchaser any deposit or other prepaid fee or item and any amount paid on the purchase price, and shall pay all closing costs paid by the purchase or for which he is liable in connection with the void sale.

"(B) Any Developer or agent who sells a condominium ownership interest in violation of Section 5311.25 or 5311.26 of the Revised Code shall be liable to the purchaser in an amount equal to the difference between the amount paid for the interest and the least of the following amounts:

- 1) The fair market value of the interest as of the time suit is brought;
- 2) The price at which the interest is disposed of in a bona-fide market transaction before suit;
- 3) The price at which the unit is disposed of after suit in a bona-fide market transaction but before judgment. In no case shall the amount recoverable under this division be less than the sum of FIVE HUNDRED DOLLARS (\$500.00) for each violation against each purchaser bringing an action under this division, together with court costs and reasonable attorneys' fees. If the purchaser complaining of the violation of Section 5311.25 or 5311.26 of the Revised Code has brought or maintained an action he knew to be groundless or in bad faith and the Developer or agent prevails, the court shall award reasonable attorneys' fees to the Developer or agent.

"(C) If he has a reason to believe substantial numbers of persons are affected and substantial harm is occurring or is about to occur to such persons, or that the case is otherwise of substantial public interest, the Attorney General may:

EXHIBIT ELEVEN

## EXHIBIT ELEVEN

### SCHEDULE OF ESTIMATED REAL ESTATE TAXES AND ASSESSMENTS

#### ROCKPORT COLONY CONDOMINIUMS

The Developer estimates that all of the Units of the Condominium Property will be assessed by the appropriate governmental officials based upon a fair market value which equals the selling price. As indicated in the Disclosure Statement and the Declaration, the governmental authorities in Summit County, Ohio will establish separate tax bills for each Unit in the Condominium Property and the separate real estate taxes and assessments will be charged to each Unit in the Condominium Property. Developer estimates at this time that real estate taxes and assessments attributable to each Basic Unit, without options, when separately taxed by the governmental authorities will be approximately \$2,100.00 per year payable in semi-annual installments of \$1,050.00, which is an approximate monthly rate of \$175.00. The addition of options to each Basic Unit will increase annual real estate taxes payable on each Unit proportionately. The Developer's estimate is based upon current real estate taxes and assessments in the general area of Summit County, Ohio. Developer has no way to determine what the amount of taxes and assessments will be until separately established by the respective governmental authority for each Unit, and the foregoing are only estimates.