

EXHIBIT "D"

**AMENDED AND RESTATED BYLAWS OF
ROCKPORT COLONY CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.**

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UNIT OWNERS ASSOCIATION, INC.**

The within Bylaws 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 Bylaws, the definition of any and all words, terms and/or phrases which appear or are used in these Bylaws are defined in the Declaration and shall have the same meaning in these Bylaws 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 Bylaws (hereinafter referred as the "Bylaws") 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 Bylaws (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 Bylaws and shall be further subject to any and all restrictions, conditions and/or regulations hereafter adopted by the Board of Directors 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 Bylaws.

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 Elements 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 Elements 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. Voting Methods. Voting on any matter, including the election of Directors, will be conducted via one of the following methods:

(a) **Voting by Mail-In Ballot.** Members may vote by written ballot as further provided in Bylaws Article II, Section 3, as amended.

(b) **Voting by Electronic Voting Technology.** Members may vote through the use of Electronic Voting Technology that is approved by the Board. "Electronic Voting Technology" as used in these Bylaws, means an electronic voting system that accurately and securely records the voting Member's intent to cast a ballot on a matter in the way identified by the Member, and provides for the counting of electronic votes submitted, including by means of internet, application, web, virtual, or other electronic technology. All matters to be voted on at a meeting must be sent to the Members no later than the date the meeting notice is sent to the Members in accordance with Bylaws Article I, Section 5(b) and 5(c), as amended. Voting via mail or by use of Electronic Voting Technology

is considered to be voting at the meeting, as if the Member were physically present.

(c) **Voting by Mail and by Electronic Voting Technology.** Voting may also be conducted by mail or Electronic Voting Technology as provided for in this Bylaws Article I, Section 4(b) above, or any combination of the voting methods permitted in this Section 4 prior to the meeting.

The Board will decide how voting will be conducted and will communicate to the Owners within a reasonable time before the vote which method or methods by which Owners will vote in accordance with this Section 4. As of the date this amendment is recorded, any voting by proxy is prohibited. Any ballots, regardless of method, received subsequent to the date and time the Board sets for ballots to be turned in will be held invalid. Any costs associated with voting, including mailing costs, printing, and Electronic Voting Technology costs and subscriptions, are common expenses. The Board may adopt any additional regulations, procedures, or rules as may be necessary to effectuate the intent and purpose of this voting provision to provide for the use of the desired voting method.

Section 5. Meetings of Members.

(a) **Annual Meeting.** For the election of the Board of Directors, the presentation of reports, and the transaction of any other business as is set forth in the meeting notice, the Association's annual meeting will be held at a time, at a place, and on a date during the month of April each calendar year as the Board of Directors determines and as stated in the meeting notice.

(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 Directors 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, the officer will 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 15 days after the receipt of the request as the officer may fix. If notice is not given within thirty (30) days after the delivery or mailing of the 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 another place upon the Condominium Property or at a place as specified in the notice of the 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 Bylaws 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.** Except as otherwise provided for by law or by the Declaration, the Members entitled to exercise at least 25 percent of the voting power who are present in person or by proxy, constitutes a quorum for any Association meeting. Under no circumstance, however, can any action required by law or by the Declaration or these Bylaws be authorized or taken by Members entitled to exercise a designated proportion of the voting power be authorized or taken by a lesser proportion. Members entitled to exercise a majority of the voting power at a meeting may adjourn the meeting to another date; if the date, time, and place to which the meeting is adjourned to are fixed and announced at the meeting, no additional notice to the Members is needed.

Ballots submitted via mail or by Electronic Voting Technology also will count that Unit towards the quorum. The Board of Directors may adopt procedures and guidelines to permit the Association to verify that the person attending, either in person or by Authorized Communications Equipment, as defined in Article I, Section 5(e) below as amended, is eligible to vote and to maintain a record of any vote.

(e) **Conduct of Meetings.** Prior to the meeting notice being sent to the Members in accordance with Bylaws Article I, Section 5(b) and 5(c), as amended, the Board will determine whether the meeting will be conducted physically so that the Members may attend in person, or by the use of Authorized Communications Equipment. "Authorized Communications Equipment," as used in these Bylaws, means any communications equipment that is selected by the Board, in its sole discretion, that provides an electronic communication transmission, including but not limited to, by telephone, video conference, or any electronic means, from which it can be determined that the transmission was authorized by, and accurately reflects the intention and participation of the Member. If it is determined that the meeting will be held via Authorized Communications Equipment, the Board will decide if the Members have the option to attend in person or via Authorized Communications Equipment or both.

If Authorized Communications Equipment is used, the persons utilizing the Authorized Communications Equipment must have the ability to communicate with the other participants to indicate their motion, vote, or statement, provided that the president, chair, or other person designated by the Board moderating the meeting, may silence or mute the Authorized Communications Equipment utilized to attend the meeting, unless the Member is voting or has been recognized by the meeting chair or moderator to participate in the meeting. The meeting chair or moderator has the authority to decide and determine all procedural motions or other procedural matters to be decided at the meeting, including points of order and adjournment. The Board's purpose or reason for not conducting an in person meeting and instead having a meeting via Authorized Communications Equipment must be documented in the Board's meeting minutes.

(f) **Actions Without a Meeting.** All actions, except the election of or removal of a Director, which must be taken at a meeting of the Association as provided in these Bylaws, may be taken without a meeting in accordance with the voting methods in Bylaws Article I, Section 4, as amended. The voting records will be maintained with the books 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 Elements 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. Unless, by express statutory provision of the statutes of the State of Ohio or of these Bylaws 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 Directors, 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 DIRECTORS

Section 1. Number and Qualifications. The number of Board members shall be up increased to five (5). Three (3) Board positions shall be up for election in 1997 and two (2) Board positions shall be elected in 1998. Board members shall serve a two (2) year term. Therefore, a five (5) member Board with two (2) year terms shall be elected and this 3-2 rotation shall continue yearly thereafter. The Board members of Rockport Colony Condominium Unit Owners Association, Inc. shall be and shall be known and designated as the Directors and shall collectively comprise the Board of Directors of the Association. The Board of Directors shall consist of five (5) persons except as otherwise provided in these Bylaws, all of whom must be Owners or the spouse of an Owner and occupiers of a Unit, except as provided otherwise in these Bylaws. If an Owner is not an individual, that Owner may nominate for the Board of Directors any principal, member of a limited liability company, partner, director, officer, or employee of that Owner. The majority of the Board will not consist of Owners or representatives from the same Unit unless authorized by a resolution adopted by the Board of Directors prior to the Board majority being comprised of Owners or representatives from the same Unit.

Section 2. Powers, Authorities and Duties. The Board of Directors 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 Bylaws, 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 Directors or by the Bylaws or by the Declaration directed to be exercised and done by the Members individually. The powers of the Board of Directors 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 Elements as may be consistent with the Declaration and these Bylaws and to amend such rules and regulations from time to time;
- (e) To provide for the maintenance, repair and replacement of the Common Elements and Limited Common Elements, except as otherwise provided in the Declaration or these Bylaws;
- (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.
- (h) In accordance with Ohio Revised Code Section 5311.081(B), in addition to all other powers enumerated herein, the Board may exercise all powers of the Association, including the power to do the following:
 - (1) Hire and fire attorneys, accountants, and other independent contractors and employees that the Board determines are necessary or desirable in the management and/or operation of the Condominium Property and the Association;

(2) Commence, defend, intervene in, settle, or compromise any civil, criminal, land use planning or administrative action or proceeding that is in the name of, or threatened against, the Association, the Board, or the Condominium Property, or that involves two or more Unit Owners, impacts zoning, or otherwise relates to matters affecting the Condominium Property;

(3) Enter into contracts and incur liabilities relating to the operation of the Condominium Property;

(4) Grant easements, leases, licenses, and concessions through or over the Common Elements;

(5) Impose and collect fees or other charges for the use, rental, or operation of the Common Elements or for services provided to Unit Owners;

(6) Enter a Unit for bona fide purposes when conditions exist that involve an imminent risk of damage or harm to Common Elements, another Unit, or to the health or safety of the occupants of that Unit or another Unit;

(7) Purchase insurance and fidelity bonds the Board considers appropriate or necessary; and

(8) Invest excess funds in investments that meet standards for fiduciary investments under Ohio law.

Section 3. Nominations, Election of Directors, Vacancies.

(a) **Nominations.** Nominations for the election of Directors to be elected by the Members will be made by a nominating committee appointed by the Board or, if a committee is not appointed, by the Board itself, there will be no nominations from the floor. The nominating committee, or Board, will make as many nominations for election to the Board as it, in its discretion, determines, but no fewer than the number of vacancies that are to be filled and will verify that the nominees satisfy all qualification requirements of Bylaws Article II, Section 1, as amended. Any Member may submit their name to the nominating committee, or Board, as a candidate, and the nominating committee, or Board, must nominate that Member if that Member satisfies all the qualifications to be a Director. If there are fewer nominees than vacancies,

the nominating committee, or Board, must nominate additional Member(s) to be elected prior to the ballots being sent to the Members so that there are, at all times, a sufficient number of nominees to fill all Board vacancies that are up for election.

Prior to sending the meeting notice, the nominating committee, or Board, will establish deadlines for when a request for nominations is sent to all Members and when receipt of nominations must be obtained. Nominations must be made and received within a reasonable time period prior to the notice of any meeting where Directors are to be elected is sent in accordance with Bylaws Article I, Section 5(b) and 5(c), as amended, so that the voting information containing all the candidates' names and an informational sheet, within size limitations determined by the Board, containing their biographical information and affirming their candidacy, can be transmitted to the Members no later than the sending of the meeting notice. The Board may adopt any additional regulations, procedures, or rules necessary to establish processes and deadlines in accordance with this nominations provision.

(b) Election of Directors. Unless there are no more nominees than vacancies, election to the Board by the Members is by secret ballot, submitted either by mail, by Electronic Voting Technology, or a combination of those methods, as determined by the Board pursuant to Bylaws Article I, Section 4, as amended. The Association is not required to send ballots to the Members via any method if there are an equal number of nominations as there are candidates, in which case the nominated candidates will automatically be elected to the Board of Directors at the election meeting.

Regardless of the voting method, the Board must adopt rules and safeguards to determine a method by which the secrecy of the ballots are maintained for those Members while also maintaining the integrity of the voting process to ensure each Member has only exercised their allotted vote once so that any other individuals can only identify that a Unit has voted, and not how a Unit has voted. The ballots, whether electronic or written, will list the number of open seats for Directors up for election and list the names of all of the nominated candidates.

If voting by mail, ballots must be submitted within dual envelopes. One of the two envelopes must contain the ballot itself, the "Ballot Envelope." The Ballot Envelope need not be signed. The second envelope must contain the Ballot Envelope and the ballot, the "Signature Envelope." The Signature Envelope must be signed by the Member(s) voting, and will be used as a record of receipt of the Member's ballot as well as to determine quorum. If the Signature Envelope is not signed by the Member(s), the ballot in the Ballot Envelope will not be counted.

For the election of Directors, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes will be elected. Unless the nominated candidates whom have received the largest number of votes agree otherwise, ties, including if there are an equal number of nominees as there are positions with different terms, will be determined by lot or flip of a coin by the chair or moderator of the meeting. Cumulative voting is not permitted.

The nominating committee, or if a nominating committee is not appointed, the Board itself (excluding any incumbent Directors who are running for re-election), is responsible for (i) confirming all nominated candidates meet the qualifications to serve as a Director, (ii) receiving and verifying any ballots that are cast in person or by mail, (iii) receiving and verifying any ballots cast using Electronic Voting Technology, (iv) counting each ballot submitted through any voting method, and (v) verifying the results of the election by providing the ballots and results to the chair or moderator of the meeting.

The chair or moderator will announce the election results at the meeting to be reflected in the meeting minutes and the Board will ensure the election results are provided to all Members within a reasonable time after the meeting.

(c) **Vacancies**. In the event of any vacancy or vacancies on the Board, the remaining Director(s), by a majority vote of their number, may appoint an Association Member(s) to fill any vacancies) for the remainder of the unexpired term. If the vote by the Board to fill the vacancy results in a tie, selection will be by a flip of a coin.

Section 4. Term of Offices Resignations. Except as specifically provided otherwise herein, each Director shall hold office for a two (2) year term and until the annual meeting of the Members of the Association at which the Director's successor is elected, or until the Director's earlier resignation removal from office or death. Any Director may resign at any time by oral statement to the effect made at a meeting of the Board of Directors 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 Director may specify. Members of the Board of Directors 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, the term of office of the elected Directors 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 Directors 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 Directors, all Directors 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 Directors of those Directors 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 Directors may be held at such times and places as shall be determined by a majority of the Directors, but at least three (3) such meetings shall be held during the fiscal year of the Association. In accordance with Ohio Revised Code Section 5311.08(A)(4)(a), any Board meeting may be held in person or by any method of communication, including electronic or telephonic communication, provided that each Board member can hear, participate and respond to every other Board member. In lieu of conducting a meeting, the Board may take action with the unanimous written consent of the Directors; those written consents will be filed with the Board meeting minutes.

Section 7. Special Meetings. Special meetings of the Board of Directors may be held at any time upon call by the President or any two Directors. Notice of the time and place of each such meeting shall be given to each Director, 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 Director 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 Director of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting, by any Director, 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 Directors shall consist of the Directors present at a meeting duly noticed and held, whether or not a majority of the members of the Board of Directors 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 Directors 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 Directors present is the act of the Board of Directors, except as may be otherwise expressly provided in the Declaration or in these Bylaws.

Section 9. Removal of Directors. 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 Directors, except the Director, if any, acting as a representative of a lending institution, may be removed with or without cause by the vote of Directors entitled to exercise at least seventy-five percent (75%) of the voting power of the Association, and a successor or successors to such Director or Directors so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Director whose removal has been proposed by the Members of the Association shall be given an opportunity to be heard at such meeting.

Section 10. Fidelity Bonds. The Board of Directors 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.

The Board may maintain blanket fidelity, crime, or dishonesty insurance coverage for any person who controls or disburses association funds. As used in this section, "person who controls or disburses association funds" means any individual with authority or access to sign checks, conduct electronic transfers, or otherwise withdraw funds from any association account or deposit, including the following:

- (a) A management company's principals and employees;
- (b) A bookkeeper;
- (c) The president, secretary, treasurer, any other board member, or employee of the unit owners association.

All of the following apply to the insurance coverage required under this section:

- (1) Coverage shall be for the maximum amount of funds that will be in the custody of the association or its designated agent at any one time plus three months of operating expenses.
- (2) The insurance shall be the property of and for the sole benefit of the association and shall protect against theft, embezzlement, misappropriation, or any other unauthorized taking or loss of association funds.
- (3) The policy shall include in its definition of "employee" the manager and the managing agent of the association's funds or provide for this inclusion by an endorsement to the policy.
- (4) The policy shall name the association as the insured party and shall include a provision requiring the issuer of the policy to provide a ten-day written notice to the association's president or manager in the event of cancellation or substantial modification of the policy. The manager or managing agent, if any, of the association shall be the designated agent on the policy.
- (5) If there is a change in the manager or the managing agent of the association, then within ten days of the effective start date, the new manager or managing agent shall notify the insurer of such change.

ARTICLE III

OFFICERS

Section 1. Election and Designation of Officers. The Board of Directors 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 Directors. A member of the Board of Directors may hold more than one office. The Board of Directors 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 Directors nor Unit Owners.

Section 2. Term of Offices Vacancies. The officers of the Association shall hold office until the next organizational meeting of the Board of Directors and until their successors are elected, except in case of resignation, removal from office or death. The Board of Directors may remove any officer at any time with or without cause by a majority of the Directors then in office. Any vacancy in any office may be filled by the Board of Directors.

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 Directors. Subject to directions of the Board of Directors, 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 Directors or otherwise provided for in the Declaration or in these Bylaws.

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 Directors.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of the Members of the Association and of the Board of Directors. The Secretary shall keep such books as may be required by the Board of Directors, shall give notices of meetings of Members of the Association and of the Board of Directors required by law, or by those Bylaws or otherwise, and shall have such authority

and shall perform such other duties as may be determined by the Board of Directors.

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 Directors. The Treasurer shall keep accurate financial accounts and hold the same open for inspection and examination of the Directors and shall have such authority and shall perform such other duties as may be determined by the Board of Directors.

Section 7. Other Officers. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board of Directors may appoint, shall respectively, have such authority and perform such duties as may be determined by the Board of Directors.

Section 8. Delegation of Authority and Duties. The Board of Directors 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 Elements, 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 Directors 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 Directors, 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 Directors 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 Elements and/or Common Elements, 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 Bylaws and for the organization, operation and enforcement of the rights of the Association;

(f) **Care of Common Elements.** The cost of landscaping, gardening, snow removal, cleaning, tuck-pointing, maintenance, decorating, repair, and replacements of the Common Elements and the parts of the Limited Common Elements 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 Elements, 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 Elements or Common Elements) and such furnishings and equipment for the Common Elements 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 Elements, except as otherwise provided in the Declaration or in these Bylaws:

(g) **Certain Maintenance of Units.** The cost of the maintenance and repair of any Unit or Limited Common Elements if such maintenance or repair is necessary, in the discretion of the Association, to protect or improve the Common Elements, 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 Bylaws, 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 Bylaws.

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 Elements, subject to all the provisions of the Declaration and these Bylaws), 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 Elements 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.

Section 3. Rules and Regulations. The Board of Directors 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 Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 4. 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 5. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Directors 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 Directors of the Association shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

Section 6. 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 Bylaws, shall be resolved in

favor of the Declaration or these Bylaws, 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 Bylaws of the Association, the terms and provisions of the Declaration shall prevail, and the Owners and all persons claiming under them covenant to vote in favor of such amendments in the Bylaws as 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 Elements 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 Directors 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 Elements 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 Bylaws 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 Elements 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 Elements 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. In accordance with Ohio Revised Code Section 5311.21, in the alternative, if the Association has collected a Common Surplus at the end of any fiscal year, the Board may determine that such amount will be applied toward reserves.

Section 3. Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements in an amount deemed adequate by the Board to maintain a reserve for the cost of unexpected repairs and replacements of capital improvements and for the repair and replacement of major improvements in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of special assessments, unless the Unit Owners, exercising not less than a majority of the voting power of the Association, waive the reserve requirement in writing annually. 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 Elements. 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. The Board of Directors of the Association 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 Directors 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 Directors 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.

The Association, as determined by the Board, is not required to permit the examination and copying of any of the following from books, records, or minutes that contain any of the following:

(a) Information that pertains to Condominium Property-related personnel matters;

(b) Communications with legal counsel or attorney work product pertaining to pending litigation or other Condominium Property-related matters;

(c) Information that pertains to contracts or transactions currently under negotiation, or information that is contained in a contract or other agreement containing confidentiality requirements and that is subject to those requirements;

(d) Information that relates to the enforcement of the Declaration, Bylaws, or Association rules and regulations against an Owner;

(e) Information the disclosure of which is prohibited by state or federal law; or

(f) Records that date back more than five years prior to the date of the request.

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 Elements as provided in the Declaration.

Section 8. Annual Audit. The books of the Association shall be audited once a year by the Board of Directors, and such audit shall be completed prior to each annual meeting of the Members. If requested by two (2) members of the Board of Directors, 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 2/3%) interest in the Common Elements of

the Condominium Property, the Board of Directors shall cause an additional audit to be made by a certified public accountant.

Section 9. 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 Directors 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 Directors 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 Directors 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 Directors 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.

In accordance with Ohio Revised Code Section 5311.081(B)(18), when a Unit Owner is delinquent in the payment of Assessments for more than thirty (30) days, the Board may, by a majority vote, suspend the voting privileges of the owner and/or right of the occupants to use the recreational facilities.

Section 10. Special Services. In accordance with Ohio Revised Code Section 5311.081(B)(15), the Board may impose reasonable charges to the Unit Owner for providing copies of the Declaration, Bylaws or amendments thereto as well as reasonable charges for the handling of re-financing and/or resale documentation, and/or statements of unpaid Assessments.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Copies of Notice to Mortgage Lenders. Upon written request to the Board of Directors, the holder of any duly recorded mortgage or trust deed against any Unit shall be given a copy of any and all notices permitted or required by the Declaration or these Bylaws to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

Section 2. Service of Notices on the Board of Directors. Notice is required to be given to the Board of Directors or to the Association and may be delivered to any Member of the Board of Directors or officer of the Association either personally or by mail addressed to such member or officer at such person's Unit.

Section 3. 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 4. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 5. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and Bylaws shall be deemed to be binding on all Owners, their respective successors, heirs and assigns.

Section 6. Notices of Mortgages. Any Owner who mortgagee 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 7. Enforceability of Covenants. The invalidity of any covenant, restriction, condition, limitation or any other provision of these Bylaws, or any part of the same shall not impair or affect in any manner the validity, enforceability or effectiveness of these Bylaws.

Section 8. Rule Against Perpetuities. If any of the privileges, covenants or rights established by these Bylaws 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 9. Joint Management Contracts. The Board of Directors shall have the right to enter into any agreement authorized under the Condominium Act, the Declaration and/or these Bylaws.

Section 10. Use and Occupancy Restrictions.

(a) **Restrictions on Use of Units.** Except as is provided in these Bylaws or in the Declaration, 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 Bylaws 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 Directors. 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 Directors. Notwithstanding the foregoing, each Owner may install landscaping, including plantings, within that portion of the Common Elements which is within eight feet (8') of such Owner's Unit, or within eight feet (8') of the Limited Common Elements 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 Elements 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 Directors. No articles of personal property belonging to any Owner shall be stored in any portion of the Common Elements except in the storage area specifically designated for the respective Owner by the Board of Directors or the Managing Agent as Limited Common Elements.

(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 Directors, 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 Directors.

(e) **Insurance Coverage.** Each Owner shall be required upon request by the Board of Directors to maintain in effect a comprehensive public liability insurance policy in such limits as the Board of Directors may establish from time to time insuring the Owner and the Association, the Board of Directors, the managers and the managing agent, against liability in connection with such

Owner's own Unit; provided, however, that the Board of Directors 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 Directors, 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 Directors 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 Elements 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, Director, managing agent, and their respective agents.

Section 11. 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 Bylaws (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 Bylaws 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 Elements, 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 Elements 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 Elements) 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 Elements.

(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 Elements 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 Elements.

(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 Bylaws.

(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 Elements comprising the Condominium Property if such loss or taking exceed Ten Thousand Dollars (\$10,000.00).

Section 12. Amendment of Bylaws. These Bylaws 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; provided further amendment may be made to these Bylaws for the reasons as provided in Article XX(L) of the Declaration.

ARTICLE VII

INDEMNIFICATION

Section 1. Indemnification of Directors, Officers, and Committee Members. The Association must indemnify and defend (as provided below): (1) any current or former Association Director, (2) any current or former Association officer, (3) any current or former Association committee member, or (4) any of said Director's, officer's, or committee member's respective heirs, executors, and administrators; against reasonable expenses, including attorneys' fees, judgments, decrees, fines, penalties, or amounts paid in settlement, actually and necessarily incurred by them in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, derivative or third party, to which they are or may be made a party by reason of being or having been a Director, officer, or committee member provided it is determined, in the manner set forth below, that (i) the Director, officer, or committee member was not and is not adjudicated to have been grossly negligent or guilty of misconduct in the performance of their duty(ies) to the Association; (ii) the Director, officer, or committee member acted in good faith in what they reasonably believed to be in, or not opposed to, the Association's best interest; (iii) in any criminal action, suit, or proceeding, the Director, officer, or committee member had no reasonable cause to believe that their conduct was unlawful and is not convicted of theft or other theft-related crime including but not limited to larceny, forgery, false pretenses, fraud, embezzlement, conversion, or any conspiracy related to any theft-related crime; and (iv) in case of settlement, the amount paid in the settlement was reasonable.

The above determination required will be made by written opinion of independent legal counsel whom the Board will choose. Notwithstanding the opinion of independent legal counsel, to the extent that a Director, officer, or committee member is successful in defense of any action, suit, or proceeding, or in the defense of any claim, issue, or matter, as the Board so verifies, they must, in that event, be indemnified and reimbursed for any costs and expenses, including legal fees, incurred in the defense. Any defense the Association provides will be by legal counsel the Association's insurance carrier selects or, if not selected by the Association's insurance carrier, a majority of the Directors excluding the accused or threatened Director(s). If a majority of the Directors cannot agree on legal counsel or if all the Directors are accused or threatened in any action, the Board will appoint a special committee of three Owners to select legal counsel to defend the Directors.

Section 2. Advance of Expenses. The Association may advance funds to cover expenses, including attorneys' fees, with respect to any pending or threatened action, suit, or proceeding prior to the final disposition upon receipt of a request to repay the amounts.

Section 3. Indemnification Not Exclusive; Insurance. The indemnification provided for in this Article is not exclusive but is in addition to any other rights to which any person may be entitled under the Articles of Incorporation, the Declaration, these Bylaws, or rules and regulations of the Association, any agreement, any insurance provided by the Association, the provisions of Ohio Revised Code Section 1702.12(E) and its successor statutes, or otherwise. The Association must purchase and maintain insurance on behalf of any person who is or was a Director, officer, or committee member against any liability asserted against them or incurred by them in the capacity or arising out of their status as a Director, officer, or committee member.

Section 4. Directors, Officers, and Committee Members Liability. The Association's Directors, officers, and committee members are not personally liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct or bad faith. The Association's and Owners' indemnification includes, but is not limited to, all contractual liabilities to third parties arising out of contracts made on the Association's behalf, except with respect to any contracts made in bad faith or contrary to the provisions of the Declaration or these Bylaws. Every contract or agreement approved by the Board and made by any Director, officer, or committee member is made only in the Director's, officer's, or committee member's capacity as a representative of

the Association and has no personal liability under the contract or agreement (except as a Member).

Section 5. Cost of Indemnification. Any sum paid or advanced by the Association under this Article constitutes a common expense. The Board has the power and the responsibility to raise, by special assessment or otherwise, any sums required to discharge the Association's obligations under this Article; provided, however, that the liability of any Members arising out of the contract made by any Director, officer or committee member, or out of the aforesaid indemnity in favor of the Director, officer, or committee member is limited to the proportion of the total liability as said Member's pro rata share bears to the total percentage interest of all the Owners as Association Members.