

BY-LAWS

OF

CARRIAGE HILL CHAGRIN CONDOMINIUM OWNERS' ASSOCIATION, INC.

EXHIBIT B

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EXHIBIT B

BY-LAWS OF CARRIAGE HILL CHAGRIN
CONDOMINIUM OWNERS' ASSOCIATION, INC.

The within By-Laws are executed and attached to the Declaration of Carriage Hill Chagrin Condominium pursuant to Chapter 5311, Ohio Revised Code. Their purpose is to provide for the establishment of a Unit Owners Association for the government of the Condominium Property in the manner provided by the Declaration and by these By-Laws. All present or future owners or tenants or their employees, or any other person who might use the facilities of the Condominium Property in any manner shall be subject to the covenants, provisions or regulations contained in the Declaration and these By-Laws and shall be subject to any restriction, condition or regulation hereafter adopted by the Board of Managers of the Association. The mere acquisition or rental of any of the Family Units (hereinafter referred to as "units") located within the Condominium Property described in the Declaration, or the mere act of occupancy of any of the units will constitute acceptance and ratification of the Declaration and of these 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 Carriage Hill Chagrin Condominium Owners' Association, Inc.

Section 2. Membership. Each unit owner, upon acquisition of title to a unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such member of his unit, at which time the new owner of such unit shall automatically become a member of the Association.

Section 3. Voting Rights. There shall be one vote for each of the ten (10) units comprising the Condominium Property, and the owner or owners of each unit shall be entitled to one vote for their unit.

Section 4. Proxies. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board of Managers of the Association and shall be revocable at any time by actual notice to the Board of Managers by the member or members making such designation. Notice to the Board of Managers in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meeting of Members

(a) Annual Meeting. The annual meeting of members of the Association for the election of members of the Board of Managers, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association or at such other place upon the Condominium Property as may be designated by the Board of Managers and specified in the notice of such meeting at 8:00 o'clock P.M., or at such other time as may be designated by the Board of Managers and specified in the notice of the meeting. The first annual meeting of members of the Association shall be held when at least six (6) of the units are occupied or on February 2, 1966 whichever shall first occur. Thereafter, the annual meeting of the Association shall be held in each succeeding year thereafter, on the first Tuesday of the month in which the first annual meeting was held, if not a legal holiday and, if a legal holiday, then on the 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 three (3)

First meeting held on October 5, 1965

of the votes of the Association. Upon request in writing delivered either in person or by certified mail to the President or the Secretary of the Association by any persons entitled to call a meeting of members, such officer shall forthwith cause to be given to the members entitled thereto notice of a meeting to be held on a date not less than seven (7) or more than sixty (60) days after the receipt of such request as such officer may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such request, the persons calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be called to convene at 8:00 o'clock P.M. and shall be held at the office of the Association or at such other place upon the Condominium Property as shall be specified in the notice of meeting.

(c) Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting, of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or 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 a unit owner of record as of the day preceding the day on which notice is given. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any members of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the commencement of the meeting, the lack

of proper notice, shall be deemed to be a waiver by him 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 of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

(e) Order of Business. The order of business at all 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) Election of Inspectors of election;
- (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 a writing or writings signed by members having the percentage of voting power required to take such action if same were taken at a meeting. Such writings shall be filed with the Secretary of the Association.

ARTICLE II
BOARD OF MANAGERS

Section 1. Number and Qualification. The Board of Managers shall consist of five persons, except as otherwise provided, all of whom must be owners or persons who could be heirs-at-law of the owner under the Ohio statutes of descent and distribution and occupiers of a unit. For two years following filing the Declaration, if Westchester Estates, Inc., which together with its successors and assigns is herein called "Westchester" shall own any units, no less than one member of the Board shall be designated by it who need not be an owner or occupier of a unit. For such period any nominees of Westchester, if elected to the Board of Managers, need not be owners or occupier of units. If at any time, one bank, savings and loan association, insurance company or other lending institution shall hold mortgages upon more than fifty percent (50%) of the units, such lending institution may designate its representative who shall be a sixth member of the Board of Managers. Such representative need not be an owner or occupier of a unit.

Section 2. Election of Managers; Vacancies. The required 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 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 Section 1 of this Article II, if any, shall be filled by such lending institution, and a vacancy in the position filled by designation of Westchester shall be filled by Westchester

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Section 3. Term of Office; Resignations. Each Manager shall hold office until the next annual meeting of the members of the Association and until his successor is elected, or until his earlier resignation, removal from office or death. Any Manager may resign at any time by oral statement to that effect made at a meeting of the Board of Managers or in a writing to that effect delivered to the Secretary of the Association; such resignation shall take effect immediately or at such other time as the Manager may specify. Members of the Board of Managers shall serve without compensation. At the first annual meeting of the members of the Association, the term of office of three Managers shall be fixed so that such term will expire one year from the date of the next annual meeting of members of the Association. The term of office of the remaining two Managers shall be fixed so that such term 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 each respective Manager, his successor shall be elected to serve for a term of two (2) years.

Section 4. Organization Meeting. Immediately after each annual meeting of members of the Association, the newly elected Managers and those Managers whose terms hold over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 5. 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 four such meetings shall be held during each fiscal year.

Section 6. Special Meetings. Special meetings of the Board of Managers may be held at any time upon call by the President or any two Managers. Written 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 days before the meeting, which notice need not specify the purposes of the meeting; provided, however, that attendance of any Manager at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting, by any Manager, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 7. Quorum; Adjournment. A quorum of the Board of Managers shall consist of a majority of the Managers then in office; provided that a majority of the Managers present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board of Managers at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these By-Laws.

Section 8. 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 or a member designated by Westchester as provided in Section 1 of this Article II, may be removed with or without cause by the vote of members entitled to exercise at least seventy-five percent (75%) of the voting power of the Association, and a successor or successors to such Manager of Managers so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Manager whose removal has been pro-

posed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 9. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Association handling 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, each of whom shall be a member of the Board of Managers. The Board of Managers may also appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary who are not members of the Board of Managers but who are members of the Association; or persons who could be heirs-at-law of a unit owner under the Ohio statutes of descent and distribution provided they are occupiers of a unit.

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

Section 3. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board of Managers. Subject to directions of the Board of Managers, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations

of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board of Managers or otherwise provided for in the Declaration or in these 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. He shall keep such books as may be required by the Board of Managers, shall give notices of meetings of members of the Association and of the Board of Managers required by law, or by these 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 in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board of Managers. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Managers and shall have such authority and shall perform such other duties as may be determined by the Board of Managers.

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 action of the officers and to require the performance of duties in addition to those mentioned herein.

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ARTICLE IV

GENERAL POWERS OF THE ASSOCIATION

Section 1. Payments From Maintenance Funds. The Association, for the benefit of all the owners, shall acquire, and shall pay for out of the maintenance fund hereinafter provided for, the following:

(a) Utility Services. The cost of water, waste removal, electricity, telephone, heat, power or any other necessary utility service for the Common Areas and Facilities. The cost of water-lines, waste removal 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. 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 premium upon a policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually;

(c) Liability Insurance. The premium upon a policy or policies insuring the Association, the members of the Board, and the owners against any liability to the public or to the owners (of units and of the Common Areas and Facilities, and their invitees or tenants), incident to the ownership and/or use of the Common Areas and Facilities, as provided in the Declaration, the limits of which policy shall be reviewed annually;

(d) Workmen's Compensation. The costs of workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(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 (including a recreation director, if any), and legal and/or accounting services necessary or proper in the 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, painting, cleaning, tuck-pointing, maintenance, decorating, repair and replacements of the Common Areas and Facilities (but not including the interior surfaces of the units or the Limited Common Areas and Facilities, which the owner shall paint, clean, decorate, maintain and repair), the painting, cleaning and decorating of the exterior surfaces of the buildings and all surfaces of the carports and storage areas, the operation of swimming pools and other recreational facilities situated on the Common Areas and Facilities, and such furnishing 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 acquire the same for the Common Areas and Facilities.

(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 the Common Areas and Facilities, or any other portion of a building, and the owner or owners of said unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the

Association to said owner or owners, provided that the Association shall levy special assessment against such unit owner for the cost of said maintenance or repair.

(N) 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 owners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said owners;

(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 and these By-Laws or by law or which in its opinion shall be 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 enumerated shall be limited in that the Association shall have no authority to acquire and pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Areas and Facilities, subject to all the provisions of the Declaration and these By-Laws) having a total cost in excess of Five Hundred Dollars (\$500.00), nor shall the Association authorize any structural alterations, capital additions to, or

capital improvements of the Common Areas and Facilities requiring an expenditure in excess of Five Hundred Dollars (\$500.00), without in each case the prior approval of the members of the Association entitled to exercise a majority of the voting power of the Association, provided that during the two year period following filing of the Declaration, if Westchester shall own any of the Units, its consent to such expenditure shall be required.

Section 3. Association's Right to Enter Units. The Association or its agents may enter any unit when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Association, at the expense of the maintenance fund. The Association reserves the right to retain a pass key to each unit and no locks or other devices shall be placed on the doors to the units to obstruct entry through the use of such pass key. In the event of any emergency originating in or threatening any unit at a time when required alterations or repairs are scheduled, the management agent or his representative or any other person designated by the Board of Managers may enter the unit immediately, whether the owner is present or not.

Section 4. Rules and Regulations. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, may adopt such reasonable rules and regulations and from time to time amend the same, supplementing the rules and regulations set forth in the Declaration and these By-Laws as it may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the owners and occupants of the Condominium Property. Written notice of such rules and regulations shall be given to all owners and occupants and the Condominium Property shall at all times be maintained

subject to such rules and regulations. In the event such supplemental rules and regulations shall conflict with any provisions of the Declaration or of these By-Laws, the rules and regulations 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 all the owners or any of them.

Section 6. Special Services. The Association may arrange for the provision of any special services and facilities for the benefit of such owners and/or occupants as may desire to pay for the same, including, without limitation, cleaning, repair and maintenance of units and provision of special recreational, educational or medical facilities. Fees for such special services and facilities shall be determined by the Board of Managers and may be charged directly to participating owners, or paid from the maintenance fund and levied as a special assessment due from the participants.

Section 7. 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 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 8. Applicable Laws. The Association shall be subject to and governed by the provisions of any statute adopted at any time and applicable to property submitted to the Condominium form of ownership (including, without limitation, Chapter 5311, Ohio Revised Code); provided, however, that all inconsistencies between or among the permissive provisions of any statute and any provision of the Declaration and these By-Laws, shall be resolved in favor of the Declaration and these By-Laws, and any inconsis-

tencies between any statute applicable to associations formed to administer property submitted to the Condominium form of ownership, shall be resolved in favor of the latter statute. In the event of any conflict or inconsistency between the provisions of the Declaration and the Articles or 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 Articles or By-Laws as will remove such conflicts or inconsistencies.

ARTICLE V

DETERMINATION AND PAYMENT OF ASSESSMENTS

1. Obligation of Owners to Pay Assessments. It shall be the duty of every unit owner to pay his proportionate share of the expenses of administration, maintenance and repair of the Common Areas and Facilities and of the other expenses provided for herein. Such proportionate share shall be in the same ratio as his percentage of ownership in the Common Areas and Facilities as set forth in the Declaration. Payment thereof shall be in such amounts and at such times as may be determined by the Board of Managers of the Association, as hereinafter 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 wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, 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 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 1st of each and every month of said year, each owner shall be obligated to pay to the

Association or as it may direct one-twelfth (1/12th) of the assessment made pursuant to this paragraph. 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 for 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 due from owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six months after rendering of the accounting.

Section 3. Reserve for Contingencies and Replacements.

The Association shall build up and maintain a reasonable reserve for contingencies and replacement. 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 same 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. When the first Board of Managers elected hereunder takes office, the Association shall determine the "estimated cash requirement", as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against the owners during said period as provided in Section 2 of this Article V.

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

Section 6. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any owner or any representative of an 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 unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

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 such special assessments as may be levied hereunder against less than all of the owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the owners in proportion to each owner's percentage ownership in the Common Areas and Facilities as provided in the Declaration.

Section 8. Assessments Prior to Organization of Association. Until such time as the Association is organized, monthly assessments in the amount of \$15.00 per unit shall be paid by the owner of each unit (including those units owned by Westchester) and such sums shall be deposited with a bank or savings and loan association in Cuyahoga County, Ohio, for the account of and for the benefit of the Association. Such payments in such amount shall continue to be paid until the amount thereof shall be readjusted in accordance with the provisions of the Declaration and these By-Laws immediately following the organization of the Association. After the Association has been organized, Westchester shall continue to pay its proportionate share of the monthly assessments to the Association for each unit, the title to which is vested in Westchester.

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. If requested by two members of the Board of Managers, such audit shall be made by a Certified Public Accountant. In addition and at any time, requested by the owners of four or more units, including Westchester, the Board of Managers shall cause an additional audit to be made.

Section 10. Remedies for Failure to Pay Assessments. If an owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board of Managers may bring suit for and on behalf of themselves and as representatives of all owners, to enforce collection

thereof or to foreclose the lien therefor as provided in the Declaration. There shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by the Declaration, any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided, shall be a lien or charge against the unit ownership of the owner involved when payable, and may be foreclosed by an action brought in the name of the 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 other unit owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any encumbrancer may from time to time request in writing a written statement from the Board of Managers setting forth the unpaid common expenses with respect to the unit covered by his encumbrance and unless the request shall be complied with within twenty (20) days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a unit may pay any unpaid common expenses payable with respect to such unit and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid at the same rank as the lien of his encumbrance.

Section 11. Security Deposits from Certain Owners. If in the judgment of the Board the equity interest of any owner (whether the original owner or a subsequent purchaser or transferee) in his unit at any time is not sufficient to assure realization (whether by foreclosure of the lien referred to in Section 10 above, or otherwise) of all assessments, charges or other sums which may be levied by the Association, then whether or not such owner shall

be delinquent in the payment of such levies, the Association shall have the right to require such owner to establish and maintain a security deposit, in an amount which the Board deems necessary for such purposes, provided, however, that such security deposit shall in no event exceed an amount which, when added to such owner's equity interest in the purchase unit, will equal twenty-five percent (25%) of the purchase price of the unit in question. In the event that any owner shall fail to pay any assessments, charges or other sums which may be due hereunder or shall otherwise violate any provisions of Chapter 5311, R. C., any covenants, terms and conditions of the Declaration, the Association shall have the right, but not the obligation, to apply such security deposit in reduction of its alleged damages resulting from such failure or violation, which right shall be in addition to all and other remedies provided for in Chapter 5311, R. C., the Declaration or these By-Laws. Upon any sale by such owner of his unit, or at such time as such owner's equity in his unit is sufficiently great to dispense with the necessity of such security deposit, any unapplied balance of said security deposit remaining to the credit of said owner shall be refunded, provided that such owner shall not be in default under any of his obligations under the Declaration. The Association shall have the right to maintain all security deposits held by it, as aforesaid, in a single savings account and shall not be required to credit interest to any owner until such time as the security deposit is refunded. Said security deposit shall at all times be subject and subordinate to the lien referred to in the Declaration and Section 10 above and all rights thereto shall inure to the benefit of the lienor.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Westchester's Rights Pending Sale of Fifty-One Percent (51%) of Unit Ownerships. Until such time as the Association is formed, and until such time thereafter as Westchester shall have consummated the sale of fifty-one percent (51%) of all unit

ownerships or on February 2, 1966, whichever time shall first occur, the powers, rights, duties and functions of the Association and its Board of Managers shall be exercised by five persons who shall be selected jointly by Westchester and any lending institution which shall hold mortgages upon more than fifty percent (50%) of the units.

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 ownership 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 ownership is subject to such mortgage or trust deed.

Section 3. Service of Notices on the Board of Managers. Notices required to be given to the Board of Managers or to the Association 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 his unit.

Section 4. Service of Notices on Devisees and Personal Representatives. Notices required to be given any devisee or personal representative of a deceased owner may be delivered either personally or by mail to such party at his, her or its address appearing on the records of the Court wherein the estate of such deceased owner is being administered.

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 procedure established in the Declaration and these By-Laws shall be deemed to be binding on all unit owners, their successors, heirs and assigns.

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

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

Section 9. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by these By-Laws shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on 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 Robert Kennedy, United States Senator from New York, and Mark Hatfield, Governor of Oregon.

Section 10. Joint Management Contracts. The Board of Managers shall have the power to enter into an agreement on behalf of the Association with one or more developments by Westchester or associated companies, for the common management by a management agent of said properties without intending to limit the generality of the foregoing, such agreement may provide for the allocation of common expenses, purchase of maintenance equipment and supplies, jointly sharing employees and management overhead.