

Heron Creek Boathouse Condominium No. 1
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EXHIBIT B

BY-LAWS

OF

HERON CREEK BOATHOUSE CONDOMINIUM NO. 1

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BY-LAWS OF
HERON CREEK BOATHOUSE CONDOMINIUM NO. 1

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EXHIBIT B

BY-LAWS OF HERON CREEK BOATHOUSE CONDOMINIUM NO. 1

The within By-Laws are executed and incorporated by reference in the Declaration of Heron Creek Boathouse Condominium No. 1, 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 Association. The mere acquisition or rental of any of the 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 Heron Creek Boathouse Condominium No. 1 Unit Owners' Association, Inc., in accordance with Article VII of the Declaration.

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 or her Unit Ownership, 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 voting member for each Unit Ownership. Such voting member may be the Owner or the group composed of all the Owners of a Unit membership. The total number of votes of all voting members shall be one hundred (100) and each Owner or group of Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Areas and Facilities applicable to his, her or their Unit Ownership as set forth in the Declaration.

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, her or their behalf shall be made in writing to the Secretary of the Association and shall be revocable at any time by actual notice to the Secretary of the Association by the member or members making such designation. Notice to the Association in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meetings of Members.

(a) Annual Meeting. The annual meeting of members of the Association for the election of members of the Board of Managers, the consideration of reports to be laid before such meeting, and the transaction of such other business as may be properly brought before such meeting shall be held at the office of the Association or at such other place as may be designated by the President and specified in the notice of such meeting at 8:00 P.M., or at such other time as may be designated by the President and the first annual meeting of the Association to be attended by members other than the Grantor shall be held no later than thirty (30) days after the time that Unit Ownership Interests to which twenty-five percent (25%) of the undivided interests in the Common Areas and Facilities have been sold and conveyed by Grantor. Thereafter, the annual meeting of members of the Association shall be held on the second Tuesday of January in each succeeding year thereafter, if not a legal holiday and, if a legal holiday, then on the next succeeding business day.

(b) Special Meeting. Special meetings of the members of the Association may be held on any business day when called by the President of the Association or by the Board of Managers of the Association or by members entitled to exercise at least twenty-five percent (25%) of the voting power of the Association. 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 requests, 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 P.M. and shall be held at the office of the Association or at such other place and time 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 an Owner of a Unit of record as of the day next preceding the day on which notice is given. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. 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; provided, however, that no action required by law, by the Declaration, or by these By-Laws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time; if any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

Section 6. 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.

Section 7. Actions Without a Meeting. All actions which may be taken at a meeting of the Association, except an action for the removal of a Board member, may be taken without a meeting with the approval of, and in a writing or writings signed by the members of the Association having the percentage of voting power required to take such action if the same were taken for a meeting. Such writing or writings shall be filed with the Secretary of the Association.

ARTICLE II

BOARD OF MANAGERS

Section 1. Number and Qualifications. The Board of Managers shall consist of not less than three (3) persons nor more than five (5) persons all of which must be members of the Association; provided, however, that during the period Grantor retains control, the Board of Managers so selected by Grantor need not be members of the Association.

Section 2. Election of Managers; Vacancies. The Managers shall be elected at each annual meeting of members of the Association or at a special meeting called for the purpose of electing Managers. At a meeting of members of the Association at which Managers are to be elected, only persons nominated as candidates shall be eligible for election as Managers and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board of Managers, however caused, the remaining Managers, though less than a majority of the whole authorized number of Managers, may, by the vote of a majority of their number, fill any such vacancy for the unexpired term.

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 or her successor is elected, or until his or her earlier resignation, removal from office or death. Any Manager may resign at any time by oral statement to that effect made at a meeting of the Board of Managers or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the resigning 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 the majority of the Managers shall be fixed so that such term will expire one (1) year from and after the date of the next following annual meeting of members of the Association. The term of office of the remaining Managers shall be fixed so that such term will expire at the date of the next following annual meeting of members of the Association. At the expiration of such initial term of office of each respective Manager, his or her successor shall be elected to serve for a term of two (2) years. Notwithstanding the above, at the first meeting of the members where members other than Grantor are present and twenty-five percent (25%) of the undivided interest in the Common Areas and Facilities is sold and conveyed by Grantor the Unit Owners, other than Grantor, shall elect twenty-five percent (25%) of the members of the Board of Managers; at such time as condominium Ownership Interests to which fifty percent (50%) of the undivided interest has been sold and conveyed by Grantor, the Unit Owners, other than Grantor, shall elect thirty-three and one-third percent (33-1/3%) of the members of the Board of Managers. Within thirty (30) days after the expiration of Grantor's control as set forth in the Declaration, the Unit Owners, other than Grantor, shall elect all of the members of the Board of Managers.

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 Board of Managers, but at least four (4) 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 (2) 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 or her 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 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. Powers and Duties. Except as otherwise provided by law, the Declaration or these By-Laws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Condominium Property and subject to the limitations prescribed by law, the Declaration or these By-Laws, the Board, for and on behalf of the Association, may do the following:

(a) Purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein.

(b) Make contracts.

(c) Effect insurance.

(d) Borrow money, and issue, sell, and pledge notes, bonds and other evidence of indebtedness of the Association.

(e) Levy assessments against Unit Owners.

(f) Employ a managing agent to perform such duties and services as the Board may authorize.

(g) Employ lawyers and accountants to perform such legal and accounting services as the Board may authorize.

(h) Do all things permitted by law and exercise all power and authority within the purposes stated in these By-Laws or the Declaration or incidental thereto.

(i) It shall be the duty of the Board to cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the voting power of the members who are entitled to vote.

Section 9. Removal of Managers. At any regular or special meeting of members of the Association duly called, at which a quorum shall be present, any one or more of the Managers 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 or Managers so removed shall then and there be elected to fill the vacancy or

vacancies thus created. Any Manager whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 10. Fidelity Bonds. The Board of Managers may 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.

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 or she 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 or she 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, shall give notices of meetings of the members of the Association and of the Board of Managers as 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 or she 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.

ARTICLE IV

GENERAL POWERS OF THE ASSOCIATION

Section 1. Common Expenses. The Association, for the benefit of all the Owners, shall acquire, and shall pay all Common Expenses, including, without limitation, the following:

(a) Utility Service for Common Areas and Facilities. Water, waste removal, electricity, heat, power or any other necessary utility service for the Common Areas and Facilities, if any;

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

(c) Liability Insurance. 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 and Units, as provided in the Declaration, the limits of which policy shall be reviewed annually;

(d) Workmen's Compensation. Workmen's Compensation insurance to the extent necessary to comply with any applicable laws;

(e) Wages and Fees for Services. The services of any person or firm employed by the Association, including, without limitation, the service 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 of or operation of the Condominium Property 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. Landscaping, gardening, and snow removal are the responsibility of the Harbour Association as set

forth in the Declaration. The Association shall be responsible for painting, cleaning, tuck pointing, maintenance, decorating, repair and replacements of the Common Areas and Facilities (but not including the interior surfaces of the Units, which the Owner shall paint, clean, decorate, maintain and repair), 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) Additional Expenses. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration and these By-Laws or by law of which in its opinion shall be necessary or proper for the maintenance and operation of the Condominium Property as a first-class condominium property or for the enforcement of the Declaration and these By-Laws;

(h) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrances levied against the entire Condominium Property or any part thereof which may in the opinion of the Association constitute a lien against the Condominium Property or against the Common Areas and Facilities, rather than merely against the 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) Certain Maintenance of Units. Maintenance and repair of any Unit 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 repairs within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said Owner or Owners, provided that the Association shall levy a special assessment against such Unit Owner for the cost of said maintenance or repair;

(j) 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. It may likewise enter any balcony for maintenance, repairs, construction or painting. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association from insurance proceeds, or, in the event that the damage is not covered by insurance, the damage 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, without the consent of the Association. 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;

(k) 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 Ten Thousand Dollars (\$10,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities requiring an expenditure in excess of Ten Thousand Dollars (\$10,000.00), 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;

(l) Miscellaneous. The Association shall pay such other costs and expenses designated as "Common Expenses" in the Declaration and in these By-Laws.

Section 2. 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 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 provisions of the Declaration and of these By-Laws shall govern.

Section 3. 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 4. 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 5. Applicable Laws. The Association shall be subject to and governed by the provisions of any statute adopted at any time and applicable to property submitted to the condominium form of ownership (including, without limitation, Chapter 5311, Ohio Revised Code); provided, however, that all inconsistencies between or among the permissive provisions of any statute and any

provisions of the Declaration and these By-Laws, shall be resolved in favor of the Declaration and these By-Laws, and any inconsistencies between any statute applicable to associations formed to administer property submitted to the condominium form of ownership, and the Articles or By-Laws of the Association shall be resolved in favor of the 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 inconsistencies.

ARTICLE V

DETERMINATION AND PAYMENT OF ASSESSMENTS

Section 1. Obligation of Owners to Pay Assessments. It shall be the duty of every Unit Owner to pay his or her 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 or her 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 (1/12) of the assessment made pursuant to this section. On or before the date of the annual meeting of each calendar year, the Association shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid 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 replacements. Extraordinary expenditures not originally included in the annual estimate

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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 Association shall prepare an estimate of the additional cash requirements then necessary, or necessary, for the balance of the year, which additional amount of cash requirements 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 monthly maintenance payment which is due more than (10) days after the delivery or mailing of such notice of further assessments. 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, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the monthly maintenance payment which is due 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 such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board of Managers and 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. 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 twenty-five percent (25%) or more Units the Board of Managers shall cause an additional audit to be made.

Section 9. 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; and, there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the Court. 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 and become 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 mortgagee shall be given written notice of such failure to pay such assessment.

ARTICLE VI

INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him or her in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he or she is or may be made a party by reason of his or her being or having been such Board member or officer of the Association (whether or not he or she is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his or her duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member or officer of the Association, is made a party or which may be threatened to be brought against him or her by reason of his or her being or having been a Board member or officer of the Association, he or she shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him or her in connection with such action, suit or proceeding (whether or not he or she is a Board member or officer at the time of incurring such costs and expenses), if (a) the Association shall be advised by independent counsel that such Board member or officer did not misconduct himself or herself or was not negligent in the performance of his or her duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Board member or officer (and all other Board member and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could

reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, or (b) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially ten percent (10%) or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Declaration, any vote of Association members or any agreement.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Copies of Notice to Mortgage Lenders. Upon written request to the Board of Managers by the holder of any duly recorded mortgage against any Unit Ownership, the Board of Managers shall give such mortgage holder 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.

Section 2. 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 or her Unit.

Section 3. Service of Notices on Devisees and Personal Representatives. Notices required to be given any devisees or personal representatives 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 4. 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 5. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these By-Laws shall be deemed to be binding on all Unit Owners, their successors and assigns.

Section 6. Notices of Mortgages. Any Owner who mortgages his or her Unit shall notify the Association in such manner as the Association may direct of the

name and address of his or her mortgagee and thereafter shall notify the Association of the payment, cancellation or other alteration in the status of such mortgage. The Association shall maintain such information in a book entitled "Mortgagees of Units".

Section 7. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of these By-Laws, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

Section 8. 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, (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 Ronald Reagan, President of the United States of America.

Section 9. Definitions. The terms used in these By-Laws (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of these By-Laws and of any amendment hereto shall have the respective meanings specified in Article I of the Declaration.

Section 10. Amendments of By-Laws. These By-Laws may be amended or modified at any time, or from time to time, by action or approval of the Owners exercising seventy-five percent (75%) or more of the voting power.

IN WITNESS WHEREOF, J. B. WOLFF & ASSOCIATES, INC., an Ohio corporation, the Grantor, by its officers thereunto duly authorized, has caused this instrument to be executed this 1st day of November, 1984.

Signed and acknowledged
in the presence of:

J. B. WOLFF & ASSOCIATES, INC.
an Ohio corporation

By:

Its

And By:

Its

STATE OF OHIO)

COUNTY OF ERIE)

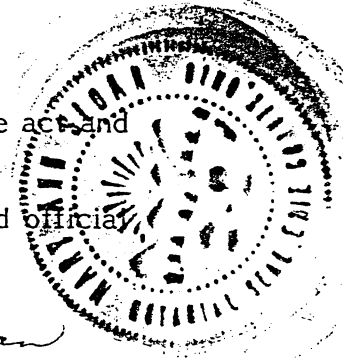
SS:

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named J. B. WOLFF & ASSOCIATES, INC., an Ohio corporation, by Jackson B. Wolff, its Chairman, and by Stephen C. Lochner, its President, who acknowledged that they did sign the foregoing instrument for and on behalf of said corporation and

Heron Creek Boathouse Condominium No. 1
C&C - 12/6/83 - 11:00 a.m.

that the same is the free act and deed of said corporation and their free act and deed as its duly authorized officers and as individuals.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Sandusky, Ohio this 1st day of November, 1984.



Mary Ann Sloan
NOTARY PUBLIC

My Comm Exp - 7-10-89

This Instrument Prepared By:

William J. Ockington, Esq.
CSANK & CSANK CO., L.P.A.
Attorneys at Law
55 Public Square - Suite 1700
Cleveland, Ohio 44113
(216) 589-5600

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FILED

'84 NOV -9 P3:36

JOHN C. SCHERER
RECORDER
ERIE COUNTY, OHIO

Received November 9th, 1984
at 3:36 P.M.
Recorded November 13th, 1984
in the Erie County Deed Records.
Vol. 512 Pgs. 43-60 incl.
John C. Scherer, Recorder

LAWYERS TITLE INS. CORP.
BOX 1280 SANDUSKY, OHIO 44870

447.00 AL