

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND ASSESSMENTS FOR STONE LAKE

THIS IS A DECLARATION creating covenants, conditions, restrictions, and a private plan of assessments, made on the date hereinafter set forth, by **STONE LAKE PARTNERS**, an Ohio General Partnership of Montgomery County, Ohio, hereinafter referred to as the “**DECLARANT**”.

Recitals

A. The Declarant is the owner of the (following described) real estate situated in Montgomery County, Ohio, and described in Exhibit A attached hereto and made a part hereof, and has heretofore caused such real estate to be platted into Lots and Reserves described as follows:

Situate in the City of Centerville, Montgomery County, Ohio, and being Lots 1 through 48, inclusive, and Reserves A through F, inclusive, on the Plat of Stone Lake, as recorded in Plat Book 141, Page 30, the Plat Records of Montgomery County, Ohio, (the “Property”).

Reserves A through F are hereinafter collectively called “Common Area.” Reserve F is the private streets intended to be held and used for the benefit of the Owners and Occupants of the Lots. This is the Declaration referred to in the Plat of Stone Lake.

B. The Declarant intends to create on the Property a high-quality, single-family residential community, with private streets, open space, storm water detention and retention facilities, recreation facilities, and other common facilities for the benefit of said community. Declarant’s general plan is to construct such facilities on the Common Area, and to prepare the remaining portion of the Property as buildable lots for sale to Persons and/or Builders for the construction of detached, single-family dwellings thereon. Declarant also intends to create storm-water detention and retention ponds on certain portions of the Common Area.

C. The Declarant desires to establish a plan of covenants, conditions, restrictions, and private assessments to provide for the preservation of the values and amenities in the Property. To this end, the Declarant is making this Declaration, and has caused to be created an Ohio not-for-profit corporation named the “Stone Lake Association, Inc.” (which corporation and any successor thereto is hereinafter called the “Association,”) to own the Common Area and to administer and enforce the provisions of this Declaration.

Declarations

NOW, THEREFORE, the Declarant hereby declares that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, conditions, and assessments, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property, shall be deemed to touch and concern the Property and to constitute covenants running with the title to each and every portion of the Property and shall be binding upon all parties having and acquiring any title, right, or interest in the Property or any part thereof, and shall inure to the benefit of each Owner of any part thereof..

ARTICLE ONE - DEFINITIONS

Section 1.1 “Articles” and “Articles of Incorporation” mean the Articles, filed with the Secretary of State of Ohio, incorporating “Stone Lake Association, Inc.” as a corporation not-for-profit under the provisions of Chapter 1702 of the Revised Code of Ohio, as the same may be amended lawfully from time to time.

Section 1.2 “Association” and “Stone Lake Association” mean the corporation not-for-profit created by the filing of the Articles, its successors and assigns.

Section 1.3 “Board” and “Board of Trustees” mean those persons who, as a group, serve as the Board of Trustees of the Association.

Section 1.4 “Builder” means a corporation, individual, partnership, or other entity acquiring title to any Lot for the purpose of constructing a single-family residential dwelling thereon and for the purpose of reselling the Dwelling and Lot to an Owner.

Section 1.5 “Code of Regulations” and “Code” mean the set of administrative operating rules of the Association, as the same may be lawfully amended from time to time, adopted under and pursuant to the provisions of Chapter 1702 of the Revised Code of Ohio.

Section 1.6 “Common Area” means Reserve A through F, inclusive, and all appurtenances thereto, as shown on the plat of Stone Lake.

Section 1.7 “Declarant” means Stone Lake Partners, an Ohio General Partnership of Montgomery County, Ohio, the present Owner of the Property, its successors and assigns, provided that the status of Declarant and the rights specifically reserved to it under the Articles, Code, or hereunder shall accrue only to such person or persons to whom such status and the accompanying rights are expressly assigned in a written instrument in which the obligations of Declarant are also assumed by the assignee.

Section 1.8 “Declaration” means this instrument by which the Property is submitted to the provisions hereof, as this instrument may be lawfully amended from time to time.

Section 1.9 “Default” means any violation or breach of, or any failure to comply with, a covenant, condition, restriction, easement, charge, lien, and any other obligation provided for in this Declaration, including the Design Standards, the Maintenance Standards, and any rule or regulation adopted by the Board.

Section 1.10 “Dwelling” means a building constructed on a Lot designed for use as a single-family detached residence.

Section 1.11 “First Mortgagee” means the holder of a valid recorded first mortgage on a Lot which has given notice to the Association stating the holder’s name, address, and Lot or Lots subject to its mortgage.

Section 1.12 “Lot” and “Lots” mean the Lots, and all appurtenances thereto, that are part of the Property (Lots 1 through 48, inclusive, as shown on the Plat of Stone Lake).

Section 1.13 “Owner” means that person or those persons owning a fee simple interest in a Lot or Lots (including Builders) on the plat of Stone Lake, each of whom is also a “member” of the Association as defined in Chapter 1702, Ohio Revised Code.

Section 1.14 “**Occupant**” means a person or persons lawfully residing in a Dwelling on a Lot, regardless of whether that person is an Owner.

Section 1.15 “**Organization Documents**” means, collectively, the Articles, the Code, this Declaration, and all amendments to these documents hereafter properly made.

Section 1.16 “**Person**” or “**Persons**” means natural individuals, corporations, partnerships, trustees, and other legal entities capable of holding title to real property, and includes persons acquiring title to a Lot (including Builders) for the purpose of constructing a single-family residential dwelling thereon.

Section 1.17 “**Property**” means Lots 1 through 48, inclusive, and all appurtenances thereto, and Reserves A through F, inclusive, and all appurtenances thereto.

Section 1.18 “**Structure**” means any thing or object other than trees, shrubbery, and landscaping, the placement of which upon any Lot may affect the appearance of such Lot, including any building, garage, porch, patio, deck, swimming pool, fence, curbing, paving, wall, or any other temporary or permanent improvement on such Lot or any change in the grade of any Lot of more than six inches.

Section 1.19 “**Trustee**” and “**Trustees**” mean that person or those persons serving, at the time pertinent, as a trustee or trustees of the Association.

ARTICLE TWO - THE ASSOCIATION

Section 2.1 **Organization.** The Association was formed on October 2, 1989, as an Ohio corporation not-for-profit pursuant to the provisions of Chapter 1702 of the Revised Code of Ohio, by the filing of Articles.

Section 2.2 **Membership.** Every present and future Owner of a Lot that is subjected hereto is hereby declared to be a member of the Association. Membership is appurtenant to and shall not be separated from ownership of a Lot. Each Owner, by acceptance of a deed or other conveyance of a Lot, thereby becomes a member of the Association. When more than one person or entity is an Owner of a Lot, all such persons and entities shall be members. When the Owner of an interest in a Lot ceases to own an interest therein, that person or entity is no longer a member. No Owner of any interest in any Lot shall have any right or power to disclaim, terminate, or withdraw from his, her, or its membership in the Association or any of his, her, or its obligations as such member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such Owner shall be of any force or effect for any purpose. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Declarant is presently the only member of the Association.

Section 2.3 **Voting Rights.** Each member of the Association is entitled to the number of votes in the affairs of the Association that equals the number of Lots owned by that member. If any Lot is owned by more than one Owner, each such member has a fraction of a vote equal to his, her, or its undivided interest in that Lot.

Section 2.4 **Declarant's Rights.** Notwithstanding the provisions of Section 2.3 of this Article, the powers, rights, duties, and functions of the Association shall be exercised by a Board of Trustees selected by the Declarant until such time as a special meeting of the members is called by the Trustees and held within one hundred eighty (180) days after the closing of the sale of Lots 1 through 48, inclusive, by the Declarant, or until Declarant waives such requirement by calling a special meeting of members for the purpose of relinquishing such rights, whichever shall occur first, whereupon the status of Declarant shall

terminate. At the meeting called by the Trustees or the Declarant, as the case may be, (1) the members shall elect a new Board of Trustees and the Board shall assume the power, authority, and obligations of the Association, and (2) the books and records of the Association shall be turned over to and accepted by the new Board, and (3) the Board appointed by Declarant shall have no further obligation to operate the Association thereafter.

Section 2.5 Board of Trustees. Except as expressly otherwise provided by the organization documents, or as otherwise required by law, all power and authority to act on behalf of the Association and to establish its policies shall be vested in its Board of Trustees and its officers under the direction of said Board, and shall not be subject to any requirement of approval on the part of its members.

Section 2.6 Authority of the Association. Subject to the specific limitations set forth in the organization documents, the Association shall be responsible for and have authority to manage, maintain, repair, replace, alter, and improve the Common Area, and any improvements thereon, pay the real estate taxes and assessments thereon, obtain insurance, access and collect funds for the payment thereof, administer and enforce all terms and provisions of this Declaration, as it may be amended, assess and collect funds for the payment of all of the foregoing, and do all things and exercise all rights provided by law or the organization documents. Notwithstanding the foregoing, so long as the members of the Board of Trustees are those who have been selected by the Declarant and his successors or assigns, the Association shall not enter into any executory agreement by the terms of which performance will extend beyond a one-year period of time, or, if it will, that agreement must be terminable by the Association at any time after one year on thirty (30) days' notice in writing.

Section 2.7 Delegation of Authority; Professional Management. The Association may delegate all or any portion of its authority to discharge its responsibilities to a managing agent. This delegation of authority to a managing agent may be evidenced by one or more management agreements providing for the payment of reasonable compensation to the managing agent, subject to the further limitations that (a) the management agreement will be terminable by the Association for cause on fifteen (15) days written notice thereof, and (b) no such agreement may exceed a term of one year, renewable by agreement of the parties for successive one-year periods. Subject to the foregoing, nothing contained herein shall preclude the Declarant, its successors or assigns, or any other entity designated by Declarant to act as managing agent, from being employed as managing agent.

Section 2.8 Dissolution. The Association may be dissolved only with the consent of Owners exercising not less than seventy-five percent (75%) of the voting power of members and the consent of First mortgagees of Lots to which at least seventy-five percent (75%) of the votes of Lots subject to mortgages held by eligible holders of first mortgage liens appertain. Upon dissolution, the Association's assets shall be transferred to an appropriate public agency, or, if no such agency can or will accept such transfer, to a non-profit organization devoted to similar purposes as the Association. In no event will the assets be distributed to the Owners of Lots.

ARTICLE THREE - COMMON AREA

Section 3.1 Common Area. Reserves A through F on the plat of Stone Lake, comprise the Common Area, and, except as limited by the terms of this Declaration, such Reserves shall be conveyed to and owned by the Association for the common use, enjoyment, and benefit of the members of the Association.

Section 3.2 Conveyance to Association. Declarant agrees that prior to the time it conveys any Lot to any person it will convey Reserves A through F, inclusive, by special warranty deed to the Association free and clear of all liens and encumbrances, except all rights-of-way, legal highways, general real estate taxes not then due and payable, easements, restrictions and covenants of record, including the conditions,

restrictions, easements, and agreements set forth in this Declaration.

Section 3.3 Use and Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with his, her, or its interest in every Lot, subject to: (a) the right of the Association to suspend the voting rights and right to use the Common Area, other than for purposes of ingress, egress or parking, for any period during which any assessment against the Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations after hearing by the Board of Trustees; (b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility, or to grant easements in the Common Area for utility purposes, (including cable television), provided, however, that the terms and conditions of any such dedication or transfer are agreed to by the Association and such public agency, authority or utility, (c) all easements and restrictions of record, the organization documents, Design Standards, Maintenance Standards, and rules and regulations adopted by the Association, and (d) the restrictions on the use of Reserve A as set forth in Section 3.7 below.

Section 3.4 Delegation of Use. Any Owner may delegate such Owner's right of use and enjoyment of the Common Area to the members of the Owner's family, and to Occupants (to the Owner's tenants, or to contract purchasers of the Owner's Lot who reside on the Lot); provided, however, that such persons shall be subject to the provisions of Section 3.3 hereof.

Section 3.5 Prohibitions. The Association shall have no authority or power to mortgage or sell any portion of the Common Area except upon dissolution, merger, or consolidation as provided in the Organization Documents.

Section 3.6 Entrance Gates on Common Area. Declarant intends to install at both entrances to Stone Lake, and on Common Area, entrance gates to restrict vehicular and pedestrian access to the Stone Lake community. The gates will be operable by guard personnel and/or actuating means and/or by remote actuating means located in each Dwelling, and/or by other actuating means authorized by the Association. Such gates are intended to enhance the privacy, safety, and welfare of the Owners and Occupants. To this end, the Association shall have the power and authority to employ guard personnel, formulate and adopt reasonable rules and regulations governing and/or restricting access to the community, the issuance of actuating means to Owners, Occupants, and members of their families, and the use of such actuating means by such Owners and Occupants, the transfer of such means by Owners to Occupants, the distribution of access information and gate actuating means to authorized persons and entities, and progressive financial penalties and other sanctions for abusing access restrictions and/or distributing such access information or gate actuating means to unauthorized persons. Violation of such rules and regulations shall be deemed a violation of this Declaration.

Section 3.7 Reserve A Restrictions. Except as otherwise provided in this Declaration, use of and access to Reserve A shall be limited and restricted to the Owners and Occupants of Lots 30 through 48, inclusive, their guests, and invitees. The Association shall have the power and authority to adopt and enforce reasonable rules and regulations pertaining to the access and to use of Reserve A in furtherance of such restriction.

ARTICLE FOUR - WATER RETENTION AREAS

Section 4.1 Water Retention Areas. Declarant intends to create on certain portions of the Property several storm-water detention areas and retention ponds, in response to requirements imposed by the County of Montgomery for the management of surface storm-water runoff affecting the Property. Such water retention ponds shall be located on Reserves A and B. Declarant, for each Lot owned by it within the Property, and each Owner by acceptance of a deed to a Lot, is deemed to agree that the Association

shall have the obligation to maintain and repair Reserves A and B for the benefit of the entire community of homes on the Property from a water management standpoint, that the Association shall have the authority to enter upon Reserves A and B to perform such obligation, that the Association shall have the power and authority to assess and collect funds for payment of the cost thereof, and that such obligations run to the benefit of and shall be enforceable by each Owner and the Association, all as more fully set forth in the organizational documents.

Section 4.2 **Use of Water Retention Areas.** Reserves A and B shall be subject to the following conditions, restrictions, and agreements.

(a) The grade level of land within 10 feet of the detention areas and retention ponds and of any drainage channel delivering storm water to them shall not in any way be lowered, raised, or otherwise changed from the grade level established by Declarant, without the written consent of the Montgomery County Engineer.

(b) No structures or improvements of any kind except grass and trees located 20 feet apart shall be erected, planted, or permitted to remain within 10 feet from the top of the berms forming the detention areas and retention ponds and within 10 feet of the centerline of any drainage channel, and trees shall not be planted within 10 feet of the berms.

(c) Nothing shall be done which in any way would or might cause the flow in any drainage channel to be changed or diverted, or to interfere with the operation of the detention areas and retention ponds.

(d) The Association shall keep the channels mowed and the detention areas and retention ponds and channels free of debris and obstructions of all kinds. Use by any Owner or Occupant of a Water Retention Area shall be at his, her, or its own risk and such Owner or Occupant shall indemnify the Association from all claims, damages, and causes of action pertaining to injury to person or property by reason of such use. The Association shall not be liable for damage or injury to persons or property by reason of the condition of the Water Retention Areas. Swimming in the retention ponds shall be prohibited.

ARTICLE FIVE - GRANTS AND RESERVATIONS OF RIGHTS AND EASEMENTS

Section 5.1 **Easement for Repair, Maintenance, Restoration, and Enforcement.** The Association shall have a right of entry and access and an easement to, over, and through all of the Property, including each Lot, from time to time, during reasonable hours for ingress and egress and all other purposes which enable the Association to perform its obligations, rights, and duties pursuant hereto with regard to maintenance, repair, removal, restoration and/or servicing of any items, things, or areas of or in the Property, including the removal, correction, or abatement of any violations or breach or any attempted violation or breach of the covenants, conditions, and restrictions in this Declaration, and any Design Standards, Maintenance Standards, or any rules and regulations adopted by the Association and/or the Design Control Board.

Section 5.2 **Easements for Construction.** Declarant hereby reserves for itself and any Builder, and Declarant's successors and assigns, a right and easement to enter upon the Common Area to do all things necessary to complete the development of the Property and to complete and perform construction work necessary to develop the balance of the Property.

Section 5.3 **Easement for Access and Use of Common Area.**

(a) A non-exclusive perpetual easement is hereby reserved to Declarant, its successors and assigns, and to Owners and Occupants, for access to and use of all of the Common Area, except Reserve A, for

access to and use of private streets upon the Property, and the right to cross the same for pedestrian and vehicular travel, as might be appropriate, to and from public streets.

(b) Each Owner and the Occupants of a Dwelling on the Property shall have a non-exclusive perpetual easement over and on all private streets upon the Property required for ingress or egress, both vehicular and pedestrian, to his, her, or its Lot and to and from public streets.

Section 5.4 Easements for Utilities. There is hereby created upon, over and under all of the Property easements to the Declarant, its employees, agents, successors and assigns, and to the Association for ingress and egress to and for the installation, replacing, repairing, and maintaining of all utilities, including, but not limited to, water, sewer, gas, telephone, entrance gate equipment, electricity, and cable television. By this grant, it shall be expressly permissible for the Declarant or the Board to permit the providing utility company or public agency to construct and maintain the necessary poles and equipment, wires, circuits and conduits on, above, across, and under the Property, so long as such items do not unreasonably interfere with the use and enjoyment of the Property, but subject to restrictions in Article Nine, Section 9.22, of this Declaration. Should any utility company or public agency furnishing a service request a specific easement by separate recordable document, the Declarant or the board shall have the right to grant such easement without conflicting the terms hereof.

Section 5.5 Easement for Services. A perpetual non-exclusive easement is hereby granted to all police, firemen, ambulance operators, mailmen, deliverymen, garbage and trash removal personnel, and all similar persons, and to the local governmental authorities and the Association, and to representatives of utility companies, but not to the public in general, to enter upon the Common Area in the performance of their duties.

Section 5.6 Access Easements for Maintenance of Water Retention Areas. Declarant hereby reserves for itself, and grants to the Association, its agents, officers, employees, successors and assigns, but not to members of the Association in general, the perpetual right and easement to enter upon the following areas for ingress to and egress from Stone Lake Drive to Reserve A:

(a) Upon a 20' strip of land situated on Lot 30 adjacent to the North line of Lot 30 and being the easement area on said Lot as shown on the Plat of Stone Lake. Declarant may install a hard paving material within said area to enable equipment to gain access to Reserve A for performing necessary work therein. The Association shall maintain the paved material therein, and the Owner of Lot 30 shall maintain any grass areas therein.

(b) Upon a 20' strip of land situated on Lots 39 and 40, being 101 adjacent to the East line of Lot 39 and 101 adjacent to the West line of Lot 40, and being the easement area shown on the Plat of Stone Lake on said Lots. This area shall be maintained by the Owners of Lots 39 and 40 as grass, no obstruction shall be installed therein, and shall be used as a secondary access area only when absolutely necessary.

Said easements shall also be for the purpose of gaining access to Reserve A for the purpose of managing the water retention ponds thereon, to clean, grade, and repair the same, to install, remove, replace, and repair equipment thereon, to keep the ponds free from debris and obstructions, and to take such other corrective and maintenance action as may be necessary to permit proper drainage and water retention through the Property, and to generally maintain Reserve A.

Section 5.7 Easement to Utility and Service Entities. There is hereby granted and conveyed to all appropriate utility and service entities a permanent easement over the Common Area for the construction, operation, maintenance, repair, replacement, or removal of water, sanitary sewer, storm sewer and drainage, natural gas, telephone, electric, cable television or any other utility or service lines or facilities,

including the express right to remove any and all trees and other obstructions to the free use of such lines and facilities and the right to ingress and egress to such Common Area for such purposes; subject, however, to the restrictions in article Nine, Section 9.22 of this Declaration. Any entity that exercises said easement right shall also have the obligation to repair at once and pay immediately for any damage done, regardless of whether the damage was the result of negligence on the part of such entity, and to restore the affected area as near as possible to its prior condition.

Section 5.8 Power of Attorney. Each Owner, by acceptance of a deed to a Lot, hereby irrevocably appoints Declarant and thereafter the Association, his, her, or its attorney-in-fact to execute, deliver, acknowledge, and record, for and in the name of such Owner, such deeds of easement and other instruments as may be necessary or desirable, in the sole discretion of the Declarant (during the period referenced above), and thereafter the Board's authorized representative, to further establish or effectuate the foregoing easements. This power is for the benefit of each and every Owner, the Association, and each and every Owner of a legal or equitable interest in a Lot, and the real estate to which it is applicable, runs with the land to be binding upon the successors and assigns of such parties, and is coupled with an interest in each Lot and in the subject matter herein.

Section 5.9 General. All easements and rights described in this Article are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the Declarant, its successors and assigns, and any Owner, purchaser, mortgagee, and any other person having an interest in the Property, or any part or portion thereof. Failure to refer specifically to any or all of the easements described in this Declaration in any deed of conveyance or in any mortgage or trust deed or other evidence of obligation shall be deemed conveyed or encumbered along with the Lot. The easements and grants provided in this Article shall in no way affect any other recorded grant or easement.

Section 5.10 Limitations, Restrictive Gate Equipment. The easements granted in this Article for ingress and egress shall be limited by such restrictive gate equipment at the entrance to Stone Lake as may be installed by the Declarant and maintained by the Association to limit ingress of vehicular and pedestrian traffic to Owners and Occupants or other persons authorized by the Association to possess means to actuate said equipment. Except for emergency access for police, firemen, and ambulances, access shall be limited by reasonable rules and regulations adopted by the Board governing and restricting access to the community and the use of the restrictive gate equipment by actuating means and the issuance, transfer, and use of such actuating means. No rule or regulation shall limit or prohibit the right of ingress and egress to Reserve F by an Owner or Occupant or other person authorized to have actuating means for operating such equipment.

ARTICLE SIX - DESIGN REVIEW BOARD

Section 6.1 Composition and Appointment. A Design Review Board is hereby established which shall consist of three members, all of whom shall be appointed by the Declarant until the status of Declarant is terminated as provided in Section 2.4 of the Declaration. The initial members shall be appointed by the Declarant promptly after the Recording of this Declaration. After the status of Declarant is terminated, all members shall be appointed by the Board of Trustees. Such members shall serve calendar year terms, with the appointments for each succeeding calendar year to be made in the preceding December.

Section 6.2 Vacancies. If any vacancy shall occur in the membership of the Design Review Board (sometimes referred to as "Review Board") by reason of death, resignation, removal, or otherwise, the remaining members shall continue to act and whoever appointed the member whose death, resignation, or removal created the vacancy shall within 30 days after such vacancy occurs appoint a successor member. Any member may resign at any time by written notice to the chairman of the Review Board and such

resignation shall take effect on receipt thereof by the chairman. Any member may be removed with or without cause by the Declarant if appointed by the Declarant, or by the Board if appointed by the Board.

Section 6.3 Officers and Compensation. The members shall appoint a Chairman and Vice Chairman from among their number and may appoint from among their number such other officers and committees as they shall from time to time determine. The Declarant, or the Association, as the case may be, may each pay the members such compensation as each may respectively determine and may distinguish among the members, based upon expertise, as to the amount of such compensation. The Declarant, or the Association, as the case may be, shall each reimburse the members for reasonable traveling expenses and other out-of-pocket expenses incurred in the performance of their duties as such members. The foregoing shall not be construed as prohibiting or limiting the payment of compensation or expenses to any person who is a member for services rendered to the Declarant or the Association in any other capacity.

Section 6.4 Conflicts of Interest. No member may participate in any decision of the Review Board on a matter in which he has a financial interest, or with respect to which matter he or his firm or employer has provided professional services, provided that this Section shall not apply to any financial interest of, or any professional service provided by, any officer, partner, or employee of the Declarant in his capacity as such officer, partner, or employee.

Section 6.5 Meetings. The Review Board shall hold regular meetings at least once every quarter, and more frequently as necessary special meetings of the Review Board may be called by the chairman of the Review Board and shall be called by the chairman upon the written request of a majority of the members of the Review Board. Meetings of the Review Board shall be held at such time and at such place as the members shall specify. At least three days prior notice of each meeting shall be mailed to each member of the Review Board at his residence or usual place of business. Such notices need not specify the purpose or purposes for which the meeting is called. In the absence of a quorum as provided in Section 6.9, a majority of the members present may adjourn the meeting from time to time until a quorum shall be present. The Review Board shall maintain minutes of its meetings and a record of the votes taken thereat, and shall make such minutes and records available at reasonable places and times for public inspection.

Section 6.6 Submissions of Plans and Specifications. No Structure shall be commenced, constructed, erected, placed, moved onto, or permitted to remain on any Lot, nor shall any Structure on any Lot be remodeled or altered in any way which materially changes the exterior appearance thereof, unless detailed plans and specifications have been submitted to and approved in writing by the Review Board. Such plans and specifications shall be in such form and shall contain such information as the Review Board may reasonably require but shall in all cases include:

- (a) Site plan showing the location of all proposed and existing Structures on the Lot and all existing Structures on adjoining Lots;
- (b) Elevations for the proposed buildings;
- (c) Specifications of materials, color scheme, and other details affecting the exterior appearance of the proposed buildings; and
- (d) Description of the plans or provisions for landscaping and grading.

Prior to the submission of such detailed plans and specifications for any Structure, any applicant may submit, and the Review Board may require the submission of, schematic or preliminary plans or specifications or any part or parts thereof, and the Review Board shall either (a) tentatively approve the same, (b) disapprove the same, or (c) tentatively approve the same subject to conditions or qualifications.

Section 6.7 Approval of Plans and Specifications. The Review Board shall approve plans specifications whether schematic, preliminary, or detailed submitted to it in respect to any Lot if it finds that they comply with the requirements of Section 6.6, and with the Design Standards. Upon final approval thereof, a certified copy of the detailed plans and specifications shall be deposited for permanent record with the Association and a copy bearing the written approval of the Review Board shall be returned to the applicant. After the receipt of such final approval by the applicant, the Review Board shall not revoke such approval. Approval by the Review Board of detailed plans and specifications with respect to any Lot shall not impair the Review Board's right subsequently to approve a requested amendment of such plans and specifications relating to such Lot (subject to the requirements of this Article) or to amend the Design Standards.

Section 6.8 Disapproval of Plans and Specifications. If plans and specifications (whether schematic, preliminary, or detailed) submitted to the Review Board with respect to any Lot do not comply with (a) the Design Standards, or (b) the requirements of Section 6.6 as to the information required to be included in the plans and specifications, the Review Board shall either disapprove such plans and specifications or approve them subject to such conditions and qualifications as the Review Board may deem necessary to achieve compliance.

Section 6.9 Quorum. A majority of the Review Board shall constitute a quorum, and concurrence of a majority of any such quorum shall constitute the action of the Review Board.

Section 6.10 Failure of Review Board to Act. If the Review Board shall fail to act upon any plans and specifications submitted to it within 60 days after submission thereof, such plans and specifications shall be deemed to have been disapproved.

Section 6.11 Certificate of Compliance. Upon completion of the construction, erection, placement, remodeling, or alteration of any Structure, and prior to the use and occupancy thereof unless the Structure has been used or occupied before commencement of the work, the applicant to whom approval as to such Structure was issued by the Review Board shall furnish written notice to the Review Board that the work thereon is completed and shall request that a certificate of compliance be issued with respect thereto. The Review Board shall promptly determine whether such work as completed complies with the plans and specifications approved by it. If the Review Board finds that such compliance exists, the Review Board shall promptly issue a written certificate of compliance to such applicant, together with a certified copy thereof to the Association which (a) identifies the Structure, (b) identifies the Lot upon which it is located, (c) identifies the use or uses approved for such Structure, and (d) states that the construction, erection, placement, remodeling, or alteration of such Structure complies with the approved plans and specifications and that the Structure may be used and occupied. If, for reasons beyond the control of the applicant, minor items of work have not been completed, the applicant may apply for, and the Review Board may for good cause issue, a conditional certificate of compliance conditioned upon the completion of such items within the period stated in such certificate. After such items are completed, the applicant shall proceed as above to obtain an unconditional certificate of compliance.

Any certificate of compliance issued in accordance with the provisions of this Section shall be prima facie evidence of the facts stated therein and, with respect to such facts, such certificate may be conclusively relied upon by any purchaser or mortgagee in good faith and for value and by anyone furnishing any title evidence or opinion with respect to such Lot. The Association shall maintain a copy of each certificate of compliance filed with it by the Review Board as a permanent public record and shall make copies thereof available to any person at a reasonable cost.

Section 6.12 Violations. If any Owner (a) fails to comply with approved plans and specifications for any

Structure thereon, (b) uses or occupies any Structure on his Lot or permits any such Structure to be used or occupied prior to issuance of a certificate of compliance or a conditional certificate of compliance therefore unless the Structure had been used or occupied before commencement of the work, or (c) fails to complete the items of work listed in a conditional certificate of compliance within the period stated therein, the Review Board shall, if it has knowledge of the same, certify such Default to the Declarant or Association, as the case may be, unless the Review Board finds that such Default does not substantially conflict with the purposes of this Declaration.

Section 6.13 Right of Entry. The Association and the Review Board through their authorized officers, employees, and agents, shall have the right to enter upon any Lot and into any Structure at all reasonable times and, after the issuance of the original certificate of compliance for such Structure, upon reasonable notice except as provided in section 12.1, for the purpose of ascertaining whether such Lot or the construction, erection, placement, remodeling, or alteration of any Structure thereon is in compliance with the provisions of this article, without the Association or the Review Board or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of such action or actions.

Section 6.14 Facilities. The Declarant or Association, as the case may be, may provide the Review Board such facilities, and may furnish the Review Board with such assistance as the Review Board may require to carry out its duties and obligations under this Declaration.

Section 6.15 Fees. The Review Board may charge reasonable fees for the processing of plans and specifications and the issuance of certificates of compliance. Such fees shall be payable at the time of submission of the respective item for approval or issuance and shall be paid to the Association.

Section 6.16 Liability. Neither the Declarant nor the Review Board, or the individual members thereof, or their respective successors or assigns shall be liable in damage to anyone submitting plans to them for approval, or to any Owner of a Lot affected by this Declaration, by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any plans or specifications. Every person who submits plans and specifications to the Review Board agrees, by submission of such plans and specifications, and every Owner or tenant of any Lot agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the Declarant or the Review Board, or the individual members thereof, to recover such damages.

Section 6.17 Arbitration. If there are disputes between Owners of Lots, the Review Board shall act as arbitrator in order to resolve any such disputes and in order to determine a just resolution thereof.

ARTICLE SEVEN - DESIGN AND MAINTENANCE STANDARDS

Section 7.1 Design Standards. In order to establish and assure a uniform plan for the development of the Property, the Review Board shall adopt and may, from time to time, amend Design Standards for the Property and all Structures thereon in furtherance of the following purposes:

- (a) The creation on the Property of a new community consisting of well planned residential, recreational, and open space buildings, and facilities;
- (b) The promotion of the health, safety, and welfare of all Owners and Occupants;
- (c) The preservation, beautification and maintenance of the Property and all Structures thereon, as a community of compatible design and of high quality construction materials and workmanship;

- (d) The preservation and promotion of environmental quality.

Section 7.2 Covenants Running with the Land. The Design Standards and all amendments thereto (a) shall be, and shall be construed as, covenants running with the land as fully as if the same were contained in this Declaration; (b) shall be binding upon the Declarant, the Association, and each Owner; and (c) shall (regardless of whether or not any such beneficiary owns an interest in any Lot) inure to the benefit of and be enforceable by (i) the Declarant, (ii) the Association, and (iii) each Owner.

Section 7.3 Subject Matter. The Design Standards shall establish requirements relating to land use, architectural features, site planning, lighting, landscaping, and signage. The Design Standards shall include, but shall not be limited to, the following subject matters:

- (a) The permitted uses of Lots and Structures;
- (b) The size and placement of Structures on Lots, including front, side, and rear yard requirements;
- (c) The specification of materials, color schemes, and other details affecting the exterior appearance of Structures;
- (d) The materials, size, and location of driveways and parking facilities; the use, size, location, and characteristics of signs and other advertising devices;
- (f) The character, location, and direction of exterior lighting;
- (g) Any activity which furthers the purposes outlined in the Design Standards.

Section 7.4 Effective Date. Upon the adoption of the Design Standards or any amendment thereto, the Review Board shall file with the Association a copy thereof, certified by the Chairman of the Review Board to be a true and complete copy, and the same shall become effective on the date of such filing. No amendment to the Design Standards shall operate to revoke any detailed plans and specifications theretofore approved by the Review Board.

Section 7.5 Permanent Record. The Association shall maintain the copy of the Design Standards and of each amendment there to be filed with it by the Review Board as a permanent public record and shall make copies thereof available to any person at a reasonable cost.

Section 7.6 Private Restrictions and Zoning. The Design Standards shall not prevent the Declarant from imposing additional restrictions on any Lot provided that such restrictions are included in a contract with the Owner or Builder, are included in the plans and specifications for the Lot, and/or are approved by the Review Board. The Design Standards shall not be construed as permitting any action prohibited by (a) any applicable zoning or other statute, ordinance, resolution, regulation, or order of the State of Ohio or any political subdivision or governmental instrumentality of the State of Ohio or (b) any other applicable covenant, condition, restriction, or reservation of easement contained in any Record instrument. If any differences exist between or among the provisions of the Design Standards, governmental requirements, or Recorded instruments with respect to any Lot, the more stringent provision shall apply.

Section 7.7 Maintenance Standards. In furtherance of the purposes outlined in Section 7.1, the Association shall have the right to adopt, and may from time to time amend, Maintenance Standards pertaining to the maintenance, repair, and appearance of all Lots and the exterior of all Structures thereon. If any provision of any applicable building inspection, housing inspection or similar maintenance statute, ordinance, resolution, regulation, or order of the State of Ohio or of any other political subdivision or

governmental instrumentality of the State of Ohio is more stringent than a comparable provision of the Maintenance Standards, such more stringent provision shall be deemed incorporated in the Maintenance Standards.

Section 7.8 Covenants Running with the Land. The Maintenance Standards and all amendments thereto (a) shall be, and shall be construed as, covenants running with the land as if the same were contained in this Declaration; (b) shall be binding upon the Declarant, the Association, and each Owner; and (c) shall (regardless of whether or not any such beneficiary owns an interest in any Lot) insure to the benefit of and be enforceable by (i) the Declarant, (ii) the Association, and (iii) each Owner.

Section 7.9 Obligation to Keep Premises in High Quality Repair. (a) Common Area. The Association shall maintain, regulate, and repair the Common Area, and all parts thereof, including but not limited to, utility facilities, lawns, shrubs, trees, private streets and courts, road shoulders, parking areas, walkways, drainage swales, ponds, and recreational facilities, including snow removal. This maintenance obligation shall be performed by the Board of Trustees in their reasonable discretion, to the extent necessary and appropriate to maintain the Common Area and its facilities in a high-quality state of repair and appearance at all times, but shall not require the Board to respond immediately to every request by an Owner for maintenance of the Common Area. (b) Lots. Each Owner during his period of ownership shall furnish and be responsible for, at such Owner's expense, and cause each tenant leasing a Lot from him during his tenancy, to provide all maintenance and repair of all improvements on that applicable Lot, including the Dwelling and any other Structures thereon, and landscaping of the Lot by mowing grass and trimming trees, shrubs, and other vegetation, so as to maintain the residential Dwelling, Structures, and the Lot in a high-quality state of repair and appearance as shall comply with the Maintenance Standards.

Section 7.10 Periodic Inspection. Periodically, but not less frequently than once a year, the Association through its authorized officers, employees, or agents, shall inspect each Lot and the exterior of each Structure thereon to determine whether such Lot and Structures comply with the Maintenance Standards. After each such inspection, the Association shall, if any defects are found, issue an inspection report to the Owner with a copy to the tenant, if applicable, listing the defects and the reasonable time within which they shall be corrected. Such Owner shall correct such defects or cause them to be corrected within such reasonable period as is stated in the inspection report.

Section 7.11 Posting of Inspection Reports. No inspection report provided for in this Article shall be made a matter of public record during the period provided in Section 7.10 for the correction of defects by the Owner. If such defects are not corrected within such period, the inspection report shall be posted during such times and at such place or places on the Property as the Board may deem appropriate.

Section 7.12 Right of Entry. The Association, through its authorized officers, employees, and agents, shall have the right to enter upon any Lot at all reasonable times and upon reasonable notice except as otherwise provided in Section 12.1, for the purpose of making inspections required by this Article without the Association or such officer, employee, or agent being deemed to have committed a trespass or wrongful act solely by reason of such entry or such action or actions.

Section 7.13 Fees. The Association may charge reasonable fees for costs incurred for the inspections required by this Article.

Section 7.14 Failure to Comply. Failure to comply with the Maintenance Standards or to correct the defects listed in any inspection report issued by the Association or to pay any fee hereunder shall constitute a Default.

Section 7.15 Maintenance Responsibility of Builders. Each Builder who is an Owner constructing a

single family residence on a Lot shall comply, and each Owner shall comply and/or shall cause each Builder constructing a single family residence on a Lot for him to comply, during the construction period, with the following requirements:

(a) The Builder shall clean up the job site and the street adjacent to the job site to first class condition once each week, on Friday, and if Friday is a holiday, on Thursday, in accordance with the Maintenance Standards.

(b) The Builder shall deposit with Declarant or, after the status of Declarant is terminated, with the Association, a construction deposit of \$1,000.00 for each Lot before construction on the Lot may commence; and such deposit shall be held to insure compliance with the Builder's clean up obligations set forth in subsection (a) above and to cover any damage to the Common Area and/or any Lots caused by the Builder, its employees, agents, and subcontractors. Failure to clean up the site or the causing of damage, as described in subsections (a) and (b) above, shall constitute a Default. The Declarant or the Association, as the case may be, shall have the right to cause all or any part of said deposit to be used to clean up the Lot and adjoining street and/or to make repairs not performed by the Builder and/or Owner on a timely basis.

The purpose of the requirement in subsection (a) shall be to assure that the site is cleaned up to first class condition each weekend. Accordingly, there shall be no requirement of notice to the Builder or Owner before action is taken by the Declarant or Association to clean up the site. In the case of damage to the Common Area and/or any Lots, the Declarant or Association shall give the Builder and Owner notice specifying the damage and that, if the damage is not cured (repaired) within seven days of the date of the notice (or such greater time as may be specified in the notice), the Declarant or Association, as the case may be, shall have the right to perform the necessary repairs with funds taken from the construction deposit.

The Association shall have the further right, if the cost of clean up and/or repairs exceeds \$1,000.00 to levy a Special Individual Lot Assessment against the Lot and Owner thereof for the cost in excess thereof if upon reasonable Notice to the Owner the said excess is not paid to the Declarant or the Association, as the case may be, within 15 days. The notice shall be delivered to the Owner or be sent to the Owner's address by certified mail, return receipt requested. If the Declarant pays the excess cost, it shall certify said cost to the Association before the notice is sent to the Owner.

ARTICLE EIGHT - ASSESSMENTS

Section 8.1 **Creation of Lien and Personal Obligation of Assessments.** Declarant, for each Lot owned within the Property, hereby covenants (subject to the provisions of Section 8.6 of this Article) and each Owner (and Builder) by acceptance of a deed to a Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) Annual Assessments, (2) Special Individual Lot Assessments, and (3) Special assessments for capital improvements, such assessments to be established and collected as hereinafter the Association is faced with special financial conditions or circumstances, and the Board deems it necessary to receive the Annual Assessment or any part thereof over a shorter period of time, or at an earlier date, it may adjust the installments to increase some of them and decrease others, or accelerate one or more of them, to assist it in meeting its special financial conditions. The due dates of any installments shall be established by the Board and, unless otherwise provided, the Association shall collect on or before the first day of each quarter from the Owner or Builder in title for each Lot one-fourth (1/4th) of the Annual Assessment for that Lot. If at any time after the Declarant relinquishes control of the Board of Trustees, the amounts so collected are insufficient to meet all obligations for which those funds are to be used, the deficiency shall be assessed by the Board of Trustees among the Lots in equal shares. Similarly, if after such relinquishment assessments collected

during any calendar year are in excess of the funds necessary to meet the anticipated expenses for which the same have been collected, the excess shall be allocated and paid into the reserve fund applicable to that type of expense, and shall in no event be deemed profits nor available, except on dissolution of the Association, for distribution to members; provided, however, if the Board of Trustees should determine that the retention of any assessments collected in excess of ordinary and necessary expenses would disqualify the Association from tax-exempt status under any applicable tax laws, or would subject any proceeds to taxation, the Board of Trustees, in its discretion, may refund all or any portion of such excess among the members owning those Lots at the time of such distribution in the same proportions as the same were made with respect to the Lots of those members, provided, further, that any excess shall be so divided among only those who are Owners at the time of distribution without regard to the question of who was the Owner at the time of assessment or collection. Alternatively, any such excess may be applied by the Board of Trustees in reduction of the next due assessments.

Section 8.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Property, and for the maintenance and improvement of the Common Area, and the enforcement of these restrictions, including, without limitation the following expenses: (1) Maintenance and repair of the Common Area and all facilities thereon, and other services to be provided by the Association. (2) Real estate taxes and assessments on the Common Area. (3) Water, sewer, electricity, telephone, or any other utility service as may be provided to the Common Area. (4) Acquisition of furnishings and equipment and capital improvements for the Common Area. (5) Insurance premiums for insurance obtained by the Association pursuant to the provisions of Article 9 hereof. (6) Costs for the operation, management, and administration of the Association, including without limitation, fees for property management, fees for legal and accounting services, fidelity bonds, cost of mailing, postage, supplies and materials, salaries, wages, payroll charges and other costs to provide services, including security personnel. (7) A general operating reserve to assure the availability of funds for all desirable or necessary repairs and replacements of capital improvements (including private streets and recreational facilities) as part of the Common Area.

Section 8.3 Preparation of Estimated Budget. Prior to the beginning of each fiscal year of the Association, the Board shall prepare an "Estimated Budget" of the total dollar amount necessary to pay the expenses of the Association and to maintain its reserve during the ensuing fiscal year and shall notify each Owner as to the amount thereof, with reasonable itemization, at least 10 days before the due date of the first installment. The Board shall have the right to revise the Estimated Budget up or down from time to time during the fiscal year as the Board deems necessary or appropriate based on more accurate data made available to the Board during the fiscal year. The first Estimated Budget shall be prepared within 30 days after this Declaration is recorded with the Recorder of Montgomery County, Ohio. Any Owner shall have the right to inspect the Estimated Budget at the office of the Association during regular business hours.

Section 8.4 Determination of Each Lot's Annual Assessment. The total dollar amount of the Estimated Budget shall be prorated equally among all Lots, that is, each Lot shall be assessed 1/48th of the Estimated Budget as its Annual Assessment for the ensuing fiscal year. For administrative convenience, any such assessment may be rounded to the nearest whole dollar.

Section 8.5 Payment of Annual Assessment.

(a) The Annual Assessment shall be payable in advance, in equal quarterly installments, provided that an Owner or Builder may prepay assessments annually or semi-annually. However, if as provided herein, if written notice of the amount thereof is sent by the Board to the Owner or Builder subject thereto at least 10 days prior to the due date thereof.

Section 8.6 Declarant's Obligation to Pay Assessments. Notwithstanding any provisions of this Article 8, Declarant shall have no obligation to pay an Annual Assessment for the Lots owned by it, except that Declarant will pay to the Association a quarterly amount equal to the difference between the actual operating expenses of the Association and the aggregate of the quarterly installments paid by the Owners and Builders, other than Declarant. Declarant's obligation to pay said deficiency shall cease when Declarant relinquishes control of the Board of Trustees at which time Declarant shall pay the Annual Assessment for each Lot owned by Declarant having a Dwelling on it which has been issued an occupancy certificate, or is being offered for sale or rent. Any amounts advanced to the Association by Declarant before Declarant's quarterly payment falls due shall be credited against such quarterly payment.

Section 8.7 Commencement of Assessments. Quarterly installments of the Annual Assessment shall begin for each Lot upon the conveyance of a deed to such Lot by Declarant to an Owner or Builder (other than Declarant). Written notice of the amount of the Annual Assessment shall be sent by the Board to each Owner and Builder holding title to a Lot at least 10 days prior to the due date of the first installment. Written notice mailed to the address of lot shall constitute notice to that Owner or Builder, unless such person or entity has delivered written notice to the Board of a different address for such notices, in which event the mailing to that last designated address shall constitute notice to that Owner or Builder. Such assessments, together with interest and costs shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made as provided for in Section 8.13. Each such assessment together with interest and costs shall also be the personal obligation of the person or persons who were the Owner(s) of such Lot at the time when the assessment became due.

Section 8.8 Reserve Fund. The Association shall build up and maintain a reasonable reserve for contingencies and replacement. Extraordinary expenditures not ordinarily included in the Estimated Budget which are determined to be necessary for the year, shall be charged first against such reserve. If said reserve proves inadequate for any reason, including nonpayment of any assessment, the necessary funds shall be assessed against the Lots in the manner set forth herein. The Association shall serve notice of such further assessment on all Owners and Builders by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective with the quarterly monthly installment payment which occurs more than ten days after the delivery or mailing of such notice of further assessment. All Owners and Builders shall be obligated to pay the adjusted monthly amount, when and if assessed.

Section 8.9 Special Individual Lot Assessments. In addition to the Annual Assessments authorized above, the Association may levy a Special Individual Lot Assessment against any Lot or Lots and the Owner (including Builder) thereof shall be responsible to cover any cost or expense chargeable to such Lot or Lots on account of any item of maintenance and/or repair (excluding vehicular paved surfaces), and/or any Default or other violation of this Declaration, the Design Standards, the Maintenance Standards, or any rule or regulation of the Association, or any other matter directly or indirectly occasioned or made necessary by any wrongful or negligent act or omission related to such Lot, including penalties and costs incurred to enforce the same. All such costs shall be borne by the Lot or Lots and the Owners and Builders thereof, not by the Association, and if paid by the Association shall be reimbursed to the Association by such Owners upon the Association's demand.

Section 8.10 Special Assessments for Capital Improvement. In addition to the annual assessments and special individual lot assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only and applicable to all Lots only for the purpose of defraying in whole or in part, the cost of any acquisition, construction, reconstruction, repair, or replacement of a capital improvement on the Common Area, including fixtures and personal property related thereto and including the vehicular paved surfaces of private streets referred to in Section 8.9 of this Article. Any such assessment shall be made at a uniform rate for all Lots.

Section 8.11 Non-Use of Facilities. No Owner or Builder may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his Lot.

Section 8.12 Books and Records of the Association. The Association shall keep correct and complete books and records of account, specifying the receipts and expenditures relating to the Common Area and other common receipts and expenses, and minutes of the proceedings of the members and Board of Trustees. Such books and records shall be open for inspection by any Owner or Builder or any representative thereof duly authorized in writing, at reasonable times and upon request by an Owner or Builder. If by terms of a first mortgage a first mortgagee has been authorized to inspect such books and records, the presentation to the Secretary of the Association by a representative of such mortgagee of a copy of the mortgage containing such authorization shall constitute written authorization of such inspection. Upon ten days' notice to the Board of Trustees and upon payment of a reasonable fee, any Owner or Builder 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 or Builder.

Section 8.13 Lien of Association. If any quarterly installment or other assessment is not paid within thirty days after the same has become due the Board of Trustees, at its option, without demand or notice may (a) declare the assessment and if a quarterly installment such quarterly installment plus all quarterly installments remaining on the then current budget, accelerated and immediately due and payable with late charges; and (b) charge a late charge not to exceed \$25.00 per month. The Association shall have a continuing lien upon the estate or interest in any Lot of the Owner thereof for the payment of any delinquent assessments and late charges chargeable against such Lot, together with its expenses (including reasonable attorney fees and court costs) incurred by the Association to collect the same. At any time after such delinquency, a certificate of lien for all or any part of the unpaid assessments, including late charges, expenses and if quarterly installments are delinquent, then the remaining unpaid quarterly installments under the then current budget, may be filed by the Association with the Recorder of Montgomery County, Ohio pursuant to authorization given by the Board of Trustees. The certificate shall contain a description of the Lot against which the lien exists, the name or names of the Owner or Owners thereof, the amount of the unpaid and/or accelerated assessments and late charges, and a statement that the lien secures the Association's expenses to collect the delinquency. It shall be signed by the president or vice-president of the Association. The lien provided for herein shall remain valid for a period of ten years from the date that a certificate of lien was duly failed therefore, unless sooner released or satisfied in the same manner provided by law in the State of Ohio for the release and satisfaction of mortgages or real property, or discharged by the final judgment or order of a court in an action brought to discharge the lien.

Section 8.14 Priority of Association's Lien; Actions to Collect. The lien provided for in Section 8.13 of this Article shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been filed for record, and may be foreclosed in the same manner as a mortgage on real property in an action brought by the Association. In any such foreclosure action, the Owner or Owners of the Lot affected shall be required to pay a reasonable rental for such Lot during the pendency of such action, and the plaintiff in such action is entitled to the appointment of a receiver to collect the same. In any such foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale. The Association may also bring any action at law it deems necessary to collect such assessment, late charges, and its expenses, from the members personally obligated to pay the same.

Section 8.15 Dispute as to Common Expenses. Any Owner who believes that the portion of assessments chargeable to such Owner's Lot, for which a certificate of lien has been filed by the

Association, has been improperly charged against such Owner's Lot may bring an action in the Court of Common Pleas for Montgomery County, Ohio for the discharge of such lien.

Section 8.16 Non-Liability of Foreclosure Sale Purchaser or an Acquirer of Title in Lieu of Foreclosure for Past Due Assessments. Where a first mortgagee or other purchaser of a Lot acquires title to the Lot as a result of a foreclosure of any lien or by a deed in lieu of foreclosure of the first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of assessment by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of assessments shall be deemed to be assessments collectible from all of the Lots, including that of such acquirer, his successors or assigns.

Section 8.17 Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Lot other than a conveyance in lieu of foreclosure, the grantee of the Lot shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the grantor and his Lot for his share of the assessments up to the time of a grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee and his mortgagee shall be entitled to a statement from the Board of Trustees of the Association setting forth the amount of all unpaid and current assessments against the grantor due the Association, and such grantee shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments made by the Association against the grantor in excess of the amount set forth in such statement for the period reflected in such statement.

Section 8.18 Association's Right to Notify, Post, and Re-assess Others. The Association shall have the right, at its option, to notify any first mortgagee of a Lot when any assessment against such Lot is in arrears for more than 30 days. The Association shall also have the right, at its option, when any assessment is in arrears for more than 60 days, to post and/or notify all members of the arrearage by listing the Lot, the Owners responsible for the assessment, and the amount of the arrearage. The Association shall have the further right, at its option, when any assessment is in arrears for more than 90 days, to revise its Estimated Budget by adding the arrearage thereto, and to reassess all Lots with such arrearage; provided, however, that the delinquent person's personal liability and the Association's lien for such arrearage shall not be affected by such reassessment.

ARTICLE NINE - USE RESTRICTIONS

Section 9.1 Use. The Property shall be used for single-family residential purposes and purposes incident thereto and for no other purpose, except for purposes reserved to Declarant herein and except as herein specifically provided otherwise. (a) It shall be expressly permissible for Declarant or any Builder to maintain during the period of sale of Lots, upon those portions of the Property as they shall own, the following sales facilities: a model, a business and sales office in the model, normal parking which relates to the model, and one yard sign approved in writing by the Declarant for the model. Any other facilities shall be approved in advance in writing by the Declarant. Use of any model business or sales office by a Builder shall be limited to its sale of Lots in Stone Lake or any other real estate project being developed by the Declarant or in which Declarant has an interest. (b) No Owner shall install, place, or store equipment (recreational or otherwise) or any other items (except operable automobiles) on any Lot outside permitted structures unless advance written permission is obtained from the Association. (c) No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any Lot or on the Common Area at any time as a residence either temporarily or permanently.

Section 9.2 Rental and Transient Uses; Lease. No Lot or any part thereof or structure thereon shall be rented or used for transient or hotel purposes, which is defined as: (a) rental for any period less than one hundred twenty days, or (b) rental under which occupants are provided customary hotel services such as

room service for food and beverages, maid service, the furnishing of laundry and linen, and like services, or (c) rental to roomers or boarders, that is, rental to one or more persons of a portion of a Dwelling only. Every lease of a Lot or any part thereof shall be in writing, and shall provide that the terms of the lease and of the tenancy shall be subject in all respects to the terms of the organization documents, and any failure to comply therewith shall be a Default under the lease. The Board of Trustees may include in its regulations reasonable conditions for the control of the activities of persons temporarily visiting the Lots as guests or invitees.

Section 9.3 Home Occupations. A Dwelling may be used for home occupations or professions in a limited and discrete manner which does not interrupt or detract from the quiet enjoyment of an Owner or Occupant of a Lot in Stone Lake. No signs shall be displayed on any Lot referring to such activity, no more than three separate customers, clients, patients, or members of a religious assembly shall visit the Lot in any 24 hour period, and no storage or use of items or equipment shall be permitted if the same gives the appearance that a trade or occupation is being conducted inside the Dwelling.

Section 9.4 Signs. No sign of any kind shall be displayed to the public view on the Property, except (a) on a Lot, provided the sign is approved in accordance with the provisions of 9.1 hereof, to advertise the Lot for sale during the construction and sales period, by Builders, and (b) on a Lot, one professional sign of no more than five square feet advertising a Lot for sale or rent, and (c) signs used by Declarant advertising Lots for sale during the construction and sales period on the Common Area. In no case, however, shall any Lot have more than one sign naming the Builder and more than one Realtor sign on a Lot which is for sale or under construction.

Section 9.5 Exterior of Lots/Antennas/Clothes Lines/Garage Doors. Nothing shall be permitted to be hung, displayed, or stored on the outside of windows or placed on the outside walls of a Dwelling or structure, or any part thereof, and no sign, awning, canopy, shutter, radio, T.V. or C.B. antenna, or any other device, equipment, wires or ornaments shall be affixed to or placed upon such exterior walls or roof or otherwise on the Lot areas visible to the public, other than originally provided by Declarant or as authorized by the Design Control Board. No exterior clothes line, hanging device, or noxious and offensive device, shall be permitted on the Common Area or the exterior visible portions of a Lot. Garage doors shall be kept closed at all times, except for ingress and egress purposes.

Section 9.6 Vehicles or the parking of motor vehicles, bicycles, mopeds, etc., on the Common Area or on Lots shall be subject to such rules and regulations as the Board of Trustees may from time to time establish. No boats, trailers, trucks, or other like vehicles (recreational or otherwise) shall be permitted to park on the Common Area or visible part of any Lot, nor shall mechanical work on vehicles be permitted thereon.

Section 9.7 Nuisances. (a) No noxious or offensive activity shall be carried on upon any Lot or the Common Area nor shall anything be done thereon which may in any way or for any purpose endanger the health or unreasonably disturb or annoy the Occupant of a Lot or interfere with the full use and enjoyment of a Lot. (b) The parking of inoperative or unlicensed motor vehicles on the Common Area in violation hereof or of rules and regulations promulgated pursuant hereto, shall, per se, constitute a nuisance, and the Board of Trustees shall have the explicit authority to remove any such vehicle, at the cost of the owner thereof, at any time twenty-four hours or more after a notice has been placed thereon demanding its removal.

Section 9.8 Structural Integrity. Nothing shall be done on any Lot or in, on, or to the Common Area which will impair or change the structural integrity of any improvement.

Section 9.9 Building on Easements. Within the easements for access to Reserve A and for the

installation and maintenance of utilities and drainage facilities reserved pursuant to the provisions of this Declaration, no structure, planting, or other material (except such as shall have been constructed by the Declarant) shall be placed or permitted to remain which may damage or interfere with such access or the installation and maintenance of utility lines or which may change the direction of the flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easement areas. The utility facilities within the easement areas shall be subject to the right of the Association to maintain the same, and its right to delegate that right to a public authority or utility.

Section 9.10 Exclusive Use of Common Areas. Except as otherwise provided in this Declaration, the Common Area shall be used for the sole and exclusive use, benefit, and enjoyment of Owners for the following purposes and no others: streets, sidewalks, footways, parking areas, drives, common areas, maintenance areas, utility lines, recreation areas, playgrounds, athletic areas, picnic areas, and like facilities, including buildings, structures, and all personal properties incidental thereto serving the Property.

Section 9.11 Common Area Prohibited Uses. (a) No part of the Common Area shall be used by anyone other than the Association for the storage or maintenance of any signs, goods, machinery, materials, or other item or device, nor shall clothes, sheets, blankets, laundry, or other articles of any kind be hung out or exposed on any part thereof visible from the outside, nor shall there be playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Area, except as may be approved in advance in accordance with rules and regulations therefor adopted from time to time by the Board of Trustees. The Association shall have the right to construct or place structures and improvements on the Common Area for the common use of the Owners and Occupants of Stone Lake. (b) No use shall be permitted that would prohibit free and unimpeded vehicular or pedestrian ingress and egress to and from garages, pathways, and drives to the Common Area private streets.

Section 9.12 Garbage and Refuse Disposal. No part of the Property shall be used or maintained as a dumping ground for garbage, refuse, or rubbish. Trash, garbage, or other waste shall be kept in sanitary containers, and such containers shall at all times be kept inside the garage. Such containers shall not remain in public view except on days of trash collection when they shall be placed back inside the garage within eight hours. Each Owner shall be responsible for keeping his Lot free of construction debris and litter at all times, which duty shall include picking up such materials from the Lot daily, depositing it in containers, and disposing thereof promptly. Each Owner shall be responsible for the acts of his contractors, invitees, and agents and shall include such obligation of daily pick up, containerization, and prompt removal in all contracts with third parties performing work on his Lot. If the Owner or his contractors or agents fail to perform their clean up duties, the Association may give 24 hours advance written notice to the Owner specifying the violation and assess the cost of any clean up thereafter undertaken by it against the Lot and Owner as a Special Individual Lot Assessment.

Section 9.13 Animals. Except as hereinafter provided, no animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot or the Common Area. Notwithstanding the foregoing, household domestic dogs, cats, and other household pets, not bred or maintained for commercial purposes, may be maintained on a Lot provided that: (a) No such pet shall be permitted in any portion of the Property (except its Owner's Lot) other than on a leash maintained by a responsible person. (b) No such pet shall be permitted to run loose on any part of the Property, other than its Owner's Lot, and no pet shall be permitted to bother or annoy any person walking or jogging on the Common Area. (c) The Owner or person having control of a pet shall have sole responsibility promptly to remove body wastes deposited by it on the Property. (d) The permitting of attended leashed animals on the Common Area shall be subject to such rules and regulations as the Association's Board of Trustees may from time to time establish. (e) The Association in its absolute discretion, to protect the residents and their enjoyment of the Stone Lake

community, may require that any pet or pets be deemed a nuisance and removed from the Property permanently, upon one egregious violation (such as harm caused to a resident) or upon three violations set forth above, and the Owner or person responsible for the pet shall remove it from the Property by the date set by the Association. (f) The Association may assess the costs, expenses, and legal fees of any legal action instituted by it to enforce the above restrictions against the Lot on which the pet was kept, as a Special Individual Lot Assessment.

Section 9.14 Water Supply/Sewage Disposal. No individual water supply system nor any individual sewage disposal system shall be permitted on any Lot.

Section 9.15 Pools. Above-ground pools are absolutely prohibited in Stone Lake. In-ground pools may be permitted by the Design Control Board after prior approval of the location, type, and design of pool and fencing thereof.

Section 9.16 Rules and Regulations. The Association shall have authority to adopt and enforce substantive and procedural rules and regulations relating to and which promulgate use restrictions in addition to those set forth in this Declaration for any part of the Property to be enforceable in the same manner and to the same extent as other restrictions herein.

Section 9.17 Open Fires. No open fires shall be permitted on the Common Area or on individual Lots except in commonly used cooking containers (e.g. portable grills) or approved permanent grills.

Section 9.18 Replacements; Subdividing. Any structure erected to replace a structure on the Property shall be of new construction and of comparable size, design, and construction to that replaced. There shall not be constructed or maintained on any portion of the Common Area not at the time of subjection hereto devoted to the residential buildings, anything other than facilities for the common use of all Lots. Without the approval of members of the Association exercising not less than seventy-five percent of the voting power of members, and the approval of all holders of first mortgage liens on the Lots affected, neither the Association nor any member or members shall subdivide any Lot or the Common Area.

Section 9.19 Conveyances. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions, and provisions hereof.

Section 9.20 Discrimination. No action shall be taken at any time by the Association or its Board of Trustees which would discriminate in any manner against any member or members in favor of another.

Section 9.21 Arbitration. In the event of any dispute between members as to the application of these restrictions or any rules or regulation to any particular circumstance, the party aggrieved shall submit a complaint in writing to the Board of Trustees specifying the dispute. The Board of Trustees shall set a time, date, and place for a hearing thereon within twenty days thereafter, and give written notice to each party thereof no less than three days in advance. The Board of Trustees shall thereupon hear such evidence on the dispute as the Board deems proper and render a written decision on the matter to each party within thirty days thereafter. No action at law may be instituted by either party to such a dispute unless arbitration pursuant hereto has first been had.

Section 9.22 Utility Service. Each Owner shall install underground, all electric, telephone, and cable television service lines to each residence and any approved accessory building

ARTICLE TEN - INSURANCE

Section 10.1. Liability Insurance. The Association shall obtain and maintain a comprehensive policy of

public liability insurance covering all of the Common Area, insuring the Association, the Board of Trustees, all Owners and members of their respective families, and other persons residing on any portion of the Property, with such limits as the Trustees may determine, but no less than \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence. This insurance shall include protection against water damage, liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as are customarily covered with respect to developments similar in construction, location, and use. This insurance shall contain a “severability of interest” endorsement which shall preclude the insurer from denying the claim of a member because of negligent acts of the Association or other members.

Section 10.2. Fire and Extended Coverage Insurance. The Board of Trustees shall have the authority to obtain insurance for all insurable buildings, structures, or other improvements now or hereafter constituting a part of the Common Area, against loss or damage by fire, lightning, and such perils as are comprehended within the term “extended coverage”, vandalism, malicious mischief, windstorm, and water damage in an amount no less than the replacement cost thereof (exclusive of land, foundation excavation, and other items normally excluded from coverage), less a reasonable deductible. This insurance shall be written with a fire insurance company authorized to write such insurance in the State of Ohio, having a financial rating by Bests’ Insurance Reports of BBB+ or better. The Association shall have the authority to obtain other insurance as it deems necessary or desirable, including liability insurance for Trustees and/or officers, and surety bond insurance.

Section 10.3 Insufficient Insurance. In the event the improvements to be insured pursuant to Section 10.2 above shall suffer damage or destruction from any cause or peril which is not insured against, or if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration, or reconstruction to be performed by the Association, such repairs, restorations, or reconstruction of the improvements so damaged or destroyed shall be undertaken by the Association with the cost thereof paid by special assessment, under Article Eight, Section 8.10.

Section 10.4 Owner’s Insurance. Each Owner of a Lot improved with a single-family detached home shall purchase and maintain in force insurance against loss or damage by fire, lightning, and such other perils as are comprehended within the term “extended coverage”, and shall from year to year keep the home and improvements insured at replacement value. Any Owner who suffers a loss shall, if such loss is visually evident to the neighborhood, commence repair or reconstruction promptly and within 90 days after settlement with his insurance company, and shall continue the work with reasonable diligence until the work is completed. Such Owner shall keep the Association fully informed of the progress of the settlement and/or work on a monthly basis.

Section 10.5 Builder’s Insurance. Each Owner shall cause the Builder constructing a Dwelling on such Owner’s Lot to obtain and maintain, and each Builder who is an Owner and is constructing a Dwelling on a Lot to obtain and maintain, builder’s risk insurance and public liability insurance insuring the Builder, the Declarant, and the Association, with limits the Trustees may determine, but no less than \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence.

ARTICLE ELEVEN - CONDEMNATION

In the event that by reason of the exercise by appropriate public authority of the right of eminent domain any portion of the Common Area is appropriated, the net proceeds received therefrom shall be prorated and distributed among the members in the same proportions as annual assessments are charged, subject to the right of any first mortgagee to the portion of the proceeds applicable to the Lot mortgaged to such mortgages.

ARTICLE TWELVE - ENFORCEMENT

Section 12.1 Curing Defaults; Lien. In the event of any Default by an Owner or tenant under Article Six or Seven with respect to any Lot, the Board shall give written notice to the Owner thereof, with a copy of such notice to the tenant in Default, setting forth with reasonable particularity the nature of such Default, and the specific action or actions required to remedy the Default. If the Owner or tenant shall fail to take the specific action or actions within 15 days after the mailing of the notice if such Default does not involve a building or within 30 days after the mailing of the notice if such Default does involve a building, the Board may, but shall not be required to exercise any or all of its rights hereunder.

Notwithstanding the foregoing, the Board may, without notice, exercise any of its rights hereunder with respect to any Default, under Article Six or Seven if it reasonably determines that an emergency exists which threatens the public health, safety, or welfare and requires immediate action, or if the Default is failure to clean up the site and adjacent street as specified in Section 7.15 (a). Cost incurred by the Association in exercising any of its rights with respect to any Lot shall be a binding personal obligation of the owner thereof which shall be payable on demand. If the Owner fails to pay such costs within 30 days after demand, the Association shall enter the amount of the obligation, the name of the Owner as it appears on its records and the description of the Lot, together with the date of such entry, in a lien record book to be maintained by the Board at its main office. The Association shall have a prior lien on such Parcel for such amount until paid and such lien shall have priority from the date of such entry over all other liens and encumbrances thereon whatsoever, excepting real estate taxes and assessments, liens of record as of the date of such entry, first mortgages, mortgages insured or guaranteed by the United States of America or any instrumentality thereof, liens of the United States of America, the State of Ohio, and all other political subdivisions or governmental instrumentalities of the State of Ohio to the extent made superior by applicable law and the liens created by Article Eight. The lien provided in this section shall be enforceable in the manner provided in Article Eight as a Special Individual Lot Assessment. Upon the request of the Owner or any mortgagee or lessee of any Lot or any prospective purchaser, mortgagee or lessee thereof, the Board shall furnish written evidence of the amount, if any, of such liens with respect thereto. Such evidence may be conclusively relied upon by any such party and by anyone furnishing any title evidence or opinion with respect to such Lot.

Section 12.2 Remedies. Nothing contained in this Article shall be deemed to affect or limit the rights of the Declarant, the Association, and each Owner by appropriate judicial proceedings, to enforce this Declaration or recover damages for any Default. It is hereby declared that irreparable harm will result to beneficiaries of this Declaration by reason of a Default, and, therefore, each beneficiary shall be entitled to relief by way of injunction or specific performance to enforce the provisions of this Declaration, as well as any other relief available at law or in equity.

Section 12.3 Right of Entry. The Association, through its authorized officers, employees, and agents, shall have the right to enter upon any Lot at all reasonable times and upon reasonable notice except as otherwise provided in Section 12.1 to do anything thereon or therein necessary to perform the action or actions specified in the notice to the Owner to abate, remedy, extinguish, remove, or repair a Default, without the Association or such officer, employee, or agent being deemed to have committed a trespass or wrongful act solely by reason of such entry or such action or actions, provided that such entry or such action or actions are carried out in accordance with the provisions of this Article.

Section 12.4 No Waiver. The failure of the Declarant, the Association, or any Owner in any one or more instances to insist upon compliance with any of the provisions of this Declaration, including the Design Standards and Maintenance Standards, or to exercise any right or privilege conferred in this Declaration, shall not constitute or be construed as the waiver of such or any similar provision, right or privilege, including the right to cure a Default, but the same shall continue and remains in full force and effect as if

no such forbearance had occurred.

Section 12.5 Rules and Regulations. The Board may adopt and enforce, and from time to time amend, reasonable rules and regulations regarding the administration, interpretation, and enforcement of the provisions of this Declaration. Each such rule and regulation shall be consistent with and designed to further the purposes outlined in Section 7.1

Section 12.6 Cost to Association. In furtherance of the provisions of Section 12.1, if the Association performs maintenance or repair work as a result of a Default of the Owner or Builder, the Special Individual Lot Assessment shall be equal to 1.5 times the cost to the Association to cause such work to be performed. If a second Default occurs in the same calendar year, and the Association performs the work, the Special Individual Lot Assessment shall be equal to 3.0 times the cost to the Association to cause the work to be performed. For every subsequent Default in a calendar year notwithstanding that prior Default(s) have been cured by the Owner, the Special Individual Lot Assessment shall be equal to six times the cost to the Association to cause the work to be performed. In addition, the Association may levy a Special Individual Lot Assessment of up to \$150.00 to cover the administration expense arising out of the necessity to deal with a Default.

Section 12.7 Owner's Right to Contract for Work. For purposes of Section 12.1, an Owner or Builder may deliver to the Association before expiration of the application notice period a bona-fide contract signed by a third-party contractor promising to perform the work for the Owner and such contract shall contain a clause in which such contractor agrees to the provisions of this Section. Such clause shall notify the contractor that the Association shall have the right to deny the contractor access to the Lot in the manner and for the reasons set forth below, and the failure of the Owner to include such clause in the contract shall expose the Owner to the possibility of loss by being required to pay the contractor under the contract and also by being required to pay the Association for work performed by the Association. If the Association, in its absolute discretion, determines the contract to be reasonably designed to cover the work necessary to be performed in a proper and timely manner, the Association may defer undertaking to perform the work and allow a reasonable time in which the contractor may perform such work. However, if the Association determines that the contractor is not proceeding with due diligence, or the quality of the contractor's work is not up to the applicable standards, the Trustees, in their sole and absolute discretion, may deem compliance with the Owner's obligation to cure defect. Thereupon, the Trustees may send another notice to the Owner and, upon expiration of 72 hours, enter upon the Lot and perform the corrective work deemed appropriate by the Trustees. Any such entry shall be deemed a lawful eviction of the contractor from further entry upon such Lot, except to recover such materials, tools, and equipment as may not have already been made a part of the work. The Association shall not be liable to the Owner or contractor for any action taken under this Article in good faith.

Section 12.8 Violations of Design Standards. The Board of Trustees of the Association may, in adopting regulations, create penalties for violation of the Design Standards. Such penalties shall be in addition to the removal of violating work provided for below.

Section 12.9 Removal of Violating Work. The Design Review Board shall have the right upon delivery of a written notice to the offending Owner or Builder, to require such person or entity to remove any work which has been started without the prior approval of the Review Board. Such work shall include new construction and any alteration of or addition to any previously existing construction or improvement, which fails to comply with the Design Standards or with the plans and specifications approved by the Review Board. In such event, the offending person or entity shall commence removal of the violating work no later than seven days after receipt of the notice from the Review Board and shall finish such removal, unless prevented by acts beyond the reasonable control of such person or entity, within thirty days thereafter at the expense of such person or entity. In the event the violating work is not removed in

such time frame, the Association or its agents may enter upon the property of the offending Owner or Builder pursuant to its reserved easement, and cause the removal thereof and assess the cost of such removal against the person or entity holding title to the Lot involved as a Special Individual Lot Assessment under Article Eight of this Declaration.

Section 12.10 Appeals. In the event of any dispute as to any rule or regulation applicable to any particular circumstance, or as to any decision of the Review Board, or as to the language or interpretation of the Design Standards, the party aggrieved shall have the right to submit a complaint in writing to the Board of Trustees specifying the dispute. The Trustees shall set a time, date, and place for a hearing thereon within thirty days thereafter, and give written notice to each party thereof no less than three days in advance of such hearing. The Trustees shall thereupon hear such evidence on the dispute as they deem proper and render a written decision on the matter to each party within thirty days thereafter. No action at law may be instituted by any party to such dispute unless this appeal process is complied with. The decision of the majority of the Trustees shall constitute a final administrative decision.

ARTICLE THIRTEEN - RIGHT OF RE-PURCHASE

If construction of any approved Dwelling is not commenced within ninety days after conveyance of the applicable Lot from Declarant to the Owner, other than Declarant, or within sixty days after final approval by the Review Board of the detailed plans and specifications for the Dwelling to be constructed on said Lot, whichever is later (the "commencement date"), Declarant shall have the right to repurchase said Lot upon giving 15 days prior written notice of its intention to repurchase to the Owner. The repurchase price shall be the price paid by Owner for the Lot when purchased from Declarant plus reimbursement for any real estate taxes paid by Owner relating to the Lot, less the unpaid balance of any mortgage or other amounts, non-payment of which may be assessed as liens against the Lot. The closing of the repurchase shall be within thirty days after the date of such notice. The provisions of this Article may be enforced by an action at law maintained by the Declarant. If Declarant fails to give written notice exercising its right of repurchase within one hundred eighty days after the commencement date specified above, said right of repurchase shall be deemed waived.

ARTICLE FOURTEEN - GENERAL PROVISIONS

Section 14.1 Covenants Running with the Land. The covenants, conditions, restrictions, easements, reservations, liens, and charges created by this Declaration shall run with and bind the land, and each part thereof, and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in or to all or any part of the Property, and their respective heirs, executors, administrators, successors and assigns, for a term of fifty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years, unless amended as hereinafter provided.

Section 14.2 Enforcement. In addition to any other remedies provided in this Declaration, Declarant, the Association, or any member, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, charges, and penalties set forth herein or now or hereafter imposed by or through the Association's rules and regulations. Failure by Declarant, the Association, or by any member to proceed with such enforcement shall in no event be deemed a waiver of the right to enforce at a later date the original violation or a subsequent violation nor shall the doctrine of laches nor any statute of limitations bar the enforcement of any such restriction, condition, covenant, easement, reservation, lien, or charge. The Association shall not deliberately refuse to enforce the provisions hereof, or discontinue operations, or attempt to discontinue its operations without giving thirty days prior written notice to all holders of first mortgage liens on Lots.

Section 14.3 Notice to First Mortgagees. Notwithstanding any other provisions hereof, the Association

shall give to the first mortgagee of any Lot written notice of any Default or violation by the Owner or occupant of such Lot of the terms and conditions of this Declaration if such Default or violation is not cured within thirty days, and if such first mortgagee makes a written request for such notice.

Section 14.4 Amendments. Except as hereinafter provided, this Declaration may be amended only with the approval of (a) members exercising not less than seventy-five percent of the voting power of all members, and (b) if material to the rights of a first mortgagee, the approval of all holders of first mortgage liens on Lots subject to assessment by the Association. Notwithstanding the foregoing, Declarant hereby reserves the right and power, and each member by acceptance of a deed to a Lot is deemed to and does give and grant to Declarant a power of attorney, which right and power is coupled with an interest and runs with the title to a Lot and is irrevocable (except by Declarant), for a period of five years from the date hereof, to amend this Declaration and to execute any and all documents deemed necessary or desirable by Declarant to conform to requirements of any lending institution or lending authority, or to correct errors or inconsistent provisions herein.

Section 14.5 Penalties for Violations. Notwithstanding any other provisions hereof, the Association shall have the power in adopting the rules and regulations authorized in this Declaration to include therein such penalties, sanctions, and other remedies for violations thereof as it deems necessary or appropriate, and to enforce any financial penalty as a Special Individual Lot Assessment.

Section 14.6 Severability invalidation of any one or more of these covenants, conditions, restrictions, or easements by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14.7 Notices. Any notice required or permitted herein shall be in writing and mailed, postage prepaid by registered or certified mail, return receipt requested, or hand delivered and shall be directed as follows: (1) if intended for an Owner, to the address of the Lot if improved, (2) if the Lot is not improved, to the Owner's address set forth in the purchase contract, (3) if none of the foregoing, to the last known address of the Owner; if intended for Declarant, to 4324 Webster Street, Dayton, Ohio 45414; if intended for the Association, to the President thereof or to its statutory agent for service. Any notice shall be complete when the Owner or other addressee, or a member of such person's family, signs a receipt therefor, or when the U.S. Postal Service or other person delivering the notice certified that the notice was delivered to the address of the addressee, or if refused, when the person delivering the notice certifies that the notice was refused by a person at such address of the addressee.

Section 14.8 Gender and Grammar. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 14.9 Captions. The captions of the various provisions of this Declaration are not part of the context hereof, but are merely labels to assist in locating the various provisions hereof.

Section 14.10 Non-Liability. Neither the Declarant nor the Association shall be responsible for any contractual matters between Builders and Owners, including but not limited to warranties and workmanship of the Builder.

IN WITNESS WHEREOF, the undersigned, as Managing Partner of Declarant, has caused this Declaration to be duly executed this _____ day of _____, 19____.

WITNESS

STONE LAKE PARTNERS

By: _____

Its: Managing Partner

STATE OF OHIO, COUNTY OF MONTGOMERY, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, Managing Partner of Stone Lake Partners, an Ohio General Partnership, on behalf of the partnership.

NOTARY PUBLIC

EXHIBIT A
DESCRIPTION OF A 24.263 ACRE TRACT
PROPOSED STONE LAKE OBERER DEVELOPMENT

October 5, 1989

Located in Section 21, Town 2, Range 6, H.R.S., City of Centerville and Washington Township, County of Montgomery, State of Ohio and being a part of a tract of land previously conveyed to Fairhaven Church, The Christian and Missionary Alliance, Dayton, Ohio recorded in Deed Microfiche No. 80-302A10 and a tract of land previously conveyed to John F. and Debra A. Godshall recorded in Deed Microfiche No. 86-603803 in the Deed Records of Montgomery County, Ohio and being more particularly described as follows:

Beginning at an iron pipe found at the northwest corner of Kingsgate Plot Section Two as recorded in Plat Book 89, Page 5 in the Plat Records of Montgomery County, Ohio said iron pipe being in the south line of Red Coach Farm Section Two as recorded in Plat Book 70, Page 59 in the Plat Records of Montgomery County, Ohio; thence with the west line of said Kingsgate Plat Section Two and its southward extension, said extension being the west line of Kingsgate Plat Section One as recorded in Plat Book 82, page 66 in the Plat Records of Montgomery County, Ohio, South no degrees seventeen minutes no seconds (000 17' Wm) East for nine hundred seven and 95/100 (907.95) feet at an iron pin found at the southwest corner of Lot No. 23 of said Kingsgate Plat Section One; thence over said Fairhaven Church land, on a new division line for the following four courses: South eighty-nine degrees forty-three minutes no seconds (890 43' Wm) West for two hundred and 00/100 (200.00) feet to an iron pin set; thence South sixty-six degrees forth-three minutes no seconds (661 43' 000) West for four hundred ninety-five and 001100 (495.00) feet to an iron pin set; thence South no degrees thirty-eight minutes eight seconds (000 38' 080) East for one hundred fifty and 0011W (150.00) feet to an iron pin set; thence South fifty-three degrees forty-five minutes thirty-five seconds (530 451 351) West for four hundred five and 141100 (405.14) feet to a railroad spike set in the centerline of Marshall Road and the west line of said Section 21; thence with the centerline of Marshall Road and the west line of said Section 21, North no degrees thirty-eight minutes eight seconds (00 38' 08'') West for one thousand three hundred eighty-eight and 20/100 (1388.20) feet to a railroad spike found at the southwest corner of a tract of land conveyed to Holland B. Lowndes recorded in Deed Microfiche No. 82-524A11 in the Deed Records of Montgomery County, Ohio;

thence with the south line of said Lowndes tract, North eighty-eight degrees no minutes thirty seconds (88 00' 30'') East for three hundred twenty-four and 86/100 (324.86) feet to an iron pin found at the southeast corner of said Lowndes tract:

thence with the east line of said Lowndes tract, North two degrees eleven minutes four seconds (02 11' 04'') West for seventy-two and 25/100 (72.25) feet to an iron pin found at the northeast corner of said Lowndes tract, said iron pin being in the south line of said Red Coach Farm Section Two;

thence with the south line of said Red Coach Farm Section Two, North eighty-eight degrees four minutes thirty seconds (88 04' 30'') East for six hundred sixty-nine and 16/100 (669.16) feet to the point of beginning, containing twenty-four and 263/1000 (24.263) total acres, twenty-three and 157/1000 (23.157) acres being in Washington Township, subject however to all covenants, conditions, restrictions, reservations, and easements contained in any instrument of record pertaining to the above-described tract of land.

The above description was prepared from a field survey made by Woolpert Consultants in April of 1989 with bearings based on Red Coach Farm Section Two.