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BY-LAWS

EXHIBIT C

**BY-LAWS
OF
THE CLUSTERS OF CHAPPARAL CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.**

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**BY-LAWS
OF
THE CLUSTERS OF CHAPPARAL CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.**

The within By-Laws are executed and attached as Exhibit D to the Declaration of Condominium Ownership for The Clusters of Chapparral Condominium pursuant to Chapter 5311, Ohio Revised Code, which will hereafter be referred to as the "Condominium Act"; the Declaration, and any amendment thereto, will hereafter be referred to as the "Declaration." For the purposes of these By-Laws, words, terms and/or phrases which appear or are used herein and are defined in the Declaration shall have the same meaning herein as is set forth in the Condominium Act. The purpose of these By-Laws (hereafter referred to as the "By-Laws") is to provide for the establishment of a Unit Owners Association (hereafter referred to as the "Association") for the government of the Condominium Property described in the Declaration in the manner provided by the Declaration and these By-Laws (said condominium property being hereafter referred to as the "Condominium Property"), all of which shall be subject to the covenants, provisions and/or regulations contained in the Declaration and these By-Laws and shall be further subject to any and all restrictions, conditions and/or regulations hereafter adopted by the Board of Managers of the Association. The mere acquisition or rental of any Unit or Units described in the Declaration or the mere occupancy of any Unit or Units, shall constitute acceptance and ratification of the Declaration and these By-Laws.

ARTICLE I
THE ASSOCIATION

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

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

Section 3. Membership Not Transferable. Except as provided herein or in the Declaration, membership in the Association shall not be transferable. The membership in the Association of each Owner shall terminate upon a sale, transfer or other disposition of the Owner's Ownership interest in the Unit, accomplished in accordance with the provisions of the Declaration, and all rights and privileges of a Member in the Association, the Owner's Unit and the

Condominium Property shall cease on the termination of such membership, and, thereupon, the membership of such respective Owner in the Association shall automatically transfer to and vest in the new succeeding Owner. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

Section 4. Proxies. Members may vote or act in person or by proxy. The person appointed as a proxy must be either the spouse of the Member or another Member of the Association. Each proxy must be filed with the Secretary prior to the commencement of a meeting, or at the time the proxies are called for. A proxy shall be revocable at any time by actual notice to the Secretary by the Member or Members making such designation. Notice to the Board of Managers or Secretary in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meeting of Members.

- (a) Annual Meeting. The annual meeting of the Members of the Association for the election of members of the Board of Managers, the consideration of reports to be laid before such meeting, and the transaction of such other business as may be properly brought before the meeting shall be held at the offices of the Association or at such other place upon the Condominium Property or at such other place as designated by the Board of Managers and specified in the notice of such meeting, at 7:30 P.M. or at such other time as may be designated by the Board of Managers and specified in the notice of the meeting, which notice shall be given as provided in Section 5(c) of this Article I. Subject to the provisions and conditions specified in Article VI, Section 1 of these By-Laws, the first annual meeting of the Members of the Association at which Owners other than Grantor have a right to elect a majority of the members of the Board of Managers shall be held as soon as practicable on the date selected by Grantor and designated in the notice after the events specified in Article VI, Section 1, of these By-Laws have occurred; provided, however, in the event that the events specified in Article VI, Section 1, shall not have occurred within five (5) years after the date of the filing of the Declaration for record, then in all events, the first annual meeting of the Members of the Association at which a majority of the Members of the Board of Managers are elected by Owners other than Grantor shall be held on the next succeeding business day following the expiration of such five (5) year period. After the first meeting of the Members of the Association at which the Owners other than the Grantor elected all or a majority of the members of the Board of Managers, the subsequent annual meetings held thereafter shall be held in succeeding years at a time and date determined by the Board of Managers.
- (b) Special Meetings. Special meetings of the Members of the Association may be held on any business day when called by the President of the Association

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

- (c) Notices of Meeting. Not less than seven (7) not more than sixty (60) days before the date fixed for any meeting of the Members of the Association, written notice stating the date, time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these By-Laws to give such notice. The notice shall be given by personal delivery or by mail to each Member of the Association who is an Owner of record as of the day preceding the day on which notice is given. If mailed, the notice shall be addressed to the respective Members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place, and purposes of any meeting of Members of the Association may be waived in writing, either before or after the holding of such meeting, by any Member, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a waiver by such member of notice of such meeting.
- (d) Quorum - Adjournment. Except as may be otherwise provided by law or by the Declaration, at any meeting of the Members of the Association, the Members of the Association entitled to exercise a majority of the voting power of the Association, present in person or by proxy, shall constitute a quorum for such meeting. No action may be authorized or taken by a lesser percentage than required by law, by the Declaration or by these By-Laws. The Members entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

- (e) Order of Business. The order of business at all meetings of Members of the Association shall be as follows:
- (1) Calling of meeting to order;
 - (2) Proof of notice of meeting or waiver of notice;
 - (3) Reading of minutes of preceding meeting;
 - (4) Reports of officers;
 - (5) Reports of Committees;
 - (6) Appointment of Inspectors of Election by Chairman of Meeting;
 - (7) Election of Managers;
 - (8) Unfinished and/or old business;
 - (9) New Business;
 - (10) Adjournment.
- (f) Actions Without a Meeting. All actions, except removal of a Member of the Board of Managers, which may be taken at a meeting. Such writings shall be filed with the Secretary of the Association.
- (g) Voting Rights for Units. The aggregate number of votes for all Owners shall be one hundred (100) and shall be divided among the respective Members in accordance with their respective percentage of Ownership interest in the Common Areas and Facilities of the Condominium Property. If any Unit is owned by more than one (1) person, the voting rights for such Unit shall not be divided but shall be exercised only as a Unit. Except as otherwise prohibited under the Condominium Act, the Grantor may exercise the voting rights with respect to any Units to which title is in the name of the Grantor. Unless a different vote is required by express statutory provision of the Statutes of the State of Ohio or of these By-Laws or the Declaration, each question presented at a meeting of members shall be determined by a majority vote of those present.
- (h) Vote by a Business Entity. The vote of any corporate, partnership, or trust Member may be cast on its behalf by any officer, partner, or beneficiary of such Member.

ARTICLE II
BOARD OF MANAGERS

Section 1. Number of Qualification. The trustees of the Association shall be known and designated as the Managers and shall collectively comprise the Board of Managers of the Association. The Board of Managers shall consist of five (5) persons except as otherwise provided in these By-Laws, all of whom must be Owners (or persons who could be heirs-at-law of Owners under the Ohio Statutes of Descent and Distribution) and occupiers of a Unit, except as provided otherwise in these By-Laws. The Grantor shall designate all of the Managers of the first Board of Managers of the Association, who shall have all of the powers, authorities and duties herein conferred upon and/or delegated to the Board of Managers until the occurrence of one of the events set forth in Article I, Section 5 or Article VI, Section 1, whichever event shall first occur. This first Board of Managers is included in all uses of the term "Board of Managers" in these By-Laws. If, at any time, one bank, savings and loan association, insurance company, or other lending institution shall hold mortgages upon more than fifty percent (50%) of the Units, such lending institution may designate a representative to be a sixth member of the Board of Managers. A Member of the Board of Managers who is a representative of any lending institution, or who is designated by the Grantor as described above, need not be an Owner or occupier of a Unit. Managers shall receive no compensation for their services except as expressly provided by a resolution of the Members.

Section 2. Powers, Authorities, and Duties. The Board of Managers shall have the powers, authorities and duties necessary for the administration of the affairs of the Association and the Condominium Property, and shall have all powers, authority and duties referred to in the Declaration, these By-Laws, Chapter 1702 of the Ohio Revised Code as amended from time to time ("Non-Profit Corporation Law"), and the laws of the State of Ohio, and may do all acts and things provided by the Condominium act to be done by the Board of Managers or by the By-Laws or by the Declaration directed to be exercised and done by the Members individually. The powers of the Board of Managers shall include but not limited to the following:

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

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

Section 3. Election of Managers; Vacancies. The required number of Managers, as stated in Article II, Section 4, shall be elected at each annual meeting of Members of the Association. Only persons nominated as candidates and receiving the greatest number of votes shall be elected. Each Member may vote for as many candidates as there are authorized positions to be filled in the Board of Managers. In the event that there is a vacancy or vacancies in the Board of Managers, however caused, the remaining Managers, though less than a majority of the authorized number or Managers may, by the vote of a majority of their number, fill any vacancy for the unexpired term; provided, however, that a vacancy in the position of a representative of a lending institution as provided in Section 1 of Article II, if any, shall be filled by such lending institution.

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

Section 5. Organizational Meeting. Immediately after each annual meeting of Members of the Association, the newly-elected Managers and those Managers whose terms continue shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 6. Regular Meetings. Regular meetings of the Board of Managers may be held at such times and places as shall be determined by a majority of the Managers, but at least four (4) such meetings shall be held during each fiscal year of the Association.

Section 7. Special Meetings. Special meetings of the Board of Managers may be held at any time upon call by the President or any two Managers. Notice of the time and place of each such meeting shall be given to each Manager either by personal delivery or by mail, telegram or

telephone, at least two (2) days before the meeting. Attendance of any Manager at any such meeting without his protest of the lack of proper notice, prior to or at the commencement of such meeting, shall be deemed to be a waiver by such Manager of notice of such meeting; notice may also be waived in writing either before or after the holding of such meeting, by any Manager, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any organizational, regular or special meeting.

Section 8. Quorum; Adjournment. A quorum of the Board of Managers shall consist of a majority of the Managers present at a meeting duly held, whether or not a majority of the members of the Board of Managers are present, and such quorum may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board of Managers at which quorum is present, all questions and business shall be determined by a majority vote of those present, and the act of majority of such Managers present is the act of the Board of Managers, except as may be otherwise expressly provided in the Declaration or in these By-Laws.

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

Section 10. Non-Liability of the Board of Managers. The members of the Board or Mangers shall not be liable to the Owners or to the Association or its Members for any mistake of judgement or for any acts or omissions made in good faith as such Managers. The Owners and the Association and its Members shall idemnify and hold harmless each member of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Association unless any such contract shall have been made in bad faith, or contrary to the provisions of the Declaration applicable to the Units or the Condominium Property, or contrary to the By-Laws of this Association. The liability of any Owner or Member arising out of the aforesaid indemnity shall be limited to such proportion of the total liability as the Owner's percentage of interest in the Common Areas and Facilities relates to the total percentage of interest of all Owners in the Common Areas and Facilities.

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

ARTICLE III
OFFICERS

Section 1. Election and Designation of Officers. The Board of Managers shall elect from among themselves a President, a Vice President, a Secretary, and a Treasurer of the Association. The Board of Managers may also appoint one or more Assistant Treasurers and/or one or more Assistant Secretaries and such other officers as in their judgement may be necessary who are neither members of the Board of Managers nor Owners.

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

Section 3. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of Members of the Association and shall preside at all meetings of the Board of Managers. Subject to the direction of the Board of Managers, the President shall have general executive supervision over the business and affairs of the Association. The President may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board of Managers or otherwise provided for in the Declaration or in these By-Laws.

Section 4. Vice President. The Vice President shall perform the duties of the President whenever the President is unable to act, and shall have such other authority and perform such other duties as may be determined by the Board of Managers.

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

Section 6. Treasurer. The Treasurer shall receive and have charge of all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board of Managers. The Treasurer shall keep accurate financial accounts and hold the same open for inspection and examination by the Manager and shall have such authority and shall perform such other duties as may be determined by the Board of Managers.

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

Section 8. Delegation of Authority and Duties. The Board of Managers is authorized to delegate the authority and duties of any officer to any other officer, and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

ARTICLE IV
GENERAL POWERS OF THE ASSOCIATION

Section 1. Payments from Maintenance Funds. Each Owner shall pay Common Expenses and/or assessments of Common Expenses, as provided herein and/or in the Declaration. The Association shall place the funds so collected in one or more accounts of The Association (for purposes of this Declaration, the "Maintenance Fund"), and out of the Maintenance Fund the Association shall arrange and pay for the following:

- (a) Utility Services. The cost of water, waste removal, electricity, gas, telephone, heat, power and /or any other necessary utility service for the Common Areas and Facilities, and the cost of waterlines, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners. The association may discontinue such payments at any time , in which case each Owner shall be responsible for direct payment of his share of such expenses as shall be determined by the Board of Managers of the Association. The Association reserves the right to levy additional assessments against any Owner to reimburse it for excessive use, as shall be determines by the Board of Managers, by such Owner of any utility service having been charged against or to the Maintenance Fund;
- (b) Casualty Insurance. The premiums for a policy or policies of fire insurance, with extended coverage vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually;
- (c) Liability Insurance. The premiums for a policy or policies insuring the Association, the members of the Board of Managers and the Owners against any liability to the public or to the Owners, their invitees or tenants, incident to the Ownership and/or use of the Units and/or the Limited Common Areas and Facilities, as provided in the Declaration, the limits of which policy or policies shall be reviewed annually;
- (d) Worker's Compensation. The cost of worker's compensation insurance to the extent necessary to comply with and applicable law;
- (e) Wages and Fees for Services. The wages and/or fees for services of, any person or firm employed by the Association, including , without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any person or persons required for the

maintenance or operation of the Condominium Property , any legal and/or accounting services necessary or proper in operation of the Condominium Property or the enforcement of the Declaration and these By-Laws, and for the organizational, operation and enforcement of the rights of the Association;

- (f) Care of Common Areas and Facilities. The cost of landscaping, gardening, snow removal, cleaning, tuck pointing, maintenance, decorating, repair and replacements of the Common Areas and Facilities and those parts of the Limited Common Areas and Facilities which are to be maintained and repaired as Common Expenses pursuant to the Declaration (but not including the interior surfaces of the Units or those Limited Common Areas and Facilities which are not to be maintained, repaired and/or replaced by the Association as Common Expense but which the respective Owners shall paint, clean, decorate, maintain and repair), the painting, cleaning and decorating of the exterior surfaces of the buildings and all outdoor parking spaces, and such furnishings and equipment for the Common Areas and Facilities as the Association shall determine are necessary and proper. The Association shall have the exclusive right and duty to acquire such furnishings and equipment for the Common Areas and Facilities; provided, however, the Association may elect to maintain and repair certain Limited Common Areas and Facilities and in that event such costs shall be a Common Expense;
- (g) Certain Maintenance of Units. The cost of the maintenance and repair of any Unit or Limited Common Areas and Facilities, if such maintenance or repair is necessary, in the discretion of the Association, to protect or improve the Common Areas and Facilities, or any other portion of the Condominium Property, and if the Owner or Owners of said unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Association to said Owner or Owners; provided that the Association shall levy special assessments against the Owner or Owners for the cost of said maintenance or repair;
- (h) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Condominium Property or any part thereof which may, in the opinion of the Association, constitute a lien against the entire Condominium Property rather than merely against the interests therein of a particular Unit Owner; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter, and where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs

incurred by the Association by reason of said lien or liens shall be specially assessed to said Owner or Owners; and

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

Section 2. Capital Additions and Improvements. The Association's powers enumerated herein shall be limited in that the Association shall have no authority to acquire and pay for, out of the Maintenance Fund, any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Areas and Facilities, subject to all provisions of the Declaration and these By-Laws) having a total cost in excess of Two Thousand Five Hundred Dollars (\$2,500.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of, the Common Areas and Facilities requiring an expenditure in excess of Two Thousand Five Hundred Dollars (\$2,500.00), without in each case the prior approval of the Members of the Association entitled to exercise a majority of the voting power of the Association. During the three-year period following recording of the Declaration, if Grantor shall own any of the Units, Grantor's consent to such expenditure shall be required in addition to the approval of the Members of the Association.

Section 3. Contracts with Grantor. Anything contained in these By-Laws and the Declaration to the contract notwithstanding, the Grantor shall not enter into any contract with the Association to provide any service to the Association and/or the Condominium Property which is for a period in excess of one (1) year from and after the date the Owners of the Condominium Property, other than Grantor, have assumed control of the Association, unless such management contract or other agreement is renewed and continued by the Association by a majority vote of the Owners, other than the Grantor, duly taken and had in accordance with the By-Laws and the Condominium Act.

Section 4. Association's Right to Enter Units. The Association or its agents may enter any Unit or any other part of the Buildings situated on the Condominium Property when necessary in connection with any maintenance, repair, service and/or construction of any Common Area and Facility located within its boundaries or any portion of the Unit or Limited Common Areas and Facilities for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association, at the expense of the Maintenance Fund. The Association reserves the right to retain a passkey to each Unit, and no locks or other devices shall be placed on the doors to the Units to obstruct entry by the use of such passkey. In the event of an emergency originating in or threatening any Unit at a time when required alterations or repairs are scheduled, the Managing Agent or its

representative or any other person designated by the Board of Managers may enter the Unit immediately, whether the Owner is present or not.

Section 5. Rules and Regulations. The Board of Managers may adopt rules and regulations and the Association, by vote of the Members entitled to exercise a majority of the voting power of the Association, may from time to time supplement, amend, and modify such rules and regulations as it may deem advisable for the maintenance, conservation, and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Owners and occupants of the Condominium Property. Written notice of such rules and regulations shall be given to all Owners and occupants, and the Condominium Property shall at all times be maintained subject to such rules and regulations. In the event any such rules and regulations shall conflict with any provisions of the Declaration or these By-Laws, the provisions of the Declaration and of these By-Laws shall govern.

Section 6. No Active Business to be Conducted for Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of any or all of the Owners.

Section 7. Special Services. The Association may arrange for the provision of any special services and facilities for the benefit of such Owners and/or occupants as may desire to pay for the same, including, without limitation, cleaning, repair and maintenance of Units, and provision of special recreational, educational, or medical facilities. Fees for such special services and facilities shall be determined by the Board of Managers and may be charged directly to the respective participating Owners, or paid from the Maintenance Fund and levied as a special assessment due from the respective participants.

Section 8. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Managers and officers, from delegating to persons, firms or corporations of its choice, including any manager or managing agent, such duties and responsibilities of the Association as the Board of Managers of the Association shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

Section 9. Applicable Laws. The Association shall be subject to and governed by the provisions of any statute adopted at any time and applicable to property submitted to the condominium form of Ownership (including, without limitation, Chapter 5311, Ohio Revised Code); provided, however, that all inconsistencies between or among the permissive provisions of any statute and any provisions of the Declaration and these By-Laws, shall be resolved in favor of the Declaration or these By-Laws, and any inconsistencies between any statute applicable to associations generally and to associations formed to administer property submitted to the condominium form of ownership shall be resolved on favor of the latter statute. In the event of any conflict or inconsistency between the provisions of the Declaration and the By-Laws of the Association, the terms and provision of the Declaration shall prevail; the Owners and all person claiming under them covenant to vote in favor of such amendments in the By-laws as will remove such conflicts or

inconsistencies.

ARTICLE V
DETERMINATION AND PAYMENT OF
COMMON EXPENSES AND ASSESSMENTS

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

Section 2. Preparation of Estimated Budget. Each year on or before December 1st the Association shall estimate the total amount necessary to pay the cost of management fees, wages, materials, insurance, services and supplies that will be required during the ensuing calendar year for the rendering of all such services in connection with the Condominium Property, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15th, notify each Owner in writing as to the amount of such estimate, with reasonable itemization provided. Such "estimated cash requirements" shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Areas and Facilities as set forth in the Declaration. On or before January 1st of the ensuing year, and the 1st day of each and every month of such ensuing year, each Owner shall be obligated to pay to the Association, or otherwise as it may direct, the amount determined to be payable that month as the appropriate amount of the annual Common Expenses for that year, as well as the amount of any other assessment made pursuant to the terms of the By-Laws and Declaration. On or before the date of the annual meeting in each calendar year, the Association shall supply to all Owners an itemized accounting of the maintenance expenses actually incurred in the preceding calendar year, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Any amount accumulated in excess of the amount required for the actual expenses and reserves established by the Board of Managers shall be credited, according to each Owner's percentage of ownership in the Common Areas and Facilities, to the next monthly installment for Common Expenses due from Owners under the then current year's estimate, and thereafter to subsequent monthly installments until exhausted. Any net shortage shall be added, according to each Owner's percentage of ownership in the Common Areas and Facilities, to the installments due in the succeeding six (6) months after rendering of the accounting. The budget of the Association, including the initial budget, shall be established on an annual basis, but a different amount may be due for each month during the year so that the amount of the Common Expenses per month which each Owner shall be required to pay, may be increased or decreased each month based upon the annual budget and amount then required for Common Expenses. Each Owner recognizes that the initial cost for the maintenance and operation of the Condominium Property shall be less during the initial period of operations due to the new condition of the Condominium Property and its partial use, and that, thereafter, it is probable that the amount of the monthly Common Expenses shall increase. The monthly assessments may vary from month

to month, and the annual budget for the first two years after the filing of the Declaration shall designate the estimated amount which would be payable for each particular month during such two-year period.

Section 3. Reserve for Contingencies and Replacements; Operating Reserve Assessments.

- (a) The Association shall have the right to build up and maintain a reasonable reserve for contingencies and for major repairs and replacements of the Common Areas and Facilities; such amount shall be credited to the Capital Replacement Account. Such reserves may be set aside by the Board of Managers, at the time of their preparation of the annual budget, out of any surplus from the previous year's operation. The amount credited to the Capital Replacement Account shall not be used for normal operating expenses. Extraordinary expenditures not originally included in the annual estimate, which may be necessary for the year, shall be charged first against the Capital Replacement Account. The Board of Managers, including the first Board of Managers, shall have the authority to determine the amount to be credited to the Capital Replacement Account and the period of time within which that amount is to be collected from the Owners, and in no event shall that amount be diminished to pay Common Expenses. Excess funds in the Maintenance Fund may be permanently transferred to the Capital Replacement Account. The Association shall collect from the purchaser of Units from Grantor out of escrow the sum of Two Hundred Fifty Dollars (\$250.00) upon the closing of the sale of a Unit by the Grantor as a nonrefundable operating reserve payment to be available to pay Common Expenses if required.
- (b) If the Estimated Cash Requirement proves inadequate for any reason, including nonpayment of any Owner's assessment, the amount or amounts necessary to make it adequate shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Areas and Facilities. The Association shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessments shall become effective with the first monthly maintenance payment that occurs no more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount.

Section 4. Budget for First Year. The first Board of Managers of the Association, as assigned by the Grantor, shall promptly prepare an Estimated Cash Requirement that will be consistent with the Projected Budget disclosed in the Disclosure Statement, which will be the basis for determining the amount of the monthly Common Expenses and Capital Replacements that each Owner shall be obligated to pay. The payments made by the Owners prior to the filing of the deed

for record pursuant to the provisions of the certain condominium Purchase Agreement ("Purchase Agreement") shall be used by the Association as set forth and provided in Article V, Section 9, of these By-Laws. Each year thereafter the Board of Managers of the Association, whether designated by the Grantor or elected partially by the Grantor and the Owners as provided by the Condominium Act and Article VI, Section 1, of these By-Laws shall prepare, within thirty (30) days after the date of their election, Estimated Cash Requirement for the following year. Every Estimated Cash Requirement shall be made on a calendar year basis, except for the first two (2) years the same may be less than a twelve (12) month period, and be prepared and listed on a monthly basis. All Estimated Cash Requirements shall be made on an annual basis but may be determined on a monthly basis so that the amount due and payable each month may vary.

Section 5. Failure to Prepare Annual Budget. The failure or delay of the Association or Board of Managers to prepare or serve the annual or adjusted estimate on the Owners shall not constitute a waiver or release in any manner or any Owner's obligation to pay the Common Expenses for maintenance costs and necessary reserves or any other charge as herein provided whether the same shall be determined. In the absence of any annual estimate, the Owner shall continue to pay the monthly Common Expenses at the existing monthly rate or rates established for the previous period until the first monthly Common Expenses payment date which occurs no more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 6. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any Owner or any representative of any Owner duly authorized in writing, at reasonable times and upon the request by an Owner. Upon ten (10) days notice to the Board of Managers and upon payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessment or other charges due and owing from such Owner.

Section 7. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and shall be deemed to be held for the use, benefit and account of all the Owners in proportion to each Owner's percentage of ownership in the Common Areas and Facilities as provided in the Declaration, except for special assessments as may be levied hereunder against fewer than all of the Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments.

Section 8. Escrow Payments and Assessments. The payment into escrow which may have been made by an Owner of a Unit pursuant to the provisions of the Purchase Agreement entered into by and between Grantor, as the "Seller" of a Unit, and said Owner as the "Buyer" of the Unit, which payment is designated in the Agreement as a sum to be used in payment of operating expenses of the Condominium Property, shall be paid to Grantor by the escrow agent promptly after the date the Deed to the Owner is filed for record, and such sum so paid by such escrow agent to Grantor shall be deposited in a bank or a savings and loan association in Cuyahoga County, Ohio in the Association's name as part of the Maintenance Fund, and may be used by the Association as herein provided.

Section 9 Annual Audit. The books of the Association shall be audited once a year by the Board of Managers, and such audit shall be completed prior to each annual meeting of the Members. If requested by two members of the Board of Managers, such audit shall be made by a certified public accountant. In addition, and at anytime requested by the Owners of fifteen (15) or more Units or by the Grantor, the Board of Managers shall cause an additional audit to be made.

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

Section 11. Security Deposits from Certain Owners. If in the judgment of the Board of Managers, the equity interest of any Owner (whether the original Owner or a subsequent purchaser or transferee) in the Owner's Unit at any time is not sufficient to assure realization (whether by foreclosure or the lien referred to in Section 11 of this Article V, or otherwise) of all assessments, charges and/or other sums which may be levied by the Association, then, whether or not such Owner shall be delinquent in the payment of such levies, the Association shall have the right to require such Owner to establish and maintain a security deposit, in an amount which the Board of Managers deems necessary for such purposes; provided, however, that such security deposit shall in no event exceed an amount which, when added to the Owner's equity interest in the Unit, is equal to twenty percent (20%) of the purchase price the Owner paid for the Unit. In the event that any Owner shall fail to pay any assessments, charges, and/or other sums which may be due hereunder or shall otherwise violate any provisions of the Condominium Act and/or any covenants, terms and/or conditions of the Declaration and/or by these By-Laws, the Association shall have the right, but not the obligation, to apply the funds so held to cure such failure or violation, which right shall be in addition to any and all other rights and remedies provided for in the Condominium Act, the

Declaration and/or these By-Laws. Upon any sale by such Owner of the Owner's Unit, or at such times as the Owner's equity in his Unit is sufficiently great to dispense with the necessity of any security deposit, any unapplied balance of any security deposit remaining to the credit of the Owner shall be refunded, provided that the Owner is not in default of his obligations under the Condominium Act, the Declaration and/or these By-Laws. The Association shall have the right to maintain all security deposits held by it in a single savings account, and shall not be required to credit any interest to any Owner until such time, if ever, as the unapplied balance of the security deposit is refunded, and then only to the extent interest, if any, has been earned on such security deposit. A security deposit shall at all times be subject to and subordinate to the lien for unpaid Common Expenses and/or any charges or assessments referred to in the Declaration and/or Sections 1 and 2 of this Article V; all rights thereto shall inure to the benefit of the Association.

ARTICLE VI GENERAL PROVISIONS

Section 1. Grantor's Rights. Grantor has the right to expand the Condominium Property so that there are a maximum of twenty-five (25) Units thereon. Grantor shall have the right to manage and control the Association, and all of the members of the Board of Managers may be elected and designated by the Grantor, for a term of five (5) years from the date of the filing of the Declaration for record or until the first of the following events shall occur: First, when Units having a twenty-five percent (25%) interest in the Common Areas and Facilities have been sold and conveyed, then the Owners, other than Grantor, shall have the right to elect twenty-five percent (25%) of the members of the Board of Managers; second, when Units having a fifty percent (50%) interest in the Common Areas and Facilities shall have been sold and conveyed, the Owners, other than Grantor, shall have the right to elect thirty-three and one-third percent (33-1/3%) of the members of the Board of Managers; and third, when Units having a seventy-five percent (75%) interest in the Common Areas and Facilities have been sold and conveyed, then the Owners, other than Grantor, shall have the right to elect one hundred percent (100%) of the members of the Board of Managers. The Owners, other than Grantor, shall have the right to elect all of the members of the Board of Managers five (5) years after the date of filing of the Declaration for record, regardless of the number of Units sold and conveyed at that time. In determining the percentage interest in the Common Areas and Facilities, the Common Areas and Facilities of the Condominium Property shall be computed and determined based upon the maximum number of twenty-five (25) which may be subject to the Declaration as set forth and provided in Article 22 of the Declaration as determined by the Grantor.

Section 2. Copies of Notice to Mortgage Lenders. Upon written request to the Board of Managers, the holder of any duly recorded mortgage or trust deed against any Unit shall be given a copy of any and all notices permitted or required by the Declaration or these By-Laws to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

Section 3. Governmental Requirements. If any Unit shall be encumbered by a first mortgage as to which the requirements of the Federal Home Loan Mortgage Corp., Veterans Administration, or other governmental agency shall be applicable, then any provision of these By-Laws (or any provision or the Declaration) to the contrary notwithstanding, the following provisions

will be applicable:

- (a) Each holder of a first mortgage upon any of the Units, at the request of such holder thereof, shall receive written notification from the Association of any default by the Owner(s) of said Unit in the performance of said Owner's obligations under the Declaration or these By-Laws, if such default is not cured within thirty (30) days.
- (b) Unless at least sixty-six and two thirds percent (66-2/3%) of all of the holders of first mortgages encumbering the Units (based upon one vote for each such first mortgagee), or Owners of Units having sixty-six and two third percent (66-2/3%) interest in the Common Areas and Facilities, exclusive of the interest owned by Grantor in the Common Areas and Facilities, have given their prior written approval, the Association shall not be entitled to: (i) by act or omission, seek to abandon or terminate the Condominium Property as a condominium under the Condominium Act; (ii) change the respective percentages of interest pertaining to each Unit as set forth in the Declaration or change the obligations of any Units for the purpose of levying assessments or charges or allocating distributions of the proceeds of insurance referred to in Article 11 of the Declaration or the proceeds of any award made or received in lieu of a taking in eminent domain; provided, however, Grantor shall retain the right to add additional property to the Condominium Property pursuant to Article 23 of the Declaration; (iii) partition or subdivide any of the Units; (iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas and Facilities; provided, however, that within the meaning thereof, the granting of easements for public utilities or other public purposes or private purposes for the benefit of the Condominium Property, consistent with the intended use of such Common Areas and Facilities, shall not be deemed a transfer; and (v) use any of the proceeds of the insurance referred to in Article 11 of the Declaration (whether for damage or destruction of any of the Units or to the Common Areas and Facilities) for other than repair, replacement or reconstruction of that portion of the Condominium Property so damaged or destroyed, except as provided by the Condominium Law in case of substantial loss to said Unit and/or said Common Areas and Facilities.
- (c) Each holder of a first mortgage encumbering any of the units shall have the right to examine the books and records of the Association.
- (d) The Association shall establish and maintain an adequate reserve fund for replacement of Common Areas and Facilities. The amounts required for such fund shall be provided for by regular monthly payments rather than by special assessments.
- (e) In the event of a distribution to Owners of Units of any proceeds of insurance

or award made in connection with any proceeding in eminent domain for losses to, or an eminent domain taking of, any of the Units and/or of the Common Areas and Facilities, no Unit Owner or any other party shall have priority over the rights of any holder of a first mortgage encumbering any Unit.

- (f) Any agreement for the management of the Condominium Property shall provide that the Agreement may be terminated for cause upon ninety (90) days written notice; that the term of any such agreement shall not exceed one (1) year; and that the Agreement shall further be subject to the limitations provided in Article IV, Section 3 of these By-Laws.
- (g) Upon the request of the Federal Home Mortgage Corp., Veterans Administration, or other governmental agency, the Association shall give written notice thereto or to any party designated by it as to any loss to, or eminent domain taking of, the Common Areas and Facilities comprising the Condominium Property if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00).

Section 4. Service of Notices on the Board of Managers. Notices required to be given to the Board of Managers or to the Association may be delivered to any member of the Board of Managers or officer of the Association, either personally or by mail addressed to the member or officer at such person's Unit.

Section 5. Service of Notices on Devisees, Heirs-at-Law and Personal Representatives. Notices required to be given to any devisees, heirs-at-law or personal representative of a deceased Owner may be delivered either personally or by mail to such person at his, her or its address appearing on the records of the court wherein the estate of such deceased Owner is being administered.

Section 6. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 7. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these By-Laws shall be deemed to be binding on all Owners, their respective successors, heirs, and assigns.

Section 8. Notices on Mortgages. Any Owner who mortgages the Owner's Unit shall notify the Association, in such manner as the Association may direct, of the name and address of the Owner's mortgagee, and thereafter shall notify the Association of the full payment, cancellation or any other alteration in the status of such mortgage.

Section 9. Enforceability of Covenants. The invalidity of any covenant, restriction,

condition, limitation or any other provision of these By-Laws, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the other By-Laws.

Section 10. Rule Against Perpetuities. If any of the privileges, covenants or rights established by these By-Laws shall be unlawful or void for violation of: (a) the rule against perpetuities or some analogous statutory provision; (b) the rule restricting restraints on alienation; or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of George Herbert Walker Bush, former president of the United States of America.

Section 11. Joint Management Contracts. Subject to the limitation contained in Section 3 of Article IV of these By-Laws, the Board of Managers shall have the power to enter into an agreement or agreements on behalf of the Association with Grantor and/or one or more entities associated in any manner with Grantor and relating to any other condominium properties and/or noncondominium properties for the common management, by one or more managing agents, of one or more of such properties. Without intending hereby to limit the generality of the foregoing, such agreement or agreements may provide for the allocation of joint expenses, purchase of maintenance equipment and supplies, and the joint sharing of employees and management overhead. The Board of Managers shall have the right to enter into any agreement authorized under the Condominium Act, the Declaration and/or these By-Laws.

Section 12. Amendment of By-Laws. These By-Laws may be amended or modified at any time, by action or approval of Owners exercising seventy-five percent (75%) or more of the voting power, except that the By-Laws affecting the rights or interests of Grantor and/or its agents shall not be amended or modified without the prior written consent of Grantor; provided further amendments may be made to these By-Laws for the reasons as provided in Article 23 and 24 of the Declaration.

EXHIBIT D

DECLARATION OF EASEMENTS, RESTRICTIONS, AND COVENANTS

This DECLARATION OF EASEMENTS, RESTRICTIONS, AND COVENANTS ("Declaration") made as of the _____ day of _____, 2000, by WESTLAKE LAND DEVELOPERS, INC., an Ohio corporation, whose address is 23550 Center Ridge Road, Suite 101, Westlake, Ohio 44145;

RECITALS

- A. Grantor is the Owner of a certain parcel of land situated in Westlake, Cuyahoga County, Ohio, which is more particularly described on Exhibit A (the "Original Parcel"), which Grantor intends, but is not obligated, to submit to condominium ownership as "The Clusters of Chapparral Condominium" (the "Condominium") immediately following the recording of this Declaration by filing a Declaration of Condominium Ownership for The Clusters of Chapparral Condominium (the "Declaration") for record in the Office of the Recorder of Cuyahoga County, Ohio.
- B. Subsequent to the filing for record of this Declaration, Grantor shall submit an _____ acre parcel ("Phase I") to the Condominium Act, and the balance of the Original Parcel shall be designated "Additional Property." As each phase of the Original Parcel is submitted to the Condominium Act, the balance of the Original Parcel not so submitted shall be designated "Additional Property."
- C. Grantor has constructed or will construct a private roadway, known as Chapparral Drive, on the Original Parcel (the "Roadway"), which is located within the area (the "Roadway Area") shown on the Easement Plan set forth in Exhibit B (the "Easement Plan").
- D. Grantor desires to grant an access easement over the Roadway and the Roadway Area for the benefit of the owners (the "Unit Owners") and occupants (the "Occupants") of condominium units (the "Units"), within the Original Parcel, and, if so designated by Grantor, the Additional Property.
- E. Various utility systems (which, together with any replacements thereof, are hereinafter called the "Utility Systems") have been or will be constructed and installed on the Original Parcel to provide electricity, gas, water, telephone, cable television, storm sewer and sanitary sewer services (collectively, the "Utility Services") to the Original Parcel and the Additional Property.
- F. Grantor desires to grant easements to use certain Utility Systems located on the Original Parcel for the benefit of the Unit Owners and Occupants and, if so designated by Grantor, the Additional Property.
- G. Grantor reserves for itself, and if so designated by Grantor, its successors and assigns, the right (1) to permit Owners and occupants of the Original Parcel to use the Roadway and Utility Systems located on the Original Parcel; (2) for a period of 21 years after the filing of this Declaration for record, and (3) for a period of 21 years after the filing of this Declaration for record, to use the Roadway and Roadway Area for access and construction purposes.
- H. Grantor wishes to impose building restrictions upon the Original Parcel so as to create a unified subdivision with architecturally compatible single-family houses.

NOW, THEREFORE, for the purposes and upon the terms and conditions hereinafter set forth, Grantor hereby grants, reserves, declares and covenants as follows:

1. The Roadway Easement.

(a) Grantor hereby grants to the Unit Owners and Occupants, and to the Owners and occupants of Units in the Additional Property to the extent the same is added to the Condominium, and to their respective invitees, successors, heirs and assigns, a non-exclusive, perpetual easement (the "Roadway Easement"), for the benefit of the Original Parcel, and the Additional Property to the extent the same is added to the Condominium, on, over and across the Roadway and the Roadway Area, for the purpose of pedestrian and vehicular ingress, egress, access and passage to and from (i) the Original Parcel (or the same may be expanded) and Columbia Road.

(b) (i) The Clusters of Chapparral Unit Owners Association, Inc. ("Association") shall, at reasonable times, maintain and repair the Roadway and Roadway Area so that the Roadway and Roadway Area shall be in a state of good condition and repair, in compliance with governmental requirements ("Legal Requirements"), reasonably free of ice and snow, and insured under a public liability insurance in a reasonable amount for the benefit of Grantor and the Association. The Association shall also pay all taxes and assessments related to the Roadway and Roadway Area.

(ii) Each Unit Owner, acting through the Association, shall reimburse Grantor for a portion of the "Roadway Maintenance Costs" in accordance with the formula set forth herein. "Roadway Maintenance Costs" are defined to include, without limitation, all costs and expenses paid or incurred in connection with Grantor's obligations under Section 1(b)(i), including, without limitation, costs in connection with the repair, maintenance and lighting (if lighting is installed) of the Roadway, costs of removal of snow, ice and debris, maintenance, repair and replacing the Roadway, installing, maintaining and replacing landscaping within the Roadway Area, utility charges, the cost of all insurance provided for the Roadway, including, without limitation, public liability insurance, costs of maintaining and replacing landscaping within the Roadway Area, cost of maintaining, repairing and replacing any signs or other structures which Grantor, in Grantor's sole discretion, elects to install in the Roadway Area, all labor required in connection therewith (including wages, benefits and taxes) and all contracts [including labor and contracts with independent contractors or contractors related or affiliated with Grantor or the partners of Grantor (collectively, a "Related Entity"), which right to hire or retain a Related Entity is hereby reserved to Grantor herein], and the taxes and assessments related to the Roadway as allocated by Grantor.

(iii) Unless there shall be other houses or condominium units then existing which have the right to use the Roadway pursuant to this Easement Declaration, the Unit Owners (through the Association) shall reimburse Grantor for all of the Roadway Maintenance Costs (or the balance of Roadway Maintenance Costs if others are responsible for the payment of a portion of such Roadway Maintenance Costs), except that until and unless there shall be twenty-five (25) Units within the Condominium, each Unit Owner (through the Association) shall reimburse Grantor for 1/25 or 4% of the Roadway Maintenance Costs. For example, if there shall be three (3) Units within the Condominium, the Owners thereof shall pay, in the aggregate, through the Association, 3/25 or 12% of the Roadway Maintenance Costs.

(iv) If there shall be a house or condominium unit constructed on the Additional Property which has been designated by Grantor as having the right to use the Roadway Area pursuant to this Easement Declaration, and which house or condominium unit is not part of the Condominium, then following the initial occupancy of such house or unit, the Owner of such house or unit (a "Benefitted Owner") shall pay to Grantor a portion of the Roadway Maintenance Costs equal to the ratio or percentage which such house or unit bears to the total number of houses and units, respectively, then existing in the Original Parcel. In addition, any amounts payable pursuant to this Section 1(b)(iv) shall be subtracted from the Roadway Maintenance Costs when determining the amounts payable under Section 1(b)(iii) by the Unit Owners.

(v) Notwithstanding the above, if any of the Additional Property is not added to the Condominium, and if Grantor designated the Benefitted Owners within the Additional Property as having the right to use the Roadway Area, the Benefitted Owners within the Additional Property shall pay their "Share" of that portion of the Roadway Maintenance Costs applicable to the Roadway Area. In addition, Owners of houses or units within the Original Parcel and Additional Property shall pay their share of the Roadway Maintenance Costs. In allocating the Roadway Maintenance Costs as above provided, the total Roadway Maintenance Costs shall be prorated, as opposed to attempting to determine the location of the Roadway for which a Roadway Maintenance Cost was incurred. The "Share" of the Owner of each house or unit on the Benefitted Parcels and the Condominium, respectively, shall be the ratio which that house or unit bears to the total number of houses and units within the Original Parcel, including, without limitation, the Condominium, respectively.

(vi) If and when the Roadway Area is added to the Original Parcel, Grantor's obligations under Section 1(b)(i) with respect to such area shall immediately terminate and such obligations shall become the responsibility of the Unit Owners (acting through the Association). In such event, the Association, as opposed to Grantor, shall have the right to obtain reimbursement for the Roadway Maintenance Costs from the Owners of houses and units not within the Condominium Property which have the right to use the Roadway pursuant to this Easement Declaration, for the same amounts as specified in this Section 1(b) hereof.

(c) All persons entitled by the terms of this Declaration to utilize the Roadway shall do so in compliance with applicable Legal Requirements and in accordance with the reasonable rules and regulations which Grantor may establish from time to time.

(d) The Association and each Benefitted Owner shall pay its share of the annual Roadway Maintenance Costs to the Grantor within sixty (60) days after the Grantor (or the Association) submits its annual summary statement; provided, however, that the Grantor (or the Association) shall be entitled to estimate such costs and the Association and Benefitted Owners shall pay such annual estimates in twelve (12) equal monthly installments on the first day of each and every calendar month, subject to adjustment by the Association and the Grantor after Grantor (or the Association) submits its annual Roadway Maintenance Costs statement. Grantor (or the Association) shall keep full and accurate books and records with regard to the Roadway Maintenance Costs, together with receipts, vouchers and other evidence as it deems reasonably necessary to substantiate all Roadway Maintenance Costs for a period of two (2) years after such costs have been incurred.

2. Utility Easements.

(a) Grantor hereby creates, declares and grants to the Unit Owners and Occupants and to the Owners and occupants of real property on the Additional Property, non-exclusive, perpetual easements (the "Utility Easements") for the benefit of the Original Parcel, over, across and through those portions of the real property which contain Utility Systems as shown on the Easement Plan (the "Utility Easement Areas") to use, maintain, repair, inspect, improve and replace such lines, pipes, poles and other facilities and equipment to provide the Utility Services to the Original Parcel which will receive, tie into and use such Utility Services; provided, however, that the easements granted in this Section 2 shall be limited as to each of the Utility Easement Areas to the type of utility or service which is shown on the Easement Plan for each such Utility Easement Area. In exercising its rights under this Section 2, the grantees of such easements shall have the right to go upon and use the Utility Easement Areas and any land (but not improvements) within ten feet (10') of such Utility Easement Area.

(b) In the event that any Owner of a house or unit within the Additional Property has the right to use any Utility System then being used by Unit Owners, the Owner of the house or unit shall pay a proportion of any costs and expenses used in connection with the maintenance, repair or replacement of such Utility Systems ratably and equitably determined by Grantor (or the Association when applicable) in proportion to the total number of units and houses using such Utility System.

3. Future Access Drive Easements. Grantor hereby reserves to itself and creates, declares and grants to the Owners and occupants of the Original Parcel: a non-exclusive, perpetual easement on, over and across the Original Parcel and portions of the Additional Property designated by Grantor for the purpose of such ingress and egress (with all necessary vehicles, equipment and labor) as Grantor deems necessary or desirable to fulfill the purposes for which the foregoing easements are declared, granted, created and reserved and for the purpose of completing construction, and making necessary repairs to Units, buildings and any improvements on the Original Parcel.

4. Restrictions. The Original Parcel is hereby subject to the following restrictions, conditions, and covenants:

(a) All fencing to be chain link or wrought iron only, size to conform with Westlake City Code, with proper landscape screening.

(b) The fronts of all residences shall be either all brick, brick and wood combination, stone and wood combination, or stucco only. The remaining sides shall be either brick, wood or stucco only.

(c) All roofs shall be a minimum of 8/12 pitch with 300lb asphalt roof or greater.

(d) All residences to be constructed shall be a minimum of two thousand five hundred (2,500) square feet finished, excluding basement and garage.

(e) All residences to have underground water sprinkling system.

(f) All landscaping plans to conform with original City of Westlake drainage requirements.

(g) No above ground permanent swimming pools.

(h) The cost of construction of each residence shall not be less than \$500,000.00.

(i) Each residence shall be architecturally compatible with residences already built and/or under construction.

5. Use. It is contemplated hereby that the entire Original Parcel will be submitted to the Declaration of Condominium of The Clusters of Chapparal Condominium and to the Condominium Act. If, however, such is not the case, the Grantor intends that the entire Original Parcel nevertheless be subject to the within easements, restrictions, and covenants. To the extent that any part of the Original Parcel is not submitted to the Condominium, the Owners of the Additional Property shall form a homeowners association and all Owners of any part of the Additional Property shall be required to join such association. The purposes of the association shall be to share in the annual maintenance of the entranceway abutting Columbia Road and any other common areas as shown on the Condominium drawings, and to assist in the compliance and enforcement of the within easements, restrictions, and covenants. The Association of the Condominium shall set the annual maintenance fee and notify in writing each lot owner of its share, which share shall be equal to each Unit Owner. If any Owner fails to pay its proportionate share within forty-five (45) days of such written notice, the homeowners association may file a lien against such lot Owner's lot and seek such legal remedies available to collect such fee.

6. Indemnity. Each person or entity that has the right to use the Roadway Area and Utility Systems shall use the same in a manner which shall protect against damage or injury either to the person or property of any other person entitled to use the same and any third person. Each person who uses the Roadway and Utility Systems shall indemnify and save the Grantor, Association, Unit Owners and Owners of land within the Additional Property harmless from and against all liability, loss, damage, cost and expense which, directly or indirectly, arises out of or results from any act, whether of commission or omission, of such party (or its agents, servants, Unit Owners, Occupants, tenants, visitors, invitees and licensees) whether in the exercise of its or their rights hereunder or in breach or excess thereof.

7. Binding Effect. This Declaration shall run with the land and bind each and every part thereof, and shall be binding upon and shall inure to the benefit of Grantor, the Association, the Unit Owners and Occupants, Owners and occupants of real property on the Additional Property, and its and their respective invitees, successors, heirs, executors, administrators and assigns.

8. Time Limits. If (and only to the extent that) any of the privileges, easements, covenants, rights, obligations or other provisions of this Declaration shall be unlawful or void for violation of (i) the rules against perpetuities or some analogous statutory provision; (ii) the rules restricting restraints on alienation; or (iii) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of George Herbert Walker Bush, former President of the United States of America, and his now living lawful descendants.

9. Grantor's Successors. Notwithstanding any provision to the contrary herein, all rights, privileges, obligations, benefits, powers and authority vested in, imposed upon or reserved by Grantor under or by virtue of any provision of this Declaration shall be deemed to be vested in, imposed upon, or reserved for, the successors and assigns of Grantor to the same extent and effect as the same are vested in or reserved for Grantor; provided, however, that those rights, privileges, obligations, benefits, powers and authority which are set forth in Section 3 hereof shall only be deemed to be vested in, imposed upon or reserved for, only the Owners of the Benefitted Parcels designated in an instrument or affidavit executed by Grantor which refers to

this Declaration and is filed for record with the Cuyahoga County Recorder.

Signed and acknowledged
in the presence of:

WESTLAKE LAND DEVELOPERS, INC., an
an Ohio corporation

By: _____
Anthony M. Valore, President

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

The foregoing instrument was acknowledged before me, a Notary Public in and for said County and State, on the ____ day of _____, 2000, by Anthony M. Valore, President of Westlake Land Developers, Inc., an Ohio corporation, on behalf of the corporation.

NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

Harvey Labovitz, Esq.
Collins & Scanlon LLP
3300 Terminal Tower
50 Public Square
Cleveland, Ohio 44113-2294

DECLARATION OF RESTRICTIONS AND COVENANTS

This Declaration of Restrictions and Covenants ("Declaration") is made as of the 21 day of March, 2001 by Westlake Land Developers, Inc, an Ohio corporation, whose address is 23550 Center Ridge Road, Suite 101, Westlake, Ohio 44145 ("the Grantor").

RECITALS

A. Grantor is the owner of a certain parcel of land situated in Westlake, Cuyahoga County, Ohio, which is more particularly described on Exhibit A attached hereto ("the Property"), which Grantor intends, but is not obligated, to submit to condominium ownership as "The Clusters of Chapparral Condominium" ("the Condominium") immediately following the recording of a Declaration of Condominium Ownership for The Clusters of Chapparral Condominium ("Condominium Declaration") for record in the office of the Recorder of Cuyahoga County, Ohio.

B. Michael F. Cachat and Margaret L. Cachat ("The Cachats") are contemplating purchasing a unit in the Condominium, and seek certain assurances relating to the development of the Condominium.

C. Grantor earlier executed a Declaration of Restrictions and Covenants dated November 1, 2000 (the "Original Declaration"), which was never recorded. Grantor executes this Declaration as a restatement of and substitution for the Original Declaration.

D. Material considerations inducing the Cachats to purchase a unit in the Condominium include, without limitation, the following: (i) Anthony M. Valore of P.O. Box 45011, Westlake, Ohio and Jack Plas of 38976 Arbor Court, Grafton, Ohio will supervise the building of such unit, and an entity wholly owned by Anthony M. Valore, in which Jack Plas is actively involved, Valore Builders, Inc. ("Valore Builders"), will be the sole general contractor entity involved in construction of all homes in the Condominium; (ii) the architectural style of all homes contemplated for the Condominium will be harmonious; and (iii) the provisions of this Declaration.

D. Grantor desires to give the Cachats certain assurances as set forth herein in order to induce them to enter into an agreement to purchase a unit in the Condominium.

F. For the purposes and upon the terms and conditions set forth herein, Grantor hereby grants, reserves, declares and covenants as follows:

RESTI
+
CODE

1. The following restrictions shall apply with respect to the Property

(a) No company, limited liability company, partnership, joint venture or other person or entity (collectively "Person") shall construct, as general contractor, project manager, builder, or otherwise, any residential structure, unit, or home on the Property except Valore Builders;

(b) No interest in Valore Builders may be transferred, sold, pledged, mortgaged or hypothecated. Notwithstanding the previous sentence, Anthony M. Valore may transfer interests of Valore Builders to members of his immediate family or trusts for the benefit of himself or members of his immediate family; and, irrespective of the equity ownership of Valore Builders, this Declaration will not be deemed to have been violated if either Anthony M. Valore or Jack Plas retains ultimate actual control of and supervises the construction of all residential structures, units, or homes on the Property;

(c) No residential structure, unit or home may be constructed on the Property which is not a single family residence and architecturally harmonious with the other residential structures, units and homes then on the Property; and

(d) No portion of the Property may be sold, transferred or conveyed to any person, other than in connection with the construction of a residential structure, unit or home built or to be built by Valore Builders without the prior express written approval of either (i) the Cachats, or the survivor of them, if they or such survivor owns a residential structure, unit, or home on the Property at the time of the proposed sale, transfer or conveyance; or (ii) if more than one owner of a unit in the Condominium (excluding Grantor and any persons affiliated with Grantor) exists at such time, a majority of unit owners in the Condominium other than Grantor and any persons affiliated with Grantor.

2. The restrictions and covenants contained in Subsections 1 (a), (b) and (d) shall cease and determine and be of no force and effect upon the earlier of (i) the death of both Anthony M. Valore and Jack Plas, (ii) the lesser of twenty-four (24) or the maximum of residential structures, units or homes possible on the Property, are constructed on the Property; (iii) the sale by the Cachats of their unit, or (iv) the deaths of both Michael F. Cachat and Margaret L. Cachat.

3. The restrictions and covenants set forth in this Declaration shall automatically cease and determine and be of no further force and effect as to each residential structure, unit and home, together with its respective appurtenant real property, upon completion of construction of such residential structure, unit or home in compliance with this Declaration and its conveyance to the ultimate purchaser.

4. Subject to the provisions of this Declaration that provide for the termination of the restrictions set forth herein, all restrictions and covenants set forth in the Declaration shall run with the land and shall inure to the benefit of and be binding upon the Grantor and Grantor's heirs, executors, administrators, personal representatives, successors, assigns, lessees, mortgagees and other persons having an interest in the Property or any part thereof.

5. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this Declaration, all of which are inserted conditionally on their being held valid in law and, in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid or should operate to render this Declaration invalid, this Declaration shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted.

6. If any of the covenants, restrictions or rights created by this Declaration shall be unlawful or void for violation of any rule against perpetuities or any analogous statutory provision or any rule restricting restraints on alienation or any other statutory or common law rules imposing time limitations, then such provision shall continue in effect for twenty-one (21) years after the death of the survivor of the now living descendants of former president George Herbert Walker Bush.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date first above written.

WESTLAKE LAND DEVELOPERS, INC.
AN OHIO CORPORATION

Witness: Thane C. Rhodes

By: Anthony M. Valore
Anthony M. Valore, President

Witness: Karen A. Wolff

STATE OF OHIO)
) ss:
COUNTY OF CUYAHOGA)

The foregoing instrument was acknowledged before me this 21 day of March, 2001, by Anthony M. Valore, President of Westlake Land Developers, Inc., an Ohio corporation on behalf of the corporation.



Notary Public

DIANNE E. RHODES
NOTARY PUBLIC - STATE OF OHIO
My Commission Expires May-23-2004

EXHIBIT E

DRAWINGS

(separately submitted)

Exhibit F

Percentage of Ownership Interest

Upon completion of all of the Units in the Condominium Property, each Unit will own an undivided four percent (4%) interest in the Common Areas and a four percent (4%) interest in the Association for the division of Common Expenses, Common Assessments, Common Surplus, Common Profits, and Common Losses (Article 8). Prior to such anticipated completion, each Unit shall own that percentage as shall be derived by the following formula:

$1 \div (U + UL) = P$, where U = the number of Units sold, UL = one-half ($\frac{1}{2}$) the number of unsold lots, and P = the percentage of Ownership Interest for each Unit.

The following are examples, but not by way of limitation:

- (a) If three (3) Units have been sold and twenty-two (22) lots are available, then the number 1 will be divided by fourteen (14) ($3 + 11$):

$$1 \div 14 = .0714 \text{ or } 7.14\% \text{ Ownership Interest per Unit.}$$

- (b) If ten (10) Units have been sold and fifteen (15) lots are available, then the number 1 will be divided by seventeen and one-half ($17\frac{1}{2}$) ($10 + 7.5$):

$$1 \div 17.5 = .0571, \text{ or } 5.71\% \text{ Ownership Interest per Unit.}$$

As the examples show, as the number of Units sold increases, each Owner's Ownership Interest decreases to an eventual amount of four percent (4%). As a practical matter, the foregoing formula means that the Developer will pay such of the Common Expenses as are not paid by the individual Unit Owners. Using the example set forth in (a), if the total Common Expenses for the year were Ten Thousand Dollars (\$10,000.00), then each Unit Owner would pay $7.14\% \times \$10,000.00$ or \$714.28, while the Developer would pay $78.57\% \times \$10,000.00$ or \$7,857.08.

DECLARATION OF EASEMENTS, RESTRICTIONS, AND COVENANTS

This DECLARATION OF EASEMENTS, RESTRICTIONS, AND COVENANTS ("Declaration") made as of the 29 day of August, 2001, by WESTLAKE LAND DEVELOPERS, INC., an Ohio corporation, whose address is 23550 Center Ridge Road, Suite 101, Westlake, Ohio 44145;

RECITALS

- A. Grantor is the Owner of a certain parcel of land situated in Westlake, Cuyahoga County, Ohio, which is more particularly described on Exhibit A (the "Original Parcel"), which Grantor intends, but is not obligated, to submit to condominium ownership as "The Clusters of Chapparral Condominium" (the "Condominium") immediately following the recording of this Declaration by filing a Declaration of Condominium Ownership for The Clusters of Chapparral Condominium (the "Declaration") for record in the Office of the Recorder of Cuyahoga County, Ohio.
- B. Subsequent to the filing for record of this Declaration, Grantor shall submit an 0.4508 acre parcel ("Phase I") to the Condominium Act, and the balance of the Original Parcel shall be designated "Additional Property." As each phase of the Original Parcel is submitted to the Condominium Act, the balance of the Original Parcel not so submitted shall be designated "Additional Property."
- C. Grantor has constructed or will construct a private roadway, known as Chapparral Drive, on the Original Parcel (the "Roadway"), which is located within the area (the "Roadway Area") shown on the Easement Plan set forth in Exhibit B (the "Easement Plan").
- D. Grantor desires to grant an access easement over the Roadway and the Roadway Area for the benefit of the owners (the "Unit Owners") and occupants (the "Occupants") of condominium units (the "Units"), within the Original Parcel, and, if so designated by Grantor, the Additional Property.
- E. Various utility systems (which, together with any replacements thereof, are hereinafter called the "Utility Systems") have been or will be constructed and installed on the Original Parcel to provide electricity, gas, water, telephone, cable television, storm sewer and sanitary sewer services (collectively, the "Utility Services") to the Original Parcel and the Additional Property.
- F. Grantor desires to grant easements to use certain Utility Systems located on the Original Parcel for the benefit of the Unit Owners and Occupants and, if so designated by Grantor, the Additional Property.
- G. Grantor reserves for itself, and if so designated by Grantor, its successors and assigns, the right (1) to permit Owners and occupants of the Original Parcel to use the Roadway and Utility Systems located on the Original Parcel; (2) for a period of 21 years after the filing of this Declaration for record, and (3) for a period of 21 years after the filing of this Declaration for record, to use the Roadway and Roadway Area for access and construction purposes.
- H. Grantor wishes to impose building restrictions upon the Original Parcel so as to create a unified subdivision with architecturally compatible single-family houses.

EASEMENT

RECORDED

NOW, THEREFORE, for the purposes and upon the terms and conditions hereinafter set forth, Grantor hereby grants, reserves, declares and covenants as follows:

1. The Roadway Easement.

(a) Grantor hereby grants to the Unit Owners and Occupants, and to the Owners and occupants of Units in the Additional Property to the extent the same is added to the Condominium, and to their respective invitees, successors, heirs and assigns, a non-exclusive, perpetual easement (the "Roadway Easement"), for the benefit of the Original Parcel, and the Additional Property to the extent the same is added to the Condominium, on, over and across the Roadway and the Roadway Area, for the purpose of pedestrian and vehicular ingress, egress, access and passage to and from (i) the Original Parcel (or the same may be expanded) and Columbia Road.

(b) (i) The Clusters of Chapparral Unit Owners Association, Inc. ("Association") shall, at reasonable times, maintain and repair the Roadway and Roadway Area so that the Roadway and Roadway Area shall be in a state of good condition and repair, in compliance with governmental requirements ("Legal Requirements"), reasonably free of ice and snow, and insured under a public liability insurance in a reasonable amount for the benefit of Grantor and the Association. The Association shall also pay all taxes and assessments related to the Roadway and Roadway Area.

(ii) Each Unit Owner, acting through the Association, shall reimburse Grantor for a portion of the "Roadway Maintenance Costs" in accordance with the formula set forth herein. "Roadway Maintenance Costs" are defined to include, without limitation, all costs and expenses paid or incurred in connection with Grantor's obligations under Section 1(b)(i), including, without limitation, costs in connection with the repair, maintenance and lighting (if lighting is installed) of the Roadway, costs of removal of snow, ice and debris, maintenance, repair and replacing the Roadway, installing, maintaining and replacing landscaping within the Roadway Area, utility charges, the cost of all insurance provided for the Roadway, including, without limitation, public liability insurance, costs of maintaining and replacing landscaping within the Roadway Area, cost of maintaining, repairing and replacing any signs or other structures which Grantor, in Grantor's sole discretion, elects to install in the Roadway Area, all labor required in connection therewith (including wages, benefits and taxes) and all contracts [including labor and contracts with independent contractors or contractors related or affiliated with Grantor or the partners of Grantor (collectively, a "Related Entity"), which right to hire or retain a Related Entity is hereby reserved to Grantor herein], and the taxes and assessments related to the Roadway as allocated by Grantor.

(iii) Unless there shall be other houses or condominium units then existing which have the right to use the Roadway pursuant to this Easement Declaration, the Unit Owners (through the Association) shall reimburse Grantor for all of the Roadway Maintenance Costs (or the balance of Roadway Maintenance Costs if others are responsible for the payment of a portion of such Roadway Maintenance Costs), except that until and unless there shall be twenty-five (25) Units within the Condominium, each Unit Owner (through the Association) shall reimburse Grantor for 1/25 or 4% of the Roadway Maintenance Costs. For example, if there shall be three (3) Units within the Condominium, the Owners thereof shall pay, in the aggregate, through the Association, 3/25 or 12% of the Roadway Maintenance Costs.

(iv) If there shall be a house or condominium unit constructed on the Additional Property which has been designated by Grantor as having the right to use the Roadway Area pursuant to this Easement Declaration, and which house or condominium unit is not part of the Condominium, then following the initial occupancy of such house or unit, the Owner of such house or unit (a "Benefitted Owner") shall pay to Grantor a portion of the Roadway Maintenance Costs equal to the ratio or percentage which such house or unit bears to the total number of houses and units, respectively, then existing in the Original Parcel. In addition, any amounts payable pursuant to this Section 1(b)(iv) shall be subtracted from the Roadway Maintenance Costs when determining the amounts payable under Section 1(b)(iii) by the Unit Owners.

(v) Notwithstanding the above, if any of the Additional Property is not added to the Condominium, and if Grantor designated the Benefitted Owners within the Additional Property as having the right to use the Roadway Area, the Benefitted Owners within the Additional Property shall pay their "Share" of that portion of the Roadway Maintenance Costs applicable to the Roadway Area. In addition, Owners of houses or units within the Original Parcel and Additional Property shall pay their share of the Roadway Maintenance Costs. In allocating the Roadway Maintenance Costs as above provided, the total Roadway Maintenance Costs shall be prorated, as opposed to attempting to determine the location of the Roadway for which a Roadway Maintenance Cost was incurred. The "Share" of the Owner of each house or unit on the Benefitted Parcels and the Condominium, respectively, shall be the ratio which that house or unit bears to the total number of houses and units within the Original Parcel, including, without limitation, the Condominium, respectively.

(vi) If and when the Roadway Area is added to the Original Parcel, Grantor's obligations under Section 1(b)(i) with respect to such area shall immediately terminate and such obligations shall become the responsibility of the Unit Owners (acting through the Association). In such event, the Association, as opposed to Grantor, shall have the right to obtain reimbursement for the Roadway Maintenance Costs from the Owners of houses and units not within the Condominium Property which have the right to use the Roadway pursuant to this Easement Declaration, for the same amounts as specified in this Section 1(b) hereof.

(c) All persons entitled by the terms of this Declaration to utilize the Roadway shall do so in compliance with applicable Legal Requirements and in accordance with the reasonable rules and regulations which Grantor may establish from time to time.

(d) The Association and each Benefitted Owner shall pay its share of the annual Roadway Maintenance Costs to the Grantor within sixty (60) days after the Grantor (or the Association) submits its annual summary statement; provided, however, that the Grantor (or the Association) shall be entitled to estimate such costs and the Association and Benefitted Owners shall pay such annual estimates in twelve (12) equal monthly installments on the first day of each and every calendar month, subject to adjustment by the Association and the Grantor after Grantor (or the Association) submits its annual Roadway Maintenance Costs statement. Grantor (or the Association) shall keep full and accurate books and records with regard to the Roadway Maintenance Costs, together with receipts, vouchers and other evidence as it deems reasonably necessary to substantiate all Roadway Maintenance Costs for a period of two (2) years after such costs have been incurred.

CUYAHOGA COUNTY RECORDER
200108310836 PAGE 3 of 8

2. Utility Easements.

(a) Grantor hereby creates, declares and grants to the Unit Owners and Occupants and to the Owners and occupants of real property on the Additional Property, non-exclusive, perpetual easements (the "Utility Easements") for the benefit of the Original Parcel, over, across and through those portions of the real property which contain Utility Systems as shown on the Easement Plan (the "Utility Easement Areas") to use, maintain, repair, inspect, improve and replace such lines, pipes, poles and other facilities and equipment to provide the Utility Services to the Original Parcel which will receive, tie into and use such Utility Services; provided, however, that the easements granted in this Section 2 shall be limited as to each of the Utility Easement Areas to the type of utility or service which is shown on the Easement Plan for each such Utility Easement Area. In exercising its rights under this Section 2, the grantees of such easements shall have the right to go upon and use the Utility Easement Areas and any land (but not improvements) within ten feet (10') of such Utility Easement Area.

(b) In the event that any Owner of a house or unit within the Additional Property has the right to use any Utility System then being used by Unit Owners, the Owner of the house or unit shall pay a proportion of any costs and expenses used in connection with the maintenance, repair or replacement of such Utility Systems ratably and equitably determined by Grantor (or the Association when applicable) in proportion to the total number of units and houses using such Utility System.

3. Future Access Drive Easements. Grantor hereby reserves to itself and creates, declares and grants to the Owners and occupants of the Original Parcel: a non-exclusive, perpetual easement on, over and across the Original Parcel and portions of the Additional Property designated by Grantor for the purpose of such ingress and egress (with all necessary vehicles, equipment and labor) as Grantor deems necessary or desirable to fulfill the purposes for which the foregoing easements are declared, granted, created and reserved and for the purpose of completing construction, and making necessary repairs to Units, buildings and any improvements on the Original Parcel.

4. Restrictions. The Original Parcel is hereby subject to the following restrictions, conditions, and covenants:

(a) All fencing to be chain link or wrought iron only, size to conform with Westlake City Code, with proper landscape screening.

(b) The fronts of all residences shall be either all brick, brick and wood combination, stone and wood combination, or stucco only. The remaining sides shall be either brick, wood or stucco only.

(c) All roofs shall be a minimum of 8/12 pitch with 300lb asphalt roof or greater.

(d) All residences to be constructed shall be a minimum of two thousand five hundred (2,500) square feet finished, excluding basement and garage.

(e) All residences to have underground water sprinkling system.

(f) All landscaping plans to conform with original City of Westlake drainage requirements.

(g) No above ground permanent swimming pools.

(h) The cost of construction of each residence shall not be less than \$500,000.00.

(i) Each residence shall be architecturally compatible with residences already built and/or under construction.

5. Use. It is contemplated hereby that the entire Original Parcel will be submitted to the Declaration of Condominium of The Clusters of Chapparral Condominium and to the Condominium Act. If, however, such is not the case, the Grantor intends that the entire Original Parcel nevertheless be subject to the within easements, restrictions, and covenants. To the extent that any part of the Original Parcel is not submitted to the Condominium, the Owners of the Additional Property shall form a homeowners association and all Owners of any part of the Additional Property shall be required to join such association. The purposes of the association shall be to share in the annual maintenance of the entranceway abutting Columbia Road and any other common areas as shown on the Condominium drawings, and to assist in the compliance and enforcement of the within easements, restrictions, and covenants. The Association of the Condominium shall set the annual maintenance fee and notify in writing each lot owner of its share, which share shall be equal to each Unit Owner. If any Owner fails to pay its proportionate share within forty-five (45) days of such written notice, the homeowners association may file a lien against such lot Owner's lot and seek such legal remedies available to collect such fee.

6. Indemnity. Each person or entity that has the right to use the Roadway Area and Utility Systems shall use the same in a manner which shall protect against damage or injury either to the person or property of any other person entitled to use the same and any third person. Each person who uses the Roadway and Utility Systems shall indemnify and save the Grantor, Association, Unit Owners and Owners of land within the Additional Property harmless from and against all liability, loss, damage, cost and expense which, directly or indirectly, arises out of or results from any act, whether of commission or omission, of such party (or its agents, servants, Unit Owners, Occupants, tenants, visitors, invitees and licensees) whether in the exercise of its or their rights hereunder or in breach or excess thereof.

7. Binding Effect. This Declaration shall run with the land and bind each and every part thereof, and shall be binding upon and shall inure to the benefit of Grantor, the Association, the Unit Owners and Occupants, Owners and occupants of real property on the Additional Property, and its and their respective invitees, successors, heirs, executors, administrators and assigns.

8. Time Limits. If (and only to the extent that) any of the privileges, easements, covenants, rights, obligations or other provisions of this Declaration shall be unlawful or void for violation of (i) the rules against perpetuities or some analogous statutory provision; (ii) the rules restricting restraints on alienation; or (iii) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of George Herbert Walker Bush, former President of the United States of America, and his now living lawful descendants.

9. Grantor's Successors. Notwithstanding any provision to the contrary herein, all rights, privileges, obligations, benefits, powers and authority vested in, imposed upon or reserved by Grantor under or by virtue of any provision of this Declaration shall be deemed to be vested in, imposed upon, or reserved for, the successors and assigns of Grantor to the same extent and effect as the same are vested in or reserved for Grantor; provided, however, that those rights, privileges, obligations, benefits, powers and authority which are set forth in Section 3 hereof shall only be deemed to be vested in, imposed upon or reserved for, only the Owners of the Benefitted Parcels designated in an instrument or affidavit executed by Grantor which refers to

this Declaration and is filed for record with the Cuyahoga County Recorder.

Signed and acknowledged
in the presence of:

WESTLAKE LAND DEVELOPERS, INC., an
an Ohio corporation

Dianne E Rhodes

By: Anthony M. Valore
Anthony M. Valore, President

Karan A. Wolpp

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

The foregoing instrument was acknowledged before me, a Notary Public in and for said County and State, on the 29 day of August, 2001, by Anthony M. Valore, President of Westlake Land Developers, Inc., an Ohio corporation, on behalf of the corporation.

Dianne E Rhodes
NOTARY PUBLIC

DIANNE E. RHODES
NOTARY PUBLIC - STATE OF OHIO
My Commission Expires May-23-2004

THIS INSTRUMENT PREPARED BY:

Harvey Labovitz, Esq.
Collins & Scanlon LLP
3300 Terminal Tower
50 Public Square
Cleveland, Ohio 44113-2294

EXHIBIT A

Legal Description Of Entire Parcel Owned By Declarant

Situated in the City of Westlake, County of Cuyahoga and State of Ohio: and known as being part of Blocks "D" and "E" in the Cornerstone Subdivision No. 1 of Part of Original Dover Township Lot No. 48, as shown by the recorded Plat in Volume 275 of Maps, Page 98 and 99 of Cuyahoga County Records, together forming a parcel of land bounded and described as follows: Beginning at a 5/8 inch iron pin in a monument box at the Northwesterly corner of said Original Lot No. 48; thence South 0° 00' 00" East, along the centerline of Columbia Road, a distance of 739.53 feet to the Southwesterly corner of a parcel of land conveyed to Dale Gyor and K. Gyor, by deed recorded in Volume 15662, Page 399 of Cuyahoga County Records of Deeds; thence North 88° 56' 22" East, along the Southerly line of land so conveyed to Dale and K. Gyor, a distance of 40.01 feet to the Easterly line of Columbia Road, as proposed to be widened and the principal place of beginning. Thence continuing North 88° 56' 2" East along the Southerly line of land so conveyed to Dale and K. Gyor, a distance of 260.00 feet to the Southeasterly corner thereof; thence North 0° 00' 00" West along the Easterly line of land so conveyed to Dale and K. Gyor, a distance of 130.02 feet to the Southerly line of a parcel of land conveyed to the Ohio Conference Association, by deed recorded in Volume 13317, Page 663 of Cuyahoga County Records of Deeds; thence North 88° 56' 22" East, along the Southerly line of land so conveyed to the Ohio Conference Association, a distance of 90.00 feet to the Southeasterly corner thereof; thence North 0° 00' 00" West, along the Easterly line of land so conveyed to the Ohio Conference Association, a distance of 167.00 feet to the Southerly line of Weston Avenue, 60 feet wide; thence North 88° 56' 22" East along the Southerly line of Weston Avenue, a distance of 336.44 feet to a Westerly corner of the Cornerstone Subdivision No. 2B Proposed; thence South 39° 10' 00" East, along the Southwesterly line of the Cornerstone Subdivision No. 2B Proposed, a distance of 109.74 feet to an angle point; thence South 8° 50' 00" West, along the Westerly line of the Cornerstone Subdivision No. 2B Proposed, a distance of 290.60 feet to an angle point therein; thence South 23° 10' 00" East, along the Westerly line of the Cornerstone Subdivision No. 2B Proposed, a distance of 94.53 feet to an angle point; thence South 47° 10' 00" East, along the Southwesterly line of the Cornerstone Subdivision No. 2B Proposed, a distance of 115.55 feet to a Northwesterly corner of the Cornerstone Subdivision No. 3 Proposed; thence South 42° 50' 00" West, along the Northwesterly line of the Cornerstone Subdivision No. 3 Proposed, a distance of 172.48 feet to an angle point; thence South 0° 54' 52" East, along the Westerly line of the Cornerstone Subdivision No. 3 Proposed, a distance of 342.70 feet to the Northerly line of a parcel of land conveyed to Bruce A. Jasen and S. A. Jasen, by deed recorded in Volume 86-5811, Page 50 of Cuyahoga County Official Records; thence South 89° 05' 08" West, along the Northerly line of land so conveyed to Bruce A. and S. A. Jasen, a distance of 179.84 feet to a Northwesterly corner thereof; thence South 0° 54' 52" East, along a Westerly line of land so conveyed to Bruce A. and S. A. Jasen, a distance of 10.00 feet to an interior corner thereof; thence South 89° 05' 08" West, along a Northerly line of land so conveyed to Bruce A. and S. A. Jasen, a distance of 191.56 feet; thence North 0° 00' 00" East, a distance of 136.78 feet to the Northeasterly corner of a parcel of land conveyed to Ernest Domokos and Rose Domokos, by deed recorded in Volume 15621, Page 301 of Cuyahoga County Records of Deeds; thence South 89° 05' 08" West, along the Northerly line of land so conveyed to Ernest and Rose Domokos, a

distance of 128.25 feet to the Southeasterly corner of a parcel of land conveyed to G. Thomas Ramser and C. M. Ramser; thence North 10° 37' 53" West, along the Easterly line of land so conveyed to G. Thomas and C. M. Ramser and along the Easterly line of a parcel of land conveyed to Sandra L. Weisenberger, by deed recorded in Volume 92-1989, Page 25 of Cuyahoga County Official Records, a distance of 172.06 feet to the Northeasterly corner thereof; thence South 88° 56' 22" West, along the Northerly line of land so conveyed to Sandra L. Weisenberger, a distance of 200.00 feet to the Easterly line of Columbia Road; thence North 0° 00' 00" West, along the Easterly line of Columbia Road, a distance of 56.35 feet to the Southwesterly corner of a parcel of land conveyed to Lawrence M. Lavelle and M. A. Lavelle, by deed recorded in Volume 12384, Page 687 of Cuyahoga County Records of Deeds; thence North 88° 56' 22" East, along the Southerly line of land so conveyed to Lawrence M. and M. A. Lavelle, a distance of 215.00 feet to the Southeasterly corner thereof; thence North 0° 00' 00" East, along the Easterly line of land so conveyed to Lawrence M. and M. A. Lavelle, a distance of 56.35 feet to the Northeasterly corner thereof; thence South 88° 56' 22" West along the Northerly line of land so conveyed to Lawrence M. and M. A. Lavelle, a distance of 205.00 feet to the Easterly line of Columbia Road, as proposed to be widened; thence North 0° 00' 00" West, along the Easterly line of Columbia Road, as proposed to be widened, and along the Easterly line of Columbia Road, as widened, a distance of 300.01 feet to the principal place of beginning, and containing 12.8738 acres (560.781 square feet) of land, be the same more or less, but subject to all legal highways and easements of record.

All bearings are to an assumed meridian and used to denote angles only.