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CUYAHOGA COUNTY RECORDER
PATRICK J. OMALLEY
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200212161410

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

OF

NEW HAMPTON SUBDIVISION PHASE 2

"STRATFORD VILLAGE"

BROADVIEW HEIGHTS, CUYAHOGA COUNTY, OHIO

BEING DEVELOPED BY:

Pulte Homes of Ohio Corporation
An Ohio Corporation
30575 Bainbridge Road
Suite 150
Solon, Ohio 44139
Phone: 440/349-9640

TRANSFER NOT REQUIRED

DEC 16 2002

AUDITOR

{MJS\K0397783.3}

DECLARATION

Submitting the property known as New Hampton Subdivision Phase 2, "Stratford Village", with open spaces and other common areas located in the City of Broadview Heights, Cuyahoga County, Ohio.

(This will certify that copies of this Declaration, together with Exhibits thereto, have been filed in the Office of the County Recorder, Cuyahoga County, Ohio).

Date:_____, 20___

Cuyahoga County Recorder

By:_____

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STRATFORD VILLAGE NEIGHBORHOOD ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

STRATFORD VILLAGE, BROADVIEW HEIGHTS, OHIO

THIS DECLARATION, (the "**Declaration**") made this ____ day of DECEMBER, 2002, by and between PULTE HOMES OF OHIO CORPORATION, an Ohio corporation (hereinafter referred to as "**Developer**"), and STRATFORD VILLAGE NEIGHBORHOOD ASSOCIATION, INC., an Ohio not-for-profit corporation (hereinafter referred to as the "**Neighborhood Association**").

PREAMBLE

A. The Developer is the owner and developer of real property in Broadview Heights, Cuyahoga County, Ohio which has been submitted to the provisions of the "Declaration of Covenants, Conditions, Restrictions and Easements of New Hampton, Broadview Heights, Cuyahoga County, Ohio" recorded as AFN 20020111023 (hereinafter referred to as the "**Master Declaration**") and which is further defined as the "Property" therein, as the same may be amended from time-to-time (hereinafter referred to as the "**Master Property**"); and

B. The Developer has deemed it desirable for the efficient preservation of the values and amenities in said Master Property to create an agency pursuant to the Code of Regulations of the Master Association (the "**Master Code**") to which should be delegated and assigned the powers of maintaining and administering the common areas within the Master Property and administering and enforcing the covenants and restrictions of the Master Declaration, and collecting and disbursing the assessments and charges created therein and to this end has incorporated under the laws of the State of Ohio, as a non-profit corporation, New Hampton Master Association, Inc., (hereinafter referred to as the "**Master Association**") for the purposes of exercising the functions aforesaid; and

C. The Developer is the owner of the real property in Broadview Heights, Cuyahoga County, Ohio, which is a portion of the Master Property and which is more particularly described as follows (the "**Neighborhood Property**"):

Situated in the City of Broadview Heights, County of Cuyahoga, State of Ohio and known as Sublots Numbers 74 through 130, and Blocks "G" and "H", in the New Hampton Subdivision Phase 2, being a part of Parcel "A" in the New Hampton Subdivision of part of Original Brecksville Township Lots 63 & 64, recorded in Vol. 312, P. 96 of Cuyahoga County Records, as shown by the Plat recorded July 31, 2002 as Vol. 319, Pages 25- 29, Cuyahoga County Records.

The Developer desires to create thereon a planned residential community with signage, landscaping, walkways, and to this end, desires to subject said Neighborhood Property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Neighborhood Property and each owner thereof; and,

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D. The Developer has deemed it desirable for the efficient preservation of the values and amenities within the Neighborhood Property to create an agency to which should be delegated and assigned the powers of maintaining and administering the Common Areas therein and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

E. There has been incorporated under the laws of the State of Ohio, as a non-profit corporation, STRATFORD VILLAGE NEIGHBORHOOD ASSOCIATION, INC., (the "**Neighborhood Association**") for the purposes of exercising the functions aforesaid, such Neighborhood Association being a "Sub-Association" as permitted to be created by the Master Declaration; and

F. The Neighborhood Association joins in this Declaration for the purpose of accepting the duties and responsibilities imposed upon it by the protective covenants and restrictions herein contained; and

G. Developer declares that the Neighborhood Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "**Covenants and Restrictions**") hereinafter set forth, and further specified that this Declaration shall constitute covenants to run with the land and shall be binding upon Developer, and its successors and assigns and all other owners of any part of said real Neighborhood Property, together with their grantees, successors, heirs, executors, administrators or assigns; and

H. The Covenants and Restrictions contained within this Declaration are in addition to the Covenants and Restriction in the Master Declaration, and the Covenants and Restrictions contained in this Declaration shall not be less restrictive than those contained in the Master Declaration and, in the case of conflict, the more restrictive provisions shall control.

ARTICLE I
PREAMBLE, NEIGHBORHOOD PROPERTY
EXPANSION OF NEIGHBORHOOD PROPERTY

Section 1.1 – Preamble

The Preamble is incorporated in and made a part of this Declaration.

Section 1.2 – Neighborhood Property

The Neighborhood Property which is and shall be owned, held, transferred, sold, used and occupied subject to this Declaration is the real property described in Paragraph C of the Preamble. A Plat of the Neighborhood Property is attached hereto and made a part here as Exhibit "A".

Section 1.3 – Expansion of the Neighborhood Property

The Developer reserves the right from time to time to add additional property to the Neighborhood Property (including adjacent property of the Developer) and to subject the same to the provisions of this Declaration. To add any additional property, the Developer shall execute

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and record a Subsequent Amendment to this Declaration which expressly provides that the land described therein shall become a part of the Neighborhood Property and shall be subject to the Covenants and Restrictions set forth in this Declaration, except as the same may be modified by the Subsequent Amendment. The additional property may be any of the property within the area described in Deed recorded on July 26, 2001, as AFN No. 200107260508 of the land records of Cuyahoga County (the "**Additional Property**") and may be annexed by the Developer without the consent of Members within ten (10) years of the date this Declaration is recorded in the Cuyahoga County Records. Provided, however, if at the time of annexation of the Additional Property by the Developer, the Veterans Administration or the Federal Housing Administration is the guarantor, insurer, or holder of a mortgage on any Sublot within the Neighborhood Property for federally approved mortgage financing purposes, thereafter any annexation shall be made only if the Federal Housing Administration and/or the Veterans Administration determine that the annexation is in accordance with the general plan theretofore approved by them. The annexation to the Neighborhood Property of residential property and Neighborhood Common Areas in addition to the Additional Property referred to above shall require the consent of two-thirds (2/3rds) of each class of Members of the Neighborhood Association.

Section 1.4 – Developer's Right to Divide and Combine Neighborhoods During Class "B" Control Period.

During the Class "B" Control Period, the Developer shall have the unilateral right, privilege, and option, without the consent of the Class "A" Members, to divide the Neighborhood Property into two or more Neighborhoods governed by separate neighborhood associations, or to combine any other Neighborhood created within the Master Property with the Stratford Village Neighborhood pursuant to Section 1.3 above, in which case the resulting Neighborhood may, at the option of Developer, be governed by either the Neighborhood Association or by any other neighborhood association governing another Neighborhood thereby being combined. To accomplish such division or combination the Developer shall execute and record a Subsequent Amendment to this Declaration.

Section 1.5 –Division and Combination of Neighborhoods After the Class "B" Control Period.

After the expiration of the Class "B" Control Period, the Board shall have the right, with the consent of two-thirds (2/3rds) of each class of Members of the Neighborhood Association, to divide the Neighborhood Property into two or more Neighborhoods governed by separate neighborhood associations, or to combine any other Neighborhood created within the Master Property with the Stratford Village Neighborhood pursuant to Section 1.4 above, in which case the resulting Neighborhood may, as approved by two-thirds (2/3rds) of each class of Members of the Neighborhood Association, be governed by either the Neighborhood Association or by any other neighborhood association governing another Neighborhood thereby being combined. To accomplish such division or combination the Association shall execute and record a Subsequent Amendment to this Declaration.

ARTICLE II
EXHIBITS AND DEFINITIONS

Section 2.1 – Exhibits

The following Exhibits are attached to and made a part of this Declaration:

Exhibit "A" - A Plat of the Neighborhood Property.
Exhibit "B" - A Form Certificate of Compliance (See Section 15.18 of this Declaration).

Section 2.2 – Definitions

For the purposes of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

a) "AFFILIATE OF DEVELOPER" means any person who controls, is controlled by, or is under common control with the Developer. (1) A Person "controls" the Developer if the Person (a) is a general partner, officer, director, managing member or employer of the Developer, (b) directly or indirectly or acting in concert with one or more other Persons, or through one or more subsidiaries owns, controls, holds with power to vote, or holds proxies representing more than twenty percent (20%) of the voting interest in the Developer, (c) controls in any manner the election of a majority of the directors of the Developer, or (d) has contributed more than twenty percent (20%) of the capital of the Developer; (2) A person "is controlled" by a Developer if the Developer (a) is a general partner, officer, director, or employer of the Person, (b) directly or indirectly or acting in concert with one or more other Persons, or through one or more subsidiaries, owns, controls, hold with power to vote, or holds proxies representing more than twenty percent (20%) of the voting interest in the person, (c) controls in any manner the election of a majority of the directors of the Person, or (d) has contributed more than twenty percent (20%) of the capital of the Person. Control does not exist if the powers described in this subsection are held solely as security for any obligation and are not exercised.

b) "AREAS OF COMMON RESPONSIBILITY". The Areas of Common Responsibility shall mean and refer to (1) the Neighborhood Common Areas ; (2) the entrances to the Neighborhood Property situated off of existing and future public streets that abut the Neighborhood Property (the "**Entrances**") and landscaping, lighting, irrigation and other improvements with the Entrances; (3) maintenance of all Association Landscaping (as herein defined) within the Neighborhood Property, including that within Sublots, within the Neighborhood Common Areas, and within areas over which a landscaping easement has been granted to the Neighborhood Association; (4) real and personal property owned by the Neighborhood Association; (4) real and personal property not owned by the Neighborhood Association but determined by the Board to be the responsibility of the Neighborhood Association; and (5) maintenance and repair of any structure including fencing within the Neighborhood Common Areas. Any public right-of-way, within or adjacent to the Neighborhood Property (including landscape areas within cul-de-sacs) and sidewalks adjacent to or within Neighborhood Common Areas, may be part of the Areas of Common Responsibility.

c) "ARTICLES" or "ARTICLES OF INCORPORATION". The Articles of Incorporation

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of the Neighborhood Association which are filed with the Secretary of State of Ohio to create the Neighborhood Association.

d) "ASSESSMENTS". The assessments levied against all Owners of real property within the Neighborhood Property to fund Common Expenses.

e) "ASSOCIATION LANDSCAPING." All lawn and landscaping within the Areas of Common Responsibility and Neighborhood Common Areas, all lawn areas within a Sublot, and all landscaping material (mulch, and all shrubs, trees, ground cover, and other plant material) installed in landscaping beds of a Sublot either (i) by the Developer in connection with the original construction of a Living Unit; or (ii) by an Owner in accordance with a landscape plan approved by the Design Review Committee, only when denominated and accepted by the Design Review Committee as "Association Landscaping".

f) "BOARD". The Board of Directors of the Neighborhood Association. The Board is sometimes referred to as the "Directors".

g) "CITY". The City of Broadview Heights, an Ohio municipal corporation.

h) "CODE". The Code of Regulations of the Neighborhood Association.

i) "COMMON EXPENSES". The actual and estimated expenses of operating the Neighborhood Association, both for general or special purposes, including reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Code, and the Articles of Incorporation of the Neighborhood Association.

j) "COUNTY". The County of Cuyahoga.

k) "DESIGN REVIEW COMMITTEE". The committee created by the Master Declaration and granted original jurisdiction to review and approve or disapprove exterior and structural improvements, landscaping, additions to the Living Units and changes within the Master Property, including the Neighborhood Property.

l) "DEVELOPER". PULTE HOMES OF OHIO CORPORATION, an Ohio Corporation, and the specifically designated successors or assigns of any of their rights as Developer under this Declaration or under any supplement to this Declaration involving the Neighborhood Property as the same may be expanded or contracted from time to time. No person, real or corporate, shall be deemed to be a successor, alternate or additional Developer for the purposes of this Declaration unless and until such person or entity has been specifically so designated by Developer herein, by instrument in writing and placed of record, and shall be deemed a successor and assign of Developer only to the particular rights and interests of Developer under this Declaration or under a supplement to this Declaration. The Developer is sometimes referred to herein as "Original Developer".

m) "ELIGIBLE MORTGAGE HOLDERS". Eligible Mortgage Holders shall mean banks, savings and loan associations, insurance companies and other institutional lenders, holders, insurers or guarantors of first mortgages on the Neighborhood Property or

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portions thereof.

n) "LIVING UNIT". Shall mean and refer to any single family dwelling located on a Sublot. For purposes of this Declaration, a Living Unit shall come into existence when the improvements constructed thereon are sufficiently complete to reasonably permit the habitation thereof, whether or not a certificate of occupancy has been issued for the Living Unit by the governmental authority having jurisdiction over the same, and the Living Unit has been conveyed to a person other than the Developer.

o) "MASTER ASSOCIATION". New Hampton Master Association, Inc., a non-profit Ohio corporation, its successors and assigns, created to govern, operate, control and administer the Areas of Common Responsibility outside of Stratford Village.

p) "MASTER PROPERTY". The land described in Paragraph A of the Preamble and such additions thereto as may hereafter be submitted to the Master Declaration and brought within the jurisdiction of the Master Association.

q) "MEMBER". A person or entity entitled to membership in the Neighborhood Association, as provided herein.

r) "NEIGHBORHOOD". A specifically defined area of the Master Property subjected to the provisions of an additional but separate declaration of covenants, conditions, restrictions and easements that supplements the Master Declaration, and which is governed with respect to such additional declaration by a neighborhood association separate and distinct from, and subordinate to the Master Association, such association being a "sub-association" as permitted to be created by the provisions of the Master Declaration.

s) "NEIGHBORHOOD ASSOCIATION". The Stratford Village Neighborhood Association, Inc., a non-profit Ohio corporation, its successors and assigns, created to govern, operate, control and administer the Areas of Common Responsibility and to supervise and enforce this Declaration.

t) "NEIGHBORHOOD COMMON AREAS". All real and personal property now or hereafter owned by the Neighborhood Association or otherwise held for the common use and enjoyment of the Owners or Occupants. Neighborhood Common Areas shall include the Entrances of the Neighborhood Property; and those areas of land intended for the non-exclusive common use, benefit and enjoyment of all Occupants of the Neighborhood Property. Any Owner may delegate, in accordance with the Code and subject to all reasonable rules, regulations, and limitations as may be adopted in accordance therewith, his or her right of enjoyment to the Neighborhood Common Areas to the members of his or her family, tenants and social invitees and shall be deemed to have made a delegation of all such rights to the Occupants of any leased Living Unit. The Neighborhood Common Areas are not for the use by the general public, but are for the common use and enjoyment of the Owners of Living Units within the Neighborhood Property. The Neighborhood Common Areas shall be owned by the Neighborhood Association at the time of the conveyance of the first Sublot within the Neighborhood Property.

u) "NEIGHBORHOOD PROPERTY". The land described in Paragraph C of the Preamble

and such additions thereto as may hereafter be submitted to this Declaration pursuant to Section 1.3 and brought within the jurisdiction of the Neighborhood Association.

v) "NEW HAMPTON". A Class B-3 Rural, Residential District under the Planning and Zoning Code of the City, also referred to as the "Master Property".

w) "OCCUPANT". A person in the possession of a Living Unit within the Neighborhood Property including, without limitation, an Owner or any guest, invitee, lessee, tenant, or family member of an Owner occupying or otherwise using a Living Unit.

x) "OPEN SPACES". Land that is assigned in perpetuity as private open space, including "common land" and "open spaces" required by the City's Planning and Zoning Code. Open Spaces shall be available and accessible to all residents of the Neighborhood Property.

y) "ORIGINAL DEVELOPER". PULTE HOMES OF OHIO CORPORATION, an Ohio Corporation.

z) "OWNER". The record Owner of fee simple title in any Living Unit or Sublot within the Neighborhood Property, including the Developer (except as otherwise provided herein) with respect to any unsold Living Unit or Sublot within the Neighborhood Property, but Owner shall exclude in all cases any party holding an interest merely as security for the performance of an obligation. If a Living Unit or Sublot within the Neighborhood Property is sold under a land installment contract, the purchaser ("Vendee"), rather than the fee Owner ("Vendor"), will be considered to be the Owner. For the purpose of this Declaration, the Owner of a Sublot that is rented to others shall be as follows: For the purpose of votes and Assessments, the record Owner of the Sublot; for the purpose of use and enjoyment of common facilities and amenities which are part of the Neighborhood Common Areas, the Tenant residing in the Living Unit situated on the Sublot.

aa) "OWNERSHIP INTEREST". The entire right, title and interest of any Owner in all of the freehold and leasehold estates of such Owner in his Sublot.

bb) "PERSON". A natural individual, corporation, partnership, limited partnership, trust or other entity to which the law attributes the capacity of having rights and duties.

cc) "PLAT". The subdivision plat of New Hampton Subdivision Phase 2, recorded as is described in Preamble C of this Declaration.

dd) "RULES". Rules and regulations promulgated by the Board that govern the operation and use of the Sublots, Living Units, Areas of Common Responsibility, Neighborhood Common Areas, and any other property owned by the Neighborhood Association.

ee) "SPECIAL DEVELOPER RIGHTS" means those rights reserved for the benefit of the Developer as provided for in this Declaration and the Code (and/or in the Master Declaration and/or in the Master Code), and shall include, without limitation, the following rights: (1) to expand the Neighborhood Property in accordance with Section 1.3 of this Declaration; (2) to maintain sales offices, management offices, customer services offices, and signs advertising the Neighborhood Property; (3) to use easements

through the Neighborhood Common Areas for the purpose of making improvements within the Neighborhood Property; and (4) to appoint or remove any Board members or officers of the Neighborhood Association during the period that the Developer has the right to elect or designate members of the Board.

ff) "SUBLOT". A platted single-family lot within the Neighborhood Property upon which a Living Unit has been or may be constructed. The term Sublot does not include Blocks "G" or "H" as shown on the Plat.

gg) "SUBSEQUENT AMENDMENT". An amendment to this Declaration which adds additional property to that covered by this Declaration. A Subsequent Amendment may, but is not required to: (i) impose, expressly or by reference, additional restrictions and obligations on the land submitted by such Subsequent Amendment to the provisions of this Declaration; and/or (ii) otherwise amend this Declaration and/or the Code.

hh) "TENANT". Any person(s) having a possessory leasehold estate in a Living Unit, other than the Owner.

ARTICLE III
EASEMENTS

Section 3.1 – Utility Easements

There is hereby reserved in favor of Developer and granted to the Master Association, the Neighborhood Association, their successors and assigns, a non-exclusive easement upon, across, over, through and under the Neighborhood Property for ingress, egress, installation, replacement, repair and maintenance of all utilities and service lines and systems including, but not limited to, water, storm and sanitary sewer, energy, drainage, gas, telephone, electricity, television, cable and communication lines and systems. By virtue of this easement, it shall be expressly permissible for the Developer and the Neighborhood Association and their successors and assigns, or the providing utility or service company, to install and maintain facilities and equipment on the Neighborhood Property provided that such facilities shall not materially impair or interfere with any Living Units and provided further than any areas disturbed by such installation and maintenance are restored to substantially the condition in which they were found. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utility service lines or facilities for such utilities may be installed or located except as approved by the Developer or the Design Review Committee or unless the same are shown on a recorded plat. There is hereby reserved in favor of the Developer and the Neighborhood Association the right (but not the obligation) to grant neighboring property owners easements for access purposes and easements for utility purposes so long as the granting of easements for utility purposes does not overburden the utilities serving the Neighborhood Property.

Section 3.2 – Easement for Ingress and Egress

There is hereby created a non-exclusive easement upon, across, over and through any sidewalks and walkways within the Neighborhood Property in favor of Developer and the Master Association, the Neighborhood Association, all Owners, Occupants, and their respective guests, licensees and invitees for pedestrian ingress and egress, to and from all of the various portions of

the Neighborhood Property. Notwithstanding the foregoing, the Developer and/or the Neighborhood Association may limit this right of ingress and egress by a Subsequent Amendment.

Section 3.3 – Owner's Easements to Enjoyment

Developer, every Owner, an Occupant and the guest of such parties shall have a right and non-exclusive easement of use and enjoyment in and to the Neighborhood Common Areas which shall be appurtenant to and shall pass with the title to every Sublot, subject to the right of the Neighborhood Association to suspend the voting rights by an Owner for any period during which any assessment against his or her Sublot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Rules of the Neighborhood Association.

Section 3.4 – Easements for Construction, Alteration, etc.

Easements are hereby created upon portions of the Neighborhood Common Areas necessary in connection with the construction, alteration, rebuilding, restoration, maintenance and repair of any Living Unit or other structures and improvements within the Neighborhood Property or serving the Neighborhood Property; provided, however, that in the exercise of any rights under this easement, there shall be no unreasonable interference with the use of any Living Unit or other structure or improvement on the Neighborhood Property. Any Person benefiting from the foregoing easement shall indemnify and save harmless the Developer, the Master Association, the Neighborhood Association, and each Owner and Occupant from and against any and all losses, damages, liabilities, claims and expenses, including reasonable attorneys' and paralegals' fees resulting from any such construction, rebuilding, alteration, restoration, maintenance and shall repair any damage caused in connection with such activities to substantially the condition that existed prior to such activities.

Section 3.5 – Emergency and Service Easements

There is hereby granted to the City and County an easement for access to the Neighborhood Common Areas, including Open Spaces, for emergency purposes or in the event of nonperformance of maintenance of improvements affecting the public interest. The City and County shall have the right, after proper notice, to make improvements and perform maintenance functions with the costs thereof levied as a lien against the Neighborhood Common Areas. Advance notice is not required for emergency entrance onto the Neighborhood Common Areas.

Section 3.6 – Drainage Rights and Authority to Transfer Drainage and other Easement Rights to City

The Developer, each Owner, the Master Association, the Neighborhood Association, the City and County shall have the non-exclusive right and easement in common to utilize the waterways, courses, storm sewers, drainage pipes and retention basins (if any) in, over and upon the Neighborhood Common Areas for the purposes of drainage of surface waters on the Master Property and the Neighborhood Property, said rights-of-ways and easements being hereby established for said purpose. It shall be the obligation of the Master Association to properly maintain, repair, operate and control such drainage system on the Neighborhood Common Areas unless those easement areas are accepted by the City and/or County or other governmental authority having jurisdiction by formal action of the City and/or County. No Person shall

interfere with the free flow of water through any drainage ditches or storm sewers within the Neighborhood Property.

Section 3.7 – Easements for Community Signs

Easements are created over the Neighborhood Common Areas to install, maintain, repair, replace and illuminate signs that are for the general benefit of the Master Property, Neighborhood Property, or for the identification of Stratford Village. The type, size and location of the signs shall be subject to the approval of the Design Review Committee and subject to the laws of the County, City and other governmental authorities having jurisdiction.

Section 3.8 – Easement to Maintain Sales Offices, Models, etc.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and sale of Living Units by the Developer or an Affiliate of the Developer is continuing within the Master Property, it shall be expressly permissible for the Developer to maintain and carry on upon portions of the Neighborhood Common Areas and/or Sublots such facilities and activities as, in the sole opinion of the Developer, may be reasonably required, convenient, or incidental to the construction or sale of Living Units, within the Master Property, including, but not limited to, administrative/customer services, trailers for sales/construction office purposes, parking areas, parking signs, identification signs, model units, and sales and resales offices, and the Developer, its guests, licensees and invitees shall have an easement for access to all such facilities. The right to maintain and carry on such facilities and activities shall specifically include the right of the Developer to use Living Units as models and construction and sales offices. Developer further reserves the right for itself and its successors, assigns, contractors, materials suppliers and others performing work and furnishing materials to construct Living Units and other improvements upon the Master Property to conduct business and carry on construction/site development activities during business hours that are customary within the City. This Section may not be amended or modified without the express written consent of the Developer.

Section 3.9 – Landscaping, Snow Removal, and Maintenance Easement

There is hereby reserved for the benefit of the Neighborhood Association and its agents, employees, successors and assigns an alienable, transferable, and perpetual right and easement to enter upon any Sublot for the purpose of maintaining Association Landscaping, providing snow removal services as provided herein, and for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash and debris in order to maintain reasonable standards of health, fire safety, and appearance with the Neighborhood Property, provided that such right and easement shall not impose any duty or obligation upon Developer or the Neighborhood Association to perform any such actions; and provided, further, that in exercise of its rights hereunder the Neighborhood Association shall be entitled to be reimbursed by such Owner pursuant to Article VII hereof.

Section 3.10 – Environmental Easement

There is hereby reserved for the benefit of Developer, the Neighborhood Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement on, over, and across the Neighborhood Common Areas and the

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vacant portion of a Sublot for the purpose of taking any action necessary to effect compliance with the environmental rules, regulations, and procedures from time to time promulgated or instituted by the Board, the Design Review Committee, or by any governmental entity, such easement to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water; and the right to dispense pesticides and the right to maintain wetland areas.

Section 3.11 – Scope of Easements and Dedication of Roadways and Utilities

As the improvements to be located within the Neighborhood Property for the easement rights granted or reserved under Sections 3.1 and 3.2 are definable within the specific area, the Developer or the Neighborhood Association (with the Developer's prior written consent so long as Developer is a Class "B" Member) shall have the right (but not the obligation) to: (a) limit such easements to specific areas and purposes, and record a document or documents releasing the balance of the lands from the burden of such easements; and/or (b) record a plat or other document or documents setting forth the specific areas subjected to such easements; and/or (c) dedicate to public or private use specific areas (and the improvements contained therein) within the Neighborhood Property to meet the requirements of the County, City, and other public authorities having jurisdiction over the same. The Developer or the Neighborhood Association may exercise any of such rights without the necessity of obtaining the consent or approval of Owners and other Persons for whose benefit the easement rights are granted or reserved.

Section 3.12 – Easements To Run With the Lands

All easements and rights described herein are easements appurtenant to the Neighborhood Property (including the Living Units) and the Neighborhood Common Areas, shall run with said lands, perpetually and at all times inure to the benefit of and be binding upon the Developer, its successors and assigns, and any Owner, Tenant, Occupant, purchaser, mortgagee, the City, the County or other Person having an interest in the Neighborhood Property, or any part or portion thereof.

ARTICLE IV
OWNERSHIP AND OPERATION OF NEIGHBORHOOD COMMON AREAS

Section 4.1 – Conveyances of Neighborhood Common Areas

Developer shall convey the Neighborhood Common Areas to the Neighborhood Association free and clear of any liens and encumbrances. Such conveyance shall have priority over all liens and encumbrances whatsoever except the easements, covenants, restrictions and provisions of this Declaration; easements, covenants, restrictions, conditions and other similar matters of record; real estate taxes and assessments which are a lien, but are not due and payable at the time of said conveyance; and zoning and other ordinances, if any. The Neighborhood Association shall hold title to said parcels subject to the provisions of this Declaration.

Section 4.2 – Use of Neighborhood Common Areas

Any Owner may delegate, in accordance with the Code of the Neighborhood Association and subject to Rules of the Neighborhood Association, as may be adopted in accordance therewith, his or her right of enjoyment to the Neighborhood Common Areas to the members of

therewith, his or her right of enjoyment to the Neighborhood Common Areas to the members of his or her family, tenants, and social invitees and shall be deemed to have made a delegation of all such rights to the Occupants or Tenants of any leased Living Unit.

ARTICLE V
THE NEIGHBORHOOD ASSOCIATION

Section 5.1 – Existence

The Neighborhood Association is an Ohio not-for-profit corporation. The Neighborhood Association shall not be dissolved nor shall the Neighborhood Association dispose of Open Space without first offering to dedicate the same to the City.

Section 5.2 – Membership and Voting Rights

a) Classes of Membership
The membership of the Neighborhood Association is and shall be divided into two (2) classes:

1. Class "A" Membership. Each Owner of a Sublot or Living Unit, with the exception of the Developer, shall automatically be a Class "A" Member of the Neighborhood Association. Class A members shall be entitled to one vote for each Sublot in which they hold the fee simple interest or interests. All Owners shall be Members of the Neighborhood Association.

2. Class "B" Membership. The Developer shall automatically be the sole Class "B" Member of the Neighborhood Association.

b) Voting Rights

1. Class "A" Member. Class "A" Members shall be entitled to one (1) equal vote for each Sublot in which they hold the interest required for membership under Section 5.2(a)(1) hereof. There shall be only one (1) vote for each Sublot. In any situation where a Class "A" Member is entitled to exercise a vote and more than one (1) Person holds the interest in such Sublot required for membership, the vote for such Sublot shall be exercised as those Persons determine among themselves and advise the Secretary of the Neighborhood Association in writing prior to any meeting. In the absence of such advice, the vote of the Sublot shall be suspended if more than one (1) Person seeks to exercise it. In the case of a Sublot owned or held in the name of a corporation, partnership, limited partnership, limited liability company, trust or other entity, a certificate signed by such Owner shall be filed with the Secretary of the Neighborhood Association naming the person authorized to cast a vote for such Sublot, which certificate shall be conclusive until a subsequent certificate is filed with the Secretary of the Neighborhood Association. If such certificate is not on file, the vote of such entity shall not be considered, nor shall the presence of a person purporting to act on behalf of such entity at a meeting be considered in determining whether the quorum requirement for such meeting has been met. When a fiduciary or other legal representative of an Owner has furnished to the association proof of such person's authority, such

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person may vote as though he or she were the Owner.

2. Class "B" Member. The Class "B" member shall be the Developer and shall be entitled to three (3) votes for each Sublot owned. The Class "B" membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or (ii) ten (10) years from the date of the filing of this Declaration.

For purposes of determining the number of votes allowed under this Section the total number of Sublots shall be One Hundred Four (104), which is the total number of Sublots which the Developer intends to submit to the provisions of this Declaration.

Section 5.3 – Board and Officers of the Neighborhood Association

The Directors of the Board and the Officers of the Neighborhood Association shall be elected as provided in the Code and shall exercise the powers, discharge the duties and be vested with the rights conferred by operation of law, the Articles and Code, except as otherwise specifically provided.

Section 5.4 – Rights of the Neighborhood Association

Notwithstanding the rights and easements of enjoyment and use created in Article III of this Declaration, and in addition to any right the Neighborhood Association shall have pursuant to this Declaration or in law, the Neighborhood Association shall have the right:

a) To borrow money from time to time for the purpose of improving the Neighborhood Common Areas, and, with the assent of two-thirds (2/3rds) of each class of Members, secure said financing with a mortgage or mortgages upon all or any portion of Neighborhood Property owned by the Neighborhood Association in accordance with its Articles and Code and subject to the provisions of this Declaration.

b) To take such steps as are reasonably necessary to protect the Neighborhood Common Areas from foreclosure.

c) To convey the Neighborhood Common Areas or a portion thereof, to a successor; provided, however, that any such conveyance shall require the vote of two-thirds (2/3rds) of each of the Class "A" and Class "B" Members, and provided further that such successor shall agree, in writing to be bound by the easements, covenants, restrictions and agreements of this Declaration.

d) To enter or authorize its agents to enter on or upon the Neighborhood Property, or any part thereof, when necessary in connection with any maintenance, repair or construction for which the Neighborhood Association is responsible or has a right to maintain, repair or construct. Such entry shall be made with as little inconvenience to the Owner and Occupants thereof as practicable and any damage caused thereby shall be repaired by the Neighborhood Association.

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and easements for the construction, extension, installation, maintenance or replacement of utility services and facilities, or (ii) to or from a public or governmental authority, and to or from any body or agency which has the power of eminent domain or condemnation over any portion of the Neighborhood Property; provided, however, that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer be signed by two-thirds (2/3rds) of the Members has been recorded.

ARTICLE VI
RESPONSIBILITIES OF THE ASSOCIATION

The Association shall have the exclusive duty to perform the following functions:

Section 6.1 – Maintenance of Areas of Common Responsibility

The Neighborhood Association shall maintain the Areas of Common Responsibility in a clean, safe, neat, healthy and workable condition, and in good repair, and shall promptly make all necessary repairs and replacements, structural and nonstructural, ordinary as well as extraordinary, subject only to the provisions of this Declaration. The Neighborhood Association may provide equipment and supplies necessary for the maintenance (including landscape maintenance) and enjoyment of Neighborhood Common Areas. All work performed by the Neighborhood Association under this Article shall be performed in a good and workmanlike manner. The following are included among such Areas of Common Responsibility:

(a) Entranceway Areas. To operate, and to maintain, repair and replace, any entranceway area at or in the vicinity of any entrance to the Neighborhood Property from public roadways, and all associated landscaping and other related facilities such as walkways, benches, signs, lighting, and decorative walls, situated at or in the vicinity of the entrance(s) to the Neighborhood Property.

(b) Neighborhood Common Areas. To maintain all improvements and landscaping situated within the Neighborhood Common Areas (including, but not limited to, all utilities installed within such Neighborhood Common Areas) in a good and attractive condition, for the use and enjoyment of Owners. The Neighborhood Association shall accept a deed to and hold title to such areas. The obligations set forth in this subsection shall be deemed to run with and burden the party accepting any such deed and title to the Neighborhood Common Areas. The Neighborhood Common Areas as shown on the Plat shall remain as such.

(c) Landscaping. To maintain all Association Landscaping situated within the Neighborhood Common Areas and within any Sublot, in a good and attractive condition, pursuant to Section 6.4 herein.

(d) Snow Removal. To remove, as reasonably required, and as circumstances may reasonably permit, snow from sidewalks adjoining dedicated roadways and within Neighborhood Common Areas, from the private driveways serving the Living Units, and from all walkways to the front doors of the Living Units within the Neighborhood Property.

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(e) Fences and Walls. To maintain, repair and replace any fences, walls or gates which may situated within the Neighborhood Common Areas.

(f) Community Signs. To install, maintain, repair, replace and illuminate all signs located on any portion of the Neighborhood Property which are for the general benefit of the Neighborhood Property.

(g) Neighborhood Common Area Lighting. With respect to all parts (including, but not limited to, poles, standards, fixtures) of a lighting system (if any) which may be installed by or at the direction of Developer or the Neighborhood Association in the Neighborhood Common Areas, to maintain the same in good order and condition, to make all replacements and renewals necessary to so maintain the same, and to operate and to pay all costs of operating the same.

(h) Maintenance of Non-Neighborhood Association Property. The Neighborhood Association shall maintain property which it does not own, including, without limitation, property dedicated to the public, if the Board determines that it is in the best interest of the Neighborhood Association for the Neighborhood Association to maintain the same. The Neighborhood Association shall maintain Association Landscaping within portions of dedicated rights-of-way over which a landscaping easement has been granted to the Neighborhood Association.

Section 6.2 – Taxes and Assessments

The Neighborhood Association shall pay all taxes and assessments levied against portions of the Neighborhood Property owned by the Neighborhood Association.

Section 6.3 – Utilities

The Neighborhood Association shall pay all charges for water, sewer, electricity, light and other services used, rented or supplied to or in connection with any property owned and/or operated by the Neighborhood Association. All such utility services shall be contracted for, metered and billed by and through the Neighborhood Association.

Section 6.4 – Landscaping of Sublots, Snow Removal

The Neighborhood Association shall provide maintenance of the Association Landscaping situated within the Neighborhood Common Areas and within the Sublots. Such maintenance shall include, but may not be necessarily limited to, mowing and edging or lawn areas, weeding, fertilizing, replacement of dead plant material, and re-mulching. For the purpose solely for performing the maintenance required by this Section, the Neighborhood Association, through its duly authorized agents, employees and contractors, shall have the right and license to enter upon any Sublot at reasonable hours. The maintenance and replacement of any landscaping installed within a Sublot by an Owner which has not been accepted by the Neighborhood Association as Association Landscaping shall be the sole responsibility of such Owner.

Section 6.5 – Insurance and Reconstruction

(a) Insurance. The insurance which shall be carried upon the Neighborhood Common Areas

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shall be governed by the following provisions:

1. Casualty Insurance. The Neighborhood Association shall carry casualty insurance on all insurable improvements comprising the Neighborhood Common Areas and all personal property as may be owned by the Neighborhood Association and for which the Neighborhood Association is responsible. Such insurance shall be written in the name of, and the proceeds thereof shall by payable to the Neighborhood Association.

2. Liability Insurance. The Neighborhood Association shall insure itself, the members of the Board, the Owners and Occupants of Living Units against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Neighborhood Common Areas, including, without limitation, water damage, legal liability, hired automobile, non-owner automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than Four Million Dollars ($4,000,000) in respect to personal injury, disease, illness or death suffered by any one person, and to the limit of not less than Four Million Dollars ($4,000,000) in respect to any one occurrence, and to the limit of not less than Four Million Dollars ($4,000,000) in respect to damage to or destruction of property arising out of any one accident. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Owners as a group to an Owner. In the event the insurance effected by the Neighborhood Association on behalf of the Owners and Occupants of Living Units who are not Owners against liability for personal injury or property damage arising from or relating to the Neighborhood Common Areas shall, for any reason, not fully cover any such liability, the amount of any deficit shall be a Common Expense to the Owners. The Neighborhood Association shall also obtain directors and officers liability coverage, if reasonably available.

3. Fidelity Bonds. A fidelity bond indemnifying the Neighborhood Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Neighborhood Association or of any other person handling the funds of the Neighborhood Association, the Board or the Owners in such amount as the Board shall deem desirable, but in no event shall the amount of the bond be less than an amount equal to three (3) months' Assessments. The fidelity bond shall name the Neighborhood Association as the obligee, and the premium for such bond shall be a Common Expense. Such bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such bond shall provide that it may not be cancelled for non-payment of any premiums or otherwise substantially modified without ten (10) days prior written notice to the Neighborhood Association and to all Eligible Mortgage Holders.

4. Flood Insurance. The Neighborhood Association shall carry flood insurance on all insurable improvements comprising the Neighborhood Common Areas located within a flood plain and floodway, as defined by currently effective federal law or regulation.

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5. Premiums. Premiums upon insurance policies purchased by the Neighborhood Association shall be assessed as Common Expenses.

6. Rating of Insurance Company. All policies for insurance of the Neighborhood Association shall be written with a company licensed to do business in Ohio and holding a rating of B/VI or better in the Financial Category as established by A.M. Best Company, Inc. if reasonably available, or if not available, the most nearly equivalent rating.

7. Annual Review of Policies. All policies for insurance shall be reviewed annually by the Board to determine whether the coverage contained in the policies is sufficient to make any and all necessary repairs or replacement of the property which may have been damaged or destroyed.

Section 6.6 – Management

The Neighborhood Association shall provide the management and supervision for the operation of the Areas of Common Responsibility. The Neighborhood Association shall establish and maintain such policies, programs, and procedures, and shall perform and carry out all other duties and acts reasonably necessary to give effect to and to fully implement this Declaration for the purposes intended and for the benefit of the Members and may, but shall not be required to:

a) Adopt Rules;

b) Engage employees and agents, including without limitation, security personnel, attorneys, accountants and consultants, maintenance firms and contractors;

c) Delegate all or any portion of its authority and responsibilities to a manager, managing agent, or management company. Such delegation may be evidenced by a management contract which shall provide for the duties to be performed by the managing agent and for the payment to the managing agent of a reasonable compensation. No management agreement or renewal thereof shall be for a period longer than one (1) year (subject to the right of either party to terminate the management contract without cause and without payment of a termination fee, upon ninety (90) days written notice to the other party).

Section 6.7 – Rules and Regulations

The Neighborhood Association, through the Board, may make and enforce Rules governing the Areas of Common Responsibility, which Rules shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Impositions of sanctions shall be as provided in the Code of the Neighborhood Association. An Owner shall be subject to the foregoing sanctions in the event of a violation by such Owner, his family, guests, Tenants or by his co-Owners or the family, guests or Tenants of such co-Owners.

Section 6.8 –Original Developer's Rights

During the Class "B" Control Period, the Original Developer shall exercise all or any of the powers, rights, duties and functions of the Neighborhood Association, including, without limitation, the right to levy special assessments as authorized herein, the right to enter into a management contract, the right to obtain insurance under Original Developer's blanket policy (if any), the right to perform each duty and obligation of the Neighborhood Association set forth herein, the right to collect assessments and disburse all funds of the Neighborhood Association, and the right to have a lien (and to foreclose said lien) on a Living Unit for unpaid assessments in the manner and to the extent granted to the Neighborhood Association as herein provided.

ARTICLE VII
RESPONSIBILITIES OF OWNERS

7.1 Maintenance of Living Units.

(a) Each Owner is responsible for the exterior maintenance, repair and replacement of such Owner's Living Unit. The Stratford Village Homeowner Association will be responsible for the maintenance of all Association Landscaping within Neighborhood Common Areas and within the Sublot upon which such Living Unit is situated.

(b) If an Owner fails to perform exterior living unit maintenance, repair or replacement obligations, in a manner satisfactory to the Board, the Neighborhood Association, after approval by two-thirds (2/3rds) of the members of the Board, shall have the right to make any such repair or replacement and the cost of such repair and replacement shall be added to and become part of the Assessment for which such Living Unit is subject. For the purpose solely for performing any rights granted to the Neighborhood Association by this Section, the Neighborhood Association, through its duly authorized agents, employees and contractors, shall have the right and license, after reasonable notice to an Owner, to enter upon any Sublot at reasonable hours.

7.2 Unit Owner Casualty and Liability Insurance.

Each Owner shall, at his or her own expense, obtain: (A) casualty insurance covering his or her Living Unit; (B) casualty insurance covering the contents of his or her Living Unit and (C) public liability insurance for personal injuries or damage arising out of the use and occupancy of his Living Unit and Sublot.

ARTICLE VIII
ASSESSMENTS

Section 8.1 – Definition of Assessments

As used in this Declaration, Assessments shall mean all of the costs and expenses incurred by the Neighborhood Association in the exercise of its obligations with respect to the Areas of Common Responsibility, including, without limitation:

a) All expenditures required to fulfill the responsibilities of the Neighborhood Association, including, but not limited to, expenditures relating to maintenance fees;

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b) All amounts incurred in collecting Assessments including all legal and accounting fees;

c) Reserves for uncollectible Assessments, unanticipated expenses, replacements, major repairs and contingencies;

d) Annual capital additions and improvements and/or capital acquisitions (but not repairs or replacements) having a total cost in excess of Two Thousand Five Hundred Dollars ($2,500.00), without in each case the prior approval of the Class "B" Member and the vote of at least two-thirds (2/3rds) of the Class "A" Members who are voting in person or by proxy, at a meeting duly called for this purpose. In case of an emergency requiring prompt action to avoid further loss, the Board shall have the discretion to expend whatever is necessary to mitigate such loss.

e) Such other costs, charges and expenses which the Neighborhood Association determines to be necessary and appropriate within the meaning and spirit of this Declaration.

Section 8.2 – Creation of the Lien and Personal Obligation of Assessments

Each Owner of any Sublot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Neighborhood Association: (1) annual Assessments or changes, (2) special Assessments for capital improvements, and (3) additional Assessments, all such Assessments to be established and collected as hereinafter provided. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Sublot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them.

Section 8.3 – Purpose of Assessments

The Assessments levied by the Neighborhood Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of Stratford Village for the improvement and maintenance of the Neighborhood Common Areas and as is otherwise consistent with the rights and responsibilities of the Neighborhood Association hereunder and for the benefit of the Members.

Section 8.4 – Maximum Annual Assessment

Until January 1 of the year immediately following the conveyance of the first Sublot to an Owner, the maximum annual Assessment shall be One Thousand One Hundred Fifty Two Dollars ($1,152.00) per Sublot.

a) From and after January 1 of the year immediately following the conveyance of the first Sublot to an Owner, the maximum annual Assessment may be increased each year not more than ten percent (10%) above the maximum Assessment for the previous year without a vote of the membership.

b) From and after January 1 of the year immediately following the conveyance of the first Sublot to an Owner, the maximum annual Assessment may be increased above ten percent (10%) by a vote of at least fifty-one percent (51%) of the Class "A" Members

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(excluding the Developer). A lesser approval is acceptable if the action is taken by a vote of two-thirds (2/3rds) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose in accordance with Section 7.5 below.

c) In addition to the annual Assessments authorized herein, the Neighborhood Association may levy, in any Assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Neighborhood Common Areas, including fixtures and personal property related thereto, and/or to meet any other emergency or unforeseen expenses of the Neighborhood Association, provided that any such special Assessment shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

d) Special Assessments shall be due as provided by the Board.

Section 8.5 – Notice and Quorum for any Action Authorized Under Sections 8.1(d) and 8.4

Written notice of any meeting called for the purpose of taking any action authorized under Section 8.1(d) and 8.4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8.6 – Uniform Rate of Assessment

Both annual and special Assessments must be fixed at a uniform rate for all Sublots and may be collected on a monthly basis or other periodic basis not more often than monthly or less often than annually. Notwithstanding the foregoing, if the Neighborhood Association performs services which do not benefit the Developer, such as recreational supervision, Sublots owned by the Developer that do not contain Living Units may be assessed a percentage of the Assessment referred to in Section 8.4 hereof based on the services that do not benefit the Developer, provided that the financial stability of the Neighborhood Association will not be jeopardized.

Section 8.7 – Date of Commencement of Annual Assessments: Due Dates

The annual Assessment provided for herein shall commence as to all Sublots on the first date of the month following the conveyance of the Neighborhood Common Area, or any portion thereof, to the Neighborhood Association. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual Assessment against each Sublot at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. If additional land is annexed to the Neighborhood Property as herein permitted, the annual Assessments as to the Sublots added to the Neighborhood Property by such annexation shall commence on the first (1st) day of the month following conveyance to an Owner of a Sublot within the annexed land. The Neighborhood Association, shall, upon demand, and for a reasonable charge, furnish a certificate

signed by an officer of the Neighborhood Association setting forth whether the Assessment on a specified Sublot have been paid. A properly executed certificate of the Neighborhood Association as to the status of Assessments on a lot is binding upon the Neighborhood Association as of the date of its issuance.

Section 8.8 – Effect of Nonpayment of Assessments; Remedies of the Neighborhood Association

Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum and shall be subject to the remedies available to the Association as set forth in Section 9.1 this Declaration. In addition, the Neighborhood Association may bring an action at law against the Owner personally obligated to pay the same, or foreclosure the lien against the Owner's Sublot.

Section 8.9 – Subordination of the Lien to Mortgages

The lien of the Assessments provided for herein shall be subordinate to the lien of any purchase money evidenced by a recorded first mortgage, and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether recorded or not. However, the lien of such Assessments shall be superior to any homestead exemption as now or hereafter may be provided by Ohio law and the acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead exemption as against the said Assessment lien. Sale or transfer of any Sublot shall not affect the Assessment lien. However, the sale or transfer of any Sublot pursuant to mortgage foreclosure or any proceeding in lieu thereof, or the cancellation or foreclosure of any executory land sales contract wherein the Administrator of Veterans (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether or not, shall extinguish the lien of record such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Sublot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 8.10 – Exempt Property

Notwithstanding anything to the contrary herein, the Neighborhood Common Areas shall be exempt from payment of Assessments or Additional Assessments. All property dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from the laws of the State of Ohio shall be exempt from the Assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said Assessments.

Section 8.11 – No Exemption for Non-Use of Facilities; No Refund of Reserves

A Member not otherwise exempt from the Assessments may not exempt himself from liability for Assessments levied against him by waiver of the use of the Neighborhood Common Areas that are owned and/or operated by the Neighborhood Association or by abandonment of his or her Sublot. Furthermore, no Member shall be entitled to any portion of the funds held for reserves; nor shall any Owner have a claim against the Neighborhood Association with respect thereto.

ARTICLE IX
LIENS

Section 9.1 – Perfection of Lien

If any Owner or a Developer shall fail to pay an Assessment or Additional Assessment levied in accordance with this Declaration (such Owner hereinafter referred to as the "**Delinquent Owner**") when due and such Assessment or Additional Assessment is delinquent, or if an Owner or a Developer shall violate any rule or breach any restriction, covenant or provision contained in the Declaration or Code, the Board may authorize the perfection of a lien on the Ownership Interest of the delinquent and/or violating Owner or Developer by filing for record with the Recorder of Cuyahoga County, a Certificate of Lien. The Certificate of Lien shall be in recordable form and shall include the name of the delinquent Owner, a description of the Ownership Interest of the delinquent Owner, the entire amount claimed for the delinquency and/or violation, including interest thereon and Costs of Collection, and a statement referring to the provisions of this Declaration authorizing the Certificate of Lien.

Section 9.2 – Duration of Lien

Said lien shall remain for a period of five (5) years from the date of filing of said Certificate of Lien, unless sooner released or satisfied in the same manner provided by law for the release or satisfaction of mortgages on real property, or discharged by the final judgment or order of a court in action to discharge such lien.

Section 9.3 – Priority

A lien perfected under this Article IX shall take priority over any lien or encumbrance subsequently arising or created except for liens for real estate taxes and Assessments and liens of bona fide mortgages which have been heretofore filed for record. A lien perfected pursuant to this Article may be foreclosed in the same manner as a mortgage or real property in action brought by the Neighborhood Association after authorization from the Board. In any such foreclosure action, the affected Owner shall be required to pay reasonable rental for such Ownership Interest during the pendency of such action and the plaintiff in such action shall be entitled to the appointment of a receiver to collect the same. Any funds received at the judicial sale of the delinquent Owner's or Developer's Ownership Interest in excess of mortgage liens, court costs and the taxes and assessment liens shall be paid over to the Neighborhood Association to the extent of its lien.

Section 9.4 – Dispute as to Assessment

The Developer or any Owner who believes that an Assessment levied by the Neighborhood Association against him or her for which a Certificate of Lien has been field by the Association has been improperly determined, may bring an action under the Arbitration Provisions contained in Section 15.8 of this Declaration for the discharge of all or any portion of such lien; but the lien shall continue until the actual amount of the lien so determined is paid in full or otherwise be fully discharged.

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Section 9.5 – No Waiver Implied

The creation of a lien upon an Ownership Interest owned by a delinquent Owner shall not waive, preclude or prejudice the Neighborhood Association for pursuing any and all other remedies granted to it elsewhere in this Declaration, whether at law or in equity.

Section 9.6 – Personal Obligations

The obligations created pursuant to this Article IX shall be and remain the personal obligation of the delinquent Owner until fully paid, discharged or abated and shall be binding on the heirs, personal representatives, successors and assigns of such delinquent Owner.

ARTICLE X
REMEDIES OF THE ASSOCIATION

Section 10.1 – Denial of Voting Rights

If any Owner fails to pay an Assessment when due, such Owner, and all Occupants of any and all Living Units of such Owner, shall not be entitled to vote on Neighborhood Association matters until said Assessment is paid in full.

Section 10.2 – Specific Remedies

The violation of any Rule, or the breach of any restriction, covenant or provision contained in this Declaration or in the Code, shall give the Neighborhood Association and the Original Developer the right, in addition to all other rights set forth herein and provided by law, (a) to enter upon the Living Unit or Sublot or portion thereof upon which, or as to such violation or breach exists, and summarily abate and remove, at the expense of the Owner of the Living Unit or Sublot where the violations or breach exists, any structure, thing, or condition that may exist thereon, which is contrary to the intent and meaning of this Declaration, the Code, or the Rules, and the Neighborhood Association, or its designated agent shall not thereby be deemed guilty in any manner of trespass; (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; (c) to commence and prosecute an action for specific performance or an action to recover any damages which may have been sustained by the Neighborhood Association or any of its Members as well as an action for punitive damages if warranted; and/or (d) to collect costs of suit and reasonable attorneys' and paralegals' fees incurred in connection with the exercise by the Association of any remedies hereunder, the same to be deemed "Costs of Collection" under Section 10.3 hereof.

Section 10.3 – Cost of Collection

If any Owner fails to pay any Assessment when due or upon delinquency in the payment of any sums or cost due under this Declaration, the Neighborhood Association may pursue any or all of the following remedies, which remedies shall be in addition to any other remedy available in this Declaration, or at law in equity:

a) Sue and collect from such Owner the amount due and payable, together with interest thereon as provided in this Declaration and Costs of Collection (hereinafter defined).

b) In addition to the amount referred to in (a) above, the Neighborhood Association may assess against such owner, liquidated damages, not to exceed fifteen percent (15%) of the amount of the delinquency or One Hundred Dollars ($100.00), whichever amount is greater, said amount to be determined by the Board provided, however, in no event shall said amount exceed the highest interest rate chargeable to individuals under applicable law. Said liquidated damages shall be in addition to interest, the expenses of collection incurred by the Neighborhood Association, such as attorneys' fees, paralegals' fees, court costs and filing fees. The actual expenses of collection and the liquidated damages shall hereinafter be referred to as **"Cost of Collection"**.

c) Foreclose a lien filed in accordance with Article IX of this Declaration in the same manner as provided by the laws of the State of Ohio for the foreclosure of real estate mortgages.

Section 10.4 – Binding Effect

The remedies provided in this Article X against a Delinquent Owner may also be pursued against the heirs, executors, administrators, successors and assigns and grantees of such Owner of Developer, except as specifically provided in Section 8.9 of this Declaration.

ARTICLE XI
NO PARTITION

Except as is permitted in this Declaration or in any amendments thereto, there shall be no physical partition of the Neighborhood Common Areas or any part thereof, nor shall any person acquiring any interest in the Neighborhood Property or any part thereof seek any such judicial partition. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE XII
CONDEMNATION

Whenever all or any part of the Neighborhood Common Areas shall be taken (or conveyed in lieu of and under threat of condemnation) by any authority having the power of condemnation or eminent domain, the Neighborhood Association shall give each Owner notice thereof. The award made for such taking shall be payable to the Neighborhood Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Neighborhood Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking the Developer (so long as the Developer is a Class "B" Member), and at least seventy-five percent (75%) of the Class "A" Members of the Neighborhood Association shall otherwise agree, the Neighborhood Association shall restore or replace such improvements so taken on the remaining land included in the Neighborhood Common Areas to the extent lands are available therefor, in accordance with plans approved by the Design Review Committee and the Board. If such improvements are to be repaired or restored, the provisions in Section 6.5 hereof regarding the disbursement of funds in respect to casualty damage or destruction shall apply. If the taking does not involve any improvements on the Neighborhood Common Areas, or if there is a

decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Neighborhood Association and used for such purposes as the Board shall determine in its sole and absolute discretion.

ARTICLE XIII
MORTGAGEES' RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Living Units and Sublots. To the extent applicable, necessary, or proper, the provisions of this Article shall apply to both this Declaration and to the Code. Where indicated, percentages set forth herein are subject to and controlled by higher percentage requirements, if any, set forth elsewhere in this Declaration for specific actions.

Section 13.1 – Notices of Action

An Eligible Mortgage Holder who provides written request to the Neighborhood Association (such request to state the name and address of such holder, insurer, or guarantor and the address of the Sublot), will be entitled to timely written notice of:

a) any proposed termination of the Neighborhood Association;

b) any condemnation or casualty loss which affects a material portion of the Neighborhood Property or which affects any Living Unit on which there is a first mortgage held, insured or guaranteed by an Eligible Mortgage Holder;

c) any delinquency in the payment of Assessments or other charges owed by an Owner subject to the mortgage of such Eligible Mortgage Holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days;

d) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Neighborhood Association or;

e) any proposed action which would require the consent of eligible holders, as required in Sections 13.2 and 13.3 of this Article.

If an Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment under this Article XIII within thirty (30) days after it receives proper notice of the proposal, the implied approval of such Eligible Mortgage Holder to the proposal shall be deemed assumed, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Section 13.2 – Other Provisions for First Lien Holders

To the extent possible under Ohio law:

a) Any restoration or repair of the Neighborhood Property following a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval of the Eligible

Mortgage Holders on Living Units to which at least two-thirds (2/3rds) of the votes of Sublots and the Eligible Mortgage Holders of first mortgages of the Class "A" and Class "B" Members, subject to mortgages held by such Eligible Mortgage Holders, are allocated, is obtained to act otherwise.

b) Any election to terminate the Neighborhood Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Mortgage Holders on Sublots of at least two-thirds (2/3rds) of the votes of Living Units and the Eligible Mortgage Holders of first mortgages of the Class "A" Members and the Class "B" Members, subject to mortgages held by such Eligible Mortgage Holders, are allocated.

Section 13.3 – Amendments to Documents

The following provisions do not apply to amendments to the constituent documents or termination of the Neighborhood Association made as a result of destruction, damage, or condemnation pursuant to Section 13.2(a) and (b) of this Article:

a) The consent of at least two-thirds (2/3rds) of the Class "A" Members and of the Class "B" Member and the approval of the Eligible Mortgage Holders to which at least two-thirds (2/3rds) of the votes of the Sublots subject to a mortgage appertain, shall be required to terminate the Neighborhood Association.

b) The vote of at least two-thirds (2/3rds) of the Class "A" Members and the consent of the Class "B" Member and the approval of Eligible Mortgage Holders to which at least two-thirds (2/3rds) of the votes of Sublots subject to mortgages appertain, shall be required to materially amend any provisions of the Declaration, Code, or Articles of the Neighborhood Association, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (1) voting rights; (2) Assessments, Additional Assessments, Assessment liens, or priority assessment liens; (3) reserves for maintenance, repair, and replacement of the Neighborhood Common Areas; (4) responsibility for maintenance and repair; (5) insurance or fidelity bonds; (6) rights to use of the Neighborhood Common Areas; (7) leasing of the Living Units; (8) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Sublot (this provision is subject and subordinate to any provision in an agreement for the sale by the Developer of a Sublot); (9) establishment of self-management by the Neighborhood Association where professional management has been required by an Eligible Mortgage Holder; (10) restoration or repair of the Neighborhood Property (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration; (11) any action to terminate the legal status of the Neighborhood Property after substantial destruction or condemnation occurs; (12) expansion or contraction of the Neighborhood Property, or the addition of the Neighborhood Property other than as provided in Section 1.3 of this Declaration; or (13) any provisions included in this Declaration, Code, or Articles which are for the express benefit of Eligible Mortgage Holders on Sublots.

Section 13.4 – Special Federal Home Loan Mortgage Corporation Provisions

So long as required by the Federal Home Loan Mortgage Corporation, the following

provisions shall apply to this Declaration:

a) Unless two-thirds (2/3rds) of the first mortgages or Owners give their consent, the Neighborhood Association shall not: (1) by act or omission seek to abandon, become a partition, subdivide, encumber, sell or transfer any portion of the Neighborhood Property owned by the Neighborhood Association (the granting of easements for public utilities or for public purposes or the dedication to public use of utilities or roads consistent with the intended use of the Neighborhood Property shall not be deemed a transfer); (2) change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner; (3) fail to maintain fire and extended coverage insurance as required by this Declaration; or (4) use hazard insurance proceeds for any Neighborhood Common Area losses for other than repair, replacement or reconstruction of such properties.

b) The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from mortgagees or Owners or a larger percentage vote as otherwise required for any of the actions contained in this Article.

c) First mortgagees may, jointly or singularly, pay taxes or other charges which are in default or which may or have become a charge against Neighborhood Common Areas and may pay overdue premiums or casualty insurance policies or secure new casualty insurance coverage upon the lapse of a policy, for the Neighborhood Common Areas and first mortgagees making such payments shall be entitled to immediate reimbursement from the Neighborhood Association.

ARTICLE XIV
TRANSFER OF SPECIAL DEVELOPER RIGHTS

Section 14.1 – Instrument Transferring Special Developer Rights

A Developer may transfer Special Developer Rights created or reserved in this Declaration or in the Code by an instrument evidencing the transfer recorded in the land records of the County in which the Neighborhood Property is located. The instrument is not effective unless executed by both the transferor and transferee.

Section 14.2 – Liability of Transferor of Special Developer Rights

a) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon the transferor Developer. Lack of privity (direct contractual relationship) does not deprive the Association or any Owner of standing to bring an action to enforce any obligation of the transferor.

b) If the successor to any Special Developer Right is an Affiliate of a Developer, the transferor is jointly and severally liable with the successor for any obligation or liability of the successor which related to the Neighborhood Property.

c) If a transferor retains any Special Developer Rights but transfers other Special Developer Rights to a successor who is not an Affiliate of the Developer, the transferor is also liable for any obligations and liabilities relating to the retained Special Developer Rights

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imposed on a Developer by the Declaration or Code arising after the transfer.

d) A transferor has no liability for any act or omission, or any breach of contractual or warranty obligation arising from the exercise of a Special Developer Right by a successor Developer who is not an Affiliate of the transferor.

Section 14.3 – Acquisition of Special Developer Rights

Unless otherwise provided in a mortgage held by a first mortgagee, in case of foreclosure of a mortgage (or deed in lieu of foreclosure), tax sale, judicial sale, or sale under the Bankruptcy Code or receivership proceedings, of any Living Units owned by a Developer in the Neighborhood Property, a person acquiring title to all the Living Units being foreclosed (or deed in lieu of foreclosure) or sold, but only upon his request, succeeds to all Special Developer Rights related to such Living Units, or only to any rights reserved in the Declaration and/or Code to maintain models, sales offices, customer service offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Developer Rights requested.

Section 14.4 – Termination of Special Developer Rights

Upon foreclosure (or deed in lieu of foreclosure), tax sale, judicial sale, Living Units in a Neighborhood Property owned by a Developer; (1) the Developer ceases to have any Special Developer Rights, and (2) right of a Developer to elect or designate Board Members pursuant to the Code terminates unless the judgment or instrument conveying title provides for transfer of all Special Developer Rights held by that Developer to a successor Developer.

Section 14.5 – Liabilities of a Transferee of Special Developer Rights

The liabilities and obligations of persons who succeed to Special Developer Rights are as follows:

a) A successor to any Special Developer Right who is an Affiliate of a Developer is subject to all obligations and liabilities imposed on the transferor by the Declaration and Code.

b) A successor to any Special Developer Right, other than a successor described in paragraphs (c) or (d) of this subsection, who is not an Affiliate of a Developer, is subject to all obligations and liabilities imposed by the Declaration and Code: (i) on a Developer which relate to such Developer's exercise or non-exercise of Special Developer Rights; or (ii) on the transferor, other than: (A) misrepresentations by any previous Developer; (B) warranty obligations on improvements made by any previous Developer, or made before this Declaration is recorded; (C) breach of any fiduciary obligation by any previous Developer or appointees to the Board of Directors; or (D) any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer.

c) A successor to only a Special Developer Rights reserved in the Declaration and/or Code to maintain models, sales offices, customer service offices and signs, if such successor is not an Affiliate of a Developer, may not exercise any other Special Developer Right, and is not subject to any liability or obligation as a Developer.

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d) A successor to all Special Developer Rights held by the transferor who is not an Affiliate of that Developer and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Living Units under Subsection (B), may declare the intention in a recorded instrument to hold those rights solely for transfer to another person. Thereafter, until transferring all Special Developer Rights to any person acquiring title to any Living Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than any right held by the Code for the duration of the period that a Developer has the right to elect or designate Board Members, and any attempted exercise of this rights is void. So long as a successor Developer may not exercise Special Developer Rights under this Subsection, such successor Developer is not subject to any liability or obligation as a Developer.

Section 14.6 – Limitation on Liability of Transferee of Special Developer Rights

Nothing in this Article subjects any successor to a Special Developer Right to any claims against or other obligations of a transferor Developer, other than claims and obligations arising under this Declaration or the Code.

ARTICLE XV
GENERAL PROVISIONS

Section 15.1 – Covenants Run with the Neighborhood Property; Binding Effect

All of the Easements, Covenants and Restrictions which are imposed upon, granted and/or reserved in this Declaration constitute Easements, Covenants and Restrictions running with the Neighborhood Property and are binding upon every subsequent transferee of all or any portion thereof, including, without limitation, grantees, Tenants, Owners and Occupants.

Each grantee accepting a deed or Tenant accepting a lease (whether oral or written) which conveys any interest in any portion of the Neighborhood Property that is submitted to all or any portion of this Declaration, whether or not the same incorporates or refers to this Declaration, covenants for himself, his heirs, personal representatives, successors and assigns to observe, perform and be bound by all provisions of this Declaration and to incorporate said Declaration by reference in any deed, lease or other agreement of all or any portion of his interest in any real property subject hereto.

Section 15.2 – Notices

Any notices required to be given to any Person under the provisions of this Declaration shall be deemed to have been given when personally delivered to such Person's Living Unit or mailed, postage prepaid, to the last known address of such Person or principal place of business if a corporation, provided, however, that a notice of "delinquency" of any payment due hereunder shall be made by personal delivery to such Living Unit or principal place of business if a corporation, or by regular U. S. mail. The effective date of such a notice shall be the date said notice is personally delivered, or postmarked, as the case may be.

Notices to the Developer shall be deemed given only when received and must be either

by hand delivered or mailed by certified or registered mail, postage prepaid, to Pulte Homes of Ohio Corporation (Developer), 30575 Bainbridge Road, Suite 150, Solon, OH 44139, with a copy to Richard A. Rosner, Esq., Kahn, Kleinman, Yanowitz & Arnson, Co., L.P.A., The Tower at Erieview, Suite 2600, 1301 East Ninth Street, Cleveland, OH 44114

Section 15.3 – Enforcement of Waiver

The Neighborhood Association, or any Owner, shall be empowered and have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Neighborhood Association or any one permitted in this Declaration to enforce any Easement, Covenant, or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 15.4 – Construction of the Provisions of this Declaration

The Developer or the Neighborhood Association, where specifically authorized herein to act, shall have the right to construe and interpret the provisions of this Declaration and in the absence of any adjudication by arbitrator(s) or a court of competent jurisdiction to the contrary, its construction and interpretation shall be final and binding as to all Persons or property which benefit or which are bound by the provisions hereof. Any conflict between any construction or interpretation of the Developer or the Association and that of any Person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation by the Developer or the Association, as the case may be.

Section 15.5 – Reservations by Original Developer – Exempt Property

a) Original Developer reserves the right and easement for itself and owners of nearby lands to whom Original Developer, in Original Developer's sole discretion, may grant the same right and easement, to tie into, use, repair, maintain and replace without charge any and all common lines, pipes, utilities, conduits, ducts, wires, cables, and rights-of-way in, on, or over the Neighborhood Property (as the Neighborhood Property may be expanded by a Subsequent Amendment) or any part thereof that will not materially interfere with the use or operation of a building or structure or other improvement thereon, in connection with the development and/or operation of real property. Any damage to buildings, improvements and real estate (including landscaping, if any) caused thereby shall be promptly repaired and restored to its prior condition by the party to whom such right and easement had been granted.

b) Original Developer hereby reserves the right to grant to or enter into any easements or covenants for the installation, maintenance, service or operation of any and all common lines, pipes, utilities, conduits, ducts, wires, cables, and rights-of-way in, on, or over the Neighborhood Property (as the Neighborhood Property may be expanded), or any part thereof that will not materially interfere with the use or operation of a building, structure or other improvement thereon. Any damage caused thereby shall be promptly repaired and the land shall be restored to its prior condition.

c) Original Developer reserves the right to enter into covenants and easements with any utility or public authority which Original Developer believes, in its sole discretion, to be

in the best interests of the development of the Neighborhood Property (as the Neighborhood Property may be expanded).

d) Original Developer reserves the right to perform or cause to be performed such work as is incident to the completion of the development of the Neighborhood Property (as the Neighborhood Property may be expanded by a Subsequent Amendment), owned or controlled by the Original Developer, notwithstanding any covenant, easement, restriction or provision of this Declaration or its exhibits, which may be to the contrary.

e) Original Developer reserves the right to impose, reserve or enter into additional covenants, easements and restrictions with grantees of Living Units and Sublots as long as such additional easements, covenants and restrictions are not in conflict with the rights, duties and obligations of Owners as set forth in this Declaration.

f) Each reservation, right and easement specified or permitted pursuant to this Article shall include the right of ingress and egress for the full utilization and enjoyment of the rights reserved and/or granted herein. The word "common" as used in this paragraph shall mean any and all lines, pipes, utilities, conduits, ducts, wires, cables, private roads and rights-of-way intended for the use of or used by more than one Owner. Any easements or rights referred to in this Article, whether granted by Original Developer prior to the filing of this Declaration or subsequent thereto, shall at all times have priority over the provisions of this Declaration and any lien created under this Declaration.

g) So long as Developer is a Class "B" Member, no person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Neighborhood Property without the Developer's written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the developer.

Section 15.7 – Severability

Invalidation of any of the easements, covenants, restrictions or provisions contained herein by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 15.8 – Arbitration

Unless otherwise provided in this Declaration, any controversy, dispute or claim arising out of or relating to this Declaration or the breach thereof shall be settled by arbitration in Cuyahoga County, Ohio in accordance with the Commercial Rules of the American Arbitration Association and the judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction hereof.

Section 15.9 – Litigation

No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by the vote of two-thirds (2/3rds) of the Class "A" Members. This

Section shall not apply, however, to (a) actions brought by the Neighborhood Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article VII hereof, (c) proceedings involving challenges to real estate taxation, or (d) counterclaims brought by the Neighborhood Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Developer or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 15.10 – Validity of Mortgages

No violation of any Easement, Covenant, or Restriction of this Declaration shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Neighborhood Property; provided, however, that any mortgagee in actual possession, or any purchase at any mortgagees' foreclosure sale shall be bound by and subject to this Declaration as fully as any other Owner of any portion of the Neighborhood Property.

Section 15.11 – Duration and Amendment of Declaration

Except as expressly provided to the contrary in this Declaration, this Declaration may be amended as follows:

a) This Declaration may also be amended by Original Developer or the Neighborhood Association at any time and from time to time for the purpose of: (1) complying with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public entity, or private insurance company which performs (or may in the future perform) functions similar to those currently performed by such entities; or (2) inducing any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages, or (3) correcting clerical or typographical or obvious factual errors in this Declaration or any Exhibit hereto or any supplement or amendment hereto; or (4) complying with the underwriting requirements of insurance companies providing casualty insurance, liability insurance or other insurance coverages for the Association; or (5) bringing any provision hereof into compliance or conformity with the provisions of any applicable governmental stature, ordinance, rule or regulation or any judicial determination; or (6) correcting obvious errors or inconsistencies between this Declaration and other documents governing the Master Property or the Neighborhood Property, the correction of which would not have a material adverse affect upon the interest of any Owner or Eligible Mortgage Holder; or (7) enabling a title insurance company to issue title insurance coverage with respect to the Neighborhood Property or any portion thereof. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Developer and/or to the Board to vote in favor of, make, or consent to a Subsequent Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting any portion of the Neighborhood Property and the Acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of the rights of the Original Developer to vote in favor of, make and record a Subsequent Amendment. To effect said amendment, Original Developer shall file a

supplement to the Declaration setting forth the Subsequent Amendment which shall be signed by Original Developer and shall be effective upon the filing of the Subsequent Amendment with the Cuyahoga County Recorder.

b) Original Developer shall have the right to amend this Declaration at any time and from time to time in accordance with or in implementation of any of the rights granted to or reserved by Original Developer in this Declaration.

c) The Covenants and Restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time, said Covenants and Restrictions shall automatically be extended for successive periods of ten (10) years each. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners of Sublots, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners of the Sublots. Any amendment must be recorded with the Cuyahoga County Recorder.

Section 15.12 – Liability of Owners for Certain Types of Damage

Unless an Owner is liable under Ohio law, absolute liability shall not be imposed upon an Owner for damage to the Neighborhood Common Areas or Sublots, including improvements thereon, of others where maintained by the Neighborhood Association, whether caused by such Owners, their families, guests or invitees.

Section 15.13 – Interest Rates

After this Declaration shall have been recorded for five (5) years or more, the Board shall have the right to change any interest rate or late payment charge referred to herein by majority vote, but in no event shall said interest rate or late payment charge exceed the highest interest rate chargeable to individuals under applicable law.

Section 15.14 – Rule Against Perpetuities

If any of the options, privileges, covenants or rights created by this Declaration 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 W. Bush, President of the United States of America, and Richard Cheney, Vice-President of the United States of America.

Section 15.15 – FHA/VA Approval

As long as there is a Class B membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Neighborhood Common Areas, and an amendment of this Declaration.

Section 15.16 – Use of the Name "Stratford Village"

No person shall use the word "Stratford Village", or any derivative thereof in any printed or promotional materials without the prior written consent of Developer. However, Owners may use the name "Stratford Village" in printed and promotional material where such work is used solely to specify that particular property is located within Stratford Village.

Section 15.17 – Restrictions of Other Documents

Nothing contained in this Declaration shall preclude the imposition of more stringent restrictions imposed in deeds conveying the Neighborhood Property or portions thereof, restrictions imposed by the Master Association.

Section 15.18 – Certificate of Compliance with Restrictions

Upon an Owner's reconveyance of his/her/their Living Unit or an interest therein, such Owner (i.e., seller) shall have the right to request the Neighborhood Association to issue a Certificate of Compliance stating the Neighborhood Association has no record of a violation of this Declaration and stating the unpaid Assessments and amount of monthly (quarterly) Assessments attributable to such Living Unit. A Certificate of Compliance may be relied upon by all persons for all purposes. Neither the Board, no such officer or agent shall have any liability to the seller, buyer, mortgagee of a Living Unit or to others if the Certificate of Compliance issued hereunder is not correct. The Neighborhood Association may require the advance payment of a reasonable fee for the issuance of the Certificate of Compliance. The Certificate shall be substantially in the form of Exhibit "B".

IN WITNESS WHEREOF, the undersigned has signed this document this 13 day of December, 2002.

PULTE HOMES OF OHIO CORPORATION,
an Ohio corporation

By: _____
Gregory C. Williams, President

STATE OF OHIO)
) SS
CUYAHOGA COUNTY)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named PULTE HOMES OF OHIO CORPORATION, an Ohio corporation, by Gregory C. Williams, its President, who acknowledged that he executed the within instrument and that such execution was the fee act and deed of said corporation and was his free act and deed both individually and in his capacity as officer of said corporation.

IN TESTIMONY WHEREOF, I have herein set my hand and notarial seal this 13 day of December, 2002.

Linda K. Brown
NOTARY PUBLIC
My Commission Expires: LINDA K. BROWN
NOTARY PUBLIC, State of Ohio
My Commission Expires September 1, 2004

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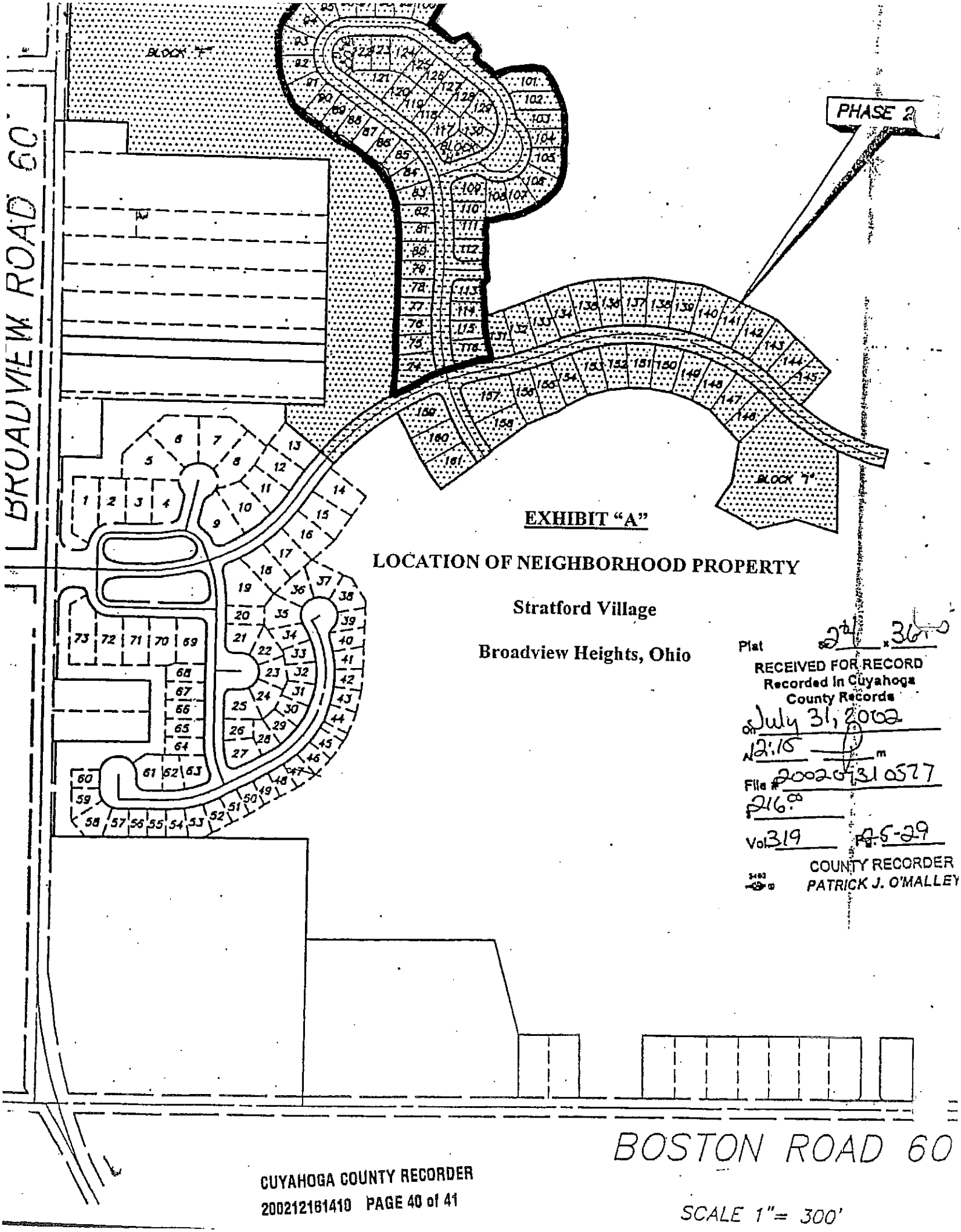
BROADVIEW ROAD 60'
BOSTON ROAD 60
PHASE 2
BLOCK "F"
BLOCK "H"
BLOCK "I"
EXHIBIT "A"
LOCATION OF NEIGHBORHOOD PROPERTY
Stratford Village
Broadview Heights, Ohio
Plat 24 x 36
RECEIVED FOR RECORD
Recorded In Cuyahoga County Records
On July 31, 2002
At 12:15 p m
File # 200207310577
$216.00
Vol 319 Pg 5-29
COUNTY RECORDER
PATRICK J. O'MALLEY
SCALE 1"= 300'

EXHIBIT "B"

CERTIFICATE OF COMPLIANCE AND STATUS OF ASSESSMENTS WITH RESPECT TO THE RESALE OF A LIVING UNIT IN NEW HAMPTON SUBDIVISION, PHASE 2 ("STRATFORD VILLAGE") BROADVIEW HEIGHTS, OHIO

Stratford Village Neighborhood Association, Inc., a non-profit Ohio corporation (the "**Neighborhood Association**"), created to govern, operate, control and administer the "Areas of Common Responsibility" for New Hampton Subdivision, Phase 2, ("Stratford Village") Broadview Heights, Ohio ("**Stratford Village**") and to supervise and enforce the Declaration of Covenants, Conditions, Easements and Restrictions for New Hampton Subdivision Phase 2 "Stratford Village" (the "**Declaration**") hereby certifies as follows:

1. The Neighborhood Association has received notice of a proposed sale of Living Unit located at _____, Broadview Heights, Ohio.

2. The proposed purchaser of the Living Unit is _____.

3. The Owner(s) of the Living Unit (is) (are) _____.

4. The Neighborhood Association has no record of a violation of the Covenants and Restrictions contained in the Declaration except _____ (if none, write "None").

5. The current annual assessment attributable to the Living Unit is $_____.

6. The assessments are payable at the rate of $_____ per (month) (quarter) (annually); said assessments being payable through _____.

7. A fee of $_____ is payable to the Association upon the issuance of this Certificate in accordance with the terms of the Declaration.

This Certificate of Compliance is being issued pursuant to Section 15.18 of the Declaration.

STRATFORD VILLAGE
NEIGHBORHOOD
ASSOCIATION, INC.

By: _____

Date: _____, _____

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Resource Title
#33002 Acc

CUYAHOGA COUNTY RECORDER
PATRICK J. OMALLEY
DEED 12/16/2002 03:23:51 PM
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CODE OF REGULATIONS

OF

STRATFORD VILLAGE NEIGHBORHOOD ASSOCIATION, INC.

A Non-Profit Ohio Corporation

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CODE OF REGULATIONS

OF

STRATFORD VILLAGE NEIGHBORHOOD ASSOCIATION, INC.

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be STRATFORD VILLAGE NEIGHBORHOOD ASSOCIATION, INC., an Ohio non-profit corporation (hereinafter sometimes referred to as the "**Neighborhood Association**").

Section 2. Principal Office. During the Class "B" membership period, the principal office of the Neighborhood Association shall be located in the City of Solon, Cuyahoga County, Ohio. After the termination of Class "B" membership period, the principal office of the Neighborhood Association shall be located in the City of Broadview Heights, Cuyahoga County, Ohio. The Neighborhood Association may have such other offices, either within or without the Cities of Solon or Broadview Heights, as the Board of Directors ("**Board**") may determine or as the affairs of the Neighborhood Association may require.

Section 3. Definitions. The words used in this Code of Regulations ("**Code**") shall have the same meaning as set forth in the Declaration of Covenants and Restrictions for New Hampton Subdivision Phase 2 "Stratford Village", of even date (said declaration, as amended, restated, or extended from time to time, is hereinafter sometimes referred to as the "**Declaration**"), unless the context shall prohibit.

Article II
Neighborhood Association: Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Neighborhood Association shall have two (2) classes of membership, Class "A" and Class "B" ("**Members**"), as more fully set forth in the Declaration, the terms of which pertaining to memberships are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Neighborhood Association shall be held at the principal office of the Neighborhood Association or at such other suitable place convenient to the Members as may be designated by the Board either on the Neighborhood Property, Master Property, or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first annual meeting of the Members, shall be held within one (1) year from the date of incorporation of the Neighborhood Association, and each subsequent annual meeting shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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Section 4. Special Meetings. The President of the Neighborhood Association may call special meetings. In addition, after the Developer is no longer a Class "B" Member, it shall be the duty of the President of the Neighborhood Association to call a special meeting of the Neighborhood Association if so directed by resolution of a majority of a quorum of the Board or upon a petition signed by holders of at least one-fourth (1/4th) of all of the votes of the Class A membership. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. A written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, at least fifteen (15) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

If mailed, the notice of a meeting shall be deemed to be delivered three (3) days after it is deposited in the United States mail addressed to the Class "A" Member at his address as it appears on the records of the Neighborhood Association, or supplied by such Member to the Neighborhood Association for the purpose of notice, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of meeting of a Class "A" Member shall be deemed the equivalent of proper notice. Any Class "A" Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Class "A" Member, whether in Person or by proxy, shall be deemed a waiver by such Class "A" Member of notice of the time, date, and place thereof, unless such Class "A" Member or specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meetings of the Neighborhood Association cannot be held because a quorum is not present, a majority of the Class "A" Members, as the case may be, who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Class "A" Members in the manner prescribed for regular meetings.

The Class "A" Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Class "A" Members to leave less than a quorum, provided that at least ten (10%) percent of the total votes of the Neighborhood Association remains present in person or by proxy.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. At all meetings of Members, each Class "A" Member may act or vote in person or by proxy. The person appointed as proxy need not be a Member of the Neighborhood Association. Designation by a Member or Members of a proxy to vote or act on his or her behalf shall be made in writing to the Secretary of the Neighborhood Association (or if there is no Secretary, then with the person conducting the meeting for which the proxy is given) at or before the meeting and shall be revocable at any time by actual notice to the Secretary of the Neighborhood Association by the Member or Members making such designation and shall automatically cease upon conveyance by the Member of his Lot. Notice to the Neighborhood Association in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized. The presence at a meeting of the person appointing a proxy does not revoke the appointment.

Section 10. Majority. As used in this Code, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. The presence in person or by proxy of at least fifty-one% percent (51%) of the voting power of each of the Class "A" and Class "B" Members of the Neighborhood Association shall constitute a quorum at all meetings of the Neighborhood Association except as otherwise provided in the Articles of Incorporation, the Declaration, or this Code. Any provision in the Declaration concerning quorums is specifically incorporated herein. If a quorum is not present or represented at any meeting, the Members entitled to vote there at shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 12. Conduct of Meetings. The president shall preside over all meetings of the Neighborhood Association, and the secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Class "A" Members or any action which may be taken at a meeting of the Class "A" Members may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Class "A" Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Class "A" Members.

Article III
Board of Directors: Number, Selection, Term of Office

A. Composition and Selection.

Section 1. Number. During the Class "B" membership period, the affairs of this Neighborhood Association shall be managed by a Board of three (3) Directors (or such greater

number of Directors as the Class "B" Member may designate), who need not be Members of the Neighborhood Association. After the termination of the Class "B" membership, the affairs of the Neighborhood Association shall be managed by a Board of five (5) Members, who shall be Members of the Neighborhood Association.

Section 2. Term of Office. At the first annual meeting the Members, but prior to the termination of the Class "B" membership, the Class B Member shall elect one (1) Director for a term of one (1) year, and one (1) Director for a term of two (2) years; and at each annual Meeting thereafter the Members shall elect one (1) or two (2) Directors, as the case may be, for a term of two (2) years. After the termination of the Class "B" membership, the Board shall be expanded to five (5) Directors, and the Members shall elect two (2) Directors for a term of one (1) year, and 1 (1) Director for a term of two (2) years; and at each annual meeting thereafter, the Members shall elect three (2) or three (3) Directors, as the case may be, for a term of two (2) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Neighborhood Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Neighborhood Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Article IV
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Neighborhood Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Elect to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

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Article V
Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the

Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Neighborhood Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of the Board, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all Directors are able through telephone connection to hear and to be heard.

Section 5. Open Meetings. Subject to the provisions of Section 6 of this Article, and Section 2 of Article X, all meetings of the Board shall be open to all Class "A" Members, but Class "A" Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Member of the Board. In such case, the President may limit the time any Class "A" Member may speak.

Section 6. Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Neighborhood Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 7. Action Without a Formal Meeting. Any action to be taken at a meeting of the Board or any action that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members of the Board, and such consent shall have the same force and effect as a unanimous vote. An explanation of the action taken shall be posted at a prominent place or places within the Neighborhood Common Areas within three (3) days after the written consents of all the Members of the Board have been obtained.

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Article VI
Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Neighborhood Common Areas, the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof in accordance with Article X hereof.

(b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Neighborhood Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Neighborhood Association all powers, duties and authority vested in or delegated to this Neighborhood Association and not reserved to the membership by other provisions of this Code, the Articles of Incorporation, or the Declaration;

(d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is required in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Neighborhood Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual Assessment against each Sublot at least thirty (30) days in advance of each annual Assessment period;

(2) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each annual Assessment period; and

(3) foreclose the lien against any Sublot for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association and adequate officers and Directors indemnity insurance;

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(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Neighborhood Common Areas to be maintained.

(h) establish, levy, assess and collect all Assessments referred to or authorized in the Declaration.

Article VII
Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Neighborhood Association shall be a president and vice-president, who shall at all times be Members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Neighborhood Association shall be elected annually by the Board and each shall hold office for one (1) year or until his or her successor is elected and has qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Neighborhood Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President: The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall see that

orders and resolutions of the Board are carried out; shall sign all leases, deeds, and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President: The vice-president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act; and shall exercise and discharge such other duties as may be required of him or her by the Board.

(c) Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Neighborhood Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Article VIII
Committees

Section 1. Appointment of Committees. The Board of Directors shall appoint a Nominating Committee and a Covenants Committee, as provided below in this Code of Regulations. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

Section 2. Covenants Committee. The Board may appoint a Covenants Committee consisting of three (3) Members. Acting in accordance with the provisions of the Declaration, this Code, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Neighborhood Association and shall conduct all hearings held pursuant to Article X of this Code.

Article IX
Finances of Neighborhood Association (Assessments)

Section 1. Preparation of Estimated Budget. On or before the filing with the Cuyahoga County Recorder of the Declaration, and on or before December 15 of each year thereafter, the Neighborhood Association shall estimate the total amount necessary to pay the Assessments referred to in Article VIII of the Declaration for the balance of the calendar year in which the Declaration is filed and, thereafter, for each succeeding calendar year together with a reasonable amount considered by the Neighborhood Association to be necessary for a reserve for contingencies and replacements, and the amounts, if any, which may be received from special assessments, concessions, contracts for special services and facilities, and other sources. On or

before December 21, the Neighborhood Association shall notify each Member in writing as to the amount of such estimates, and shall send a copy of such notice to each holder of a first mortgage upon the Ownership Interest of a Member who has made a request in writing for such notification. The failure of the Neighborhood Association to comply strictly with the above time requirements shall not be deemed to be a waiver and shall not prevent the Neighborhood Association from collecting Assessments. The net of the aggregate amounts of such estimates (herein called the **"Estimated Cash Requirements"**) of the next calendar year shall be assessed to those Members required to pay the Assessments according to and as specifically set forth in Article VII of the Declaration. Each Member required to pay Assessments shall pay to the Neighborhood Association or as it may direct, the Assessment made pursuant to this Section on or before the first day of each calendar year, except that the Board may elect to collect annual Assessments semi-annually, quarterly, or monthly, in advance. On or before the date of each annual meeting, the Neighborhood Association shall furnish to all Members an itemized accounting of the expenditures for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, by special Assessments, or otherwise, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited to the last maturing monthly installments due from the Members under the current year's estimate, pro rata. Any net shortage shall be added pro rata to the next installment due after the rendering of the accounting.

In addition to such regular monthly assessments, each Class A Member shall be required to make, at the time such Member acquires title to a Sublot, an initial capital contribution to the Neighborhood Association equal to twenty percent (20%) the estimated annual Assessment for Common Expenses for each Sublot purchased. The general purpose of this contribution is to provide the Neighborhood Association with funds for working capital and/or contingency reserve purposes. Such funds may be used for certain prepaid items (e.g., insurance premiums, utility deposits and organization, equipment and supply costs) and for such other purposes as the Board may determine. This initial capital contribution is not an escrow or advance, is not refundable and shall not be required of the Developer, but only from those persons who or which purchase a Sublot from the Developer.

Notwithstanding the provisions of this Section 1, the Board shall have the authority to establish payment of Assessments monthly, quarterly or semi-annually (rather than annually).

Section 2. Reserve for Contingencies and Replacements; Special Assessments. The Neighborhood Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If the "Estimated Cash Requirements" proves inadequate for any reason, including nonpayment of any Member's Assessment, the deficiency and any extraordinary expenditures in excess of the reserves therefor shall be assessed to the Members required to pay assessments, pro rata. The Neighborhood Association shall also make any necessary or desirable special Assessments, from time to time which shall be payable at the time or times the Board deems necessary or desirable. The Neighborhood Association shall serve notice of such further Assessments on Members required to pay Assessments, by a statement in writing giving the amount and reasons therefor, and such further assessment shall be payable by the date and upon the terms stated in the notice, which date shall be not less than ten (10) days after the delivery or mailing of such notice of further Assessment.

Section 3. Failure to Prepare Annual Budget. The failure or delay of the Neighborhood Association to prepare or deliver to a Member any annual or adjusted estimate shall not constitute a waiver or release in any manner of such Member's obligation to pay his share of the Assessments, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Member required to pay Assessments pursuant to Section 8.2 of the Declaration shall continue to pay the current charge at the existing rate established for the previous period until the Neighborhood Association mails or delivers notice of the new payment due as a result of the determination of the new annual or adjusted estimate.

Section 4. Books and Records of the Neighborhood Association.

(a) Inspection by Members and Mortgagees. The Declaration and Code, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any mortgagee, Member of the Neighborhood Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Neighborhood Association or at such other place within the Property as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Members of the Board. Every Member of the Board shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Neighborhood Association and the physical properties owned or controlled by the Neighborhood Association. The right of inspection by a Member of the Board includes the right to make extracts and copies of documents at the expense of the Neighborhood Association.

Section 5. Status of Funds Collected by Neighborhood Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein and (except for such special Assessments as may be levied hereunder against less than all of the Members and for such adjustments as may be required to reflect delinquent or prepaid Assessments) shall be deemed to be held for the use, benefit and account of all Members required to pay Assessments pursuant to Section 7.2 of the Declaration.

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Section 6. Depository. The depository of the Neighborhood Association shall be such bank or banks and/or such savings and loan association or savings and loan associations and/or such money market fund(s) as shall be designated from time to time by the Board and in which the monies of the Neighborhood Association shall be deposited. Withdrawal of the monies from such accounts shall be only by check signed by such persons as are authorized by the Board.

Section 7. Annual Review. The books of the Neighborhood Association shall be reviewed once a year by the Board and such review shall be completed prior to each annual meeting. If requested by a majority of the members of the Board, such review shall be made by a certified public accountant. In addition and at any time requested by Members or by holders of first mortgages on Ownership Interests possessing in the aggregate fifty percent (50%) or more of the voting power in the Association, the Board shall cause an additional review to be made at the expense of the requesting party.

Section 8. Remedies for Failure to Pay Assessments. If an Owner shall be in default in the payment of any of the aforesaid Assessments, the Association shall have all of the remedies set forth in the Declaration, in this Code or at law or equity to collect such Assessments and all costs associated therewith.

Article X
Hearing Procedure; Compliance and Non-Monetary Default.

Section 1. Enforcement. In the event of a violation by any Member or any Tenant or other occupant of a Member (other than the nonpayment of Assessments or charges, which are governed by Articles VIII, IX, and X of the Declaration) of any of the provisions of the Declaration, this Code, or the Rules, the Neighborhood Association or a committee created by this Code (e.g., the Covenants Committee) or by the Board shall notify the Member and any Tenant or other occupant of the violation, by written notice. If such violation is not cured as soon as is reasonably practical and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the Member or Tenant or other occupant fails to commence and diligently proceed to completely cure such violation as soon as is reasonably practical within seven (7) days after written demand by the Neighborhood Association or such committee, or if any similar violation is thereafter repeated, the Association or such committee may, at its option:

(a) Impose a fine against the Member or Tenant or other occupant as provided in Subsection (b) of this Section; and/or

(b) Commence an action to enforce performance on the part of the Member or Tenant or other occupant, and to require the Member to correct such failure, or for such other relief as may be necessary under the circumstances, including injunctive relief; and/or

(c) The Neighborhood Association may itself perform any act or work required to correct such failure and, either prior to or after doing so, may charge the Member with all reasonable costs incurred or to be incurred by the Neighborhood Association in connection therewith, plus a service fee equal to fifteen percent (15%) of such costs. In connection with the foregoing, the Neighborhood Association may perform any maintenance or repairs required to be performed, may remove any change, alteration, addition or improvement

which is unauthorized or not maintained in accordance with the provisions of the Declaration, and may take any and all other action reasonably necessary to correct the applicable failure; and/or

(d) Commence an action to recover damages or any other remedy available at law or in equity.

Section 2. Fines. The amount of any fine shall be a reasonable amount as determined by the Board or the Covenants Committee. Prior to imposing any fine, the Member or Tenant or other occupant shall be afforded an opportunity for a hearing after reasonable notice to the Member or Tenant or other occupant of not less than ten (10) days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, this Code or Rules which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Neighborhood Association or the committee. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the officer, Board Member, committee Member or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the hearing. The minutes of the hearing shall contain a written statement of the hearing and the sanction, if any, imposed. The Member or Tenant or other occupant shall have an opportunity to respond, to present evidence, and to provide written and oral arguments on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Neighborhood Association. At the hearing, the Board or committee shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Board or committee so determines, it may impose such fine as it deems appropriate by written notice to the Member or Tenant or other occupant. If the Member or Tenant or other Occupant fails to attend the hearing as set by the Board or committee, the Member or Tenant or other Occupant shall be deemed to have admitted the allegations contained in the notice to the Member or Tenant or other Occupant. Any fine imposed by the Board or committee shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested, within ten (10) days after written notice of the Board's or committee's decision at the hearing. Any fine levied against a Member shall be deemed an Assessment and if not paid when due all of the provisions of the Declaration relating to the late payment of Assessments shall be applicable. If any fine is levied against a Tenant and is not paid within ten (10) days after same is due, the Neighborhood Association shall have the right to evict the Tenant as hereinafter provided.

Section 3. Negligence. A Member shall be liable and may be charged by the Neighborhood Association for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, but only to the extent that such expense is not met by the proceeds of insurance carried by the Neighborhood Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Sublot, Living Unit or its appurtenances or of the Neighborhood Common Areas.

Section 4. Responsibility of Members for Tenants. Each Member shall be responsible for the acts and omissions, whether negligent or willful, of his or her Tenant, and for all employees, agents and invitees of the Member or any such Tenant, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Neighborhood Common Areas, or

any liability to the Neighborhood Association, the Member shall be charged for same, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the Neighborhood Association. Furthermore, any violation of any of the provisions of the Declaration, this Code, or any Rule, by any Tenant, or any employees, agents or invitees of a Member or any Tenant of a Living Unit, shall also be deemed a violation by the Member, and shall subject the Member to the same liability as if such violation was that of the Member.

Section 5. Costs and Attorney's Fees. In any legal proceedings commenced by the Neighborhood Association or a committee to enforce the Declaration, this Code and/or the Rules, as said documents may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' and paralegal fees. Any such costs or attorneys' and paralegals' fees awarded to the Neighborhood Association or committee in connection with any action against any Member shall be charged to the Member.

Section 6. Developer Assessments for Legal Expenses. Except as provided in Section 5 of this Article, the Developer shall not be required to pay any assessments or monies to finance any claim or litigation against the Developer.

Section 7. No Waiver of Rights. The failure of the Neighborhood Association or a committee or any Member to enforce any covenant, restriction or any other provision of the Declaration, this Code, or the Rules, as the said documents may be amended from time to time, shall not constitute a waiver of the right to do so thereafter.

Section 8. Appeal. Following a hearing before a committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the President or Secretary of the Neighborhood Association within thirty (30) days after the date of receipt of the decision of the committee. No later than thirty (30) days after receipt of the notice of appeal, the Board shall review the minutes of the hearing. The affirmative vote of two-thirds (2/3rds) of the Members of the Board shall be required to reverse or modify the decision of the committee.

Section 9. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Neighborhood Association, acting through the Board, may elect to enforce any provision of the Declaration, this Code, or the rules and regulations of the Neighborhood Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred by the Neighborhood Association in so acting to enforce such rights.

Article XI
Indemnification

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Each member of the Board and each officer of the Neighborhood Association, and each former member of the Board and former officer of the Neighborhood Association, shall be indemnified by the Neighborhood Association against the costs and expenses reasonably incurred by

him or her in connection with the defense of any pending, threatened or completed action, suit or proceeding, criminal, civil, administrative, or investigative, to which he or she is or may be made a party by reason of his or her being or having been such member of the Board or officer of the Neighborhood Association (whether or not he or she is a member or officer at the time of incurring such costs and expenses), unless such Board member or officer (or former Board member or officer) failed to act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Neighborhood Association and, with respect to any criminal proceeding, he or she had no reasonable cause to believe his or her action was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not create, of itself, a presumption that the person did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Neighborhood Association and, with respect to any criminal action or proceeding, a presumption that the person had reasonable cause to believe that his or her conduct was unlawful. The determination of whether the Board member's or officer's conduct failed to qualify for indemnification shall be made either by (1) the opinion of independent counsel selected by the Neighborhood Association, (2) by a majority vote of the disinterested members of the Board of the Neighborhood Association, or (3) a majority vote of the disinterested members of the Neighborhood Association. The phrase "disinterested members" shall mean all members of the Board or of the Neighborhood Association other than (i) any member of the Board or officer of the Neighborhood Association who is a party to or threatened with such action, suit or proceeding; (ii) any corporation or organization of which such member of the Board or officer referred to in (i) above owns of record or beneficially ten percent (10%) or more of any class of voting securities; (iii) any firm of which such member of the Board or officer referred to in (i) above is a partner or member; and (iv) any spouse, child, parent, brother or sister of any such member of the Board or officer referred to in (i) above. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such member of the Board or officer and shall not be exclusive of other rights to which any member of the Board or officer may be entitled to or granted pursuant to Section 1702.12(E) of the Ohio Revised Code, as a matter of law, or under the Declaration, Articles, this Code, any vote of Neighborhood Association members or any agreement.

Article XII
Amendments to this Code of Regulations

This Code of Regulations may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of Members present in person or by proxy, provided, however, if the Developer applies for approval of the Federal Housing Administration or the Veterans Administration for mortgage financing then in that event, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

Article XIII
Miscellaneous

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Section 1. Fiscal Year. The initial fiscal year of the Neighborhood Association shall be set by resolution of the Board.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct

of Neighborhood Association proceedings when not in conflict with Ohio law, the Articles, the Declaration, or this Code.

Section 3. Conflicts. If there are conflicts or inconsistencies between the mandatory provisions of Ohio law, the Articles, the Declaration, and this Code, the mandatory provisions of Ohio law, the Declaration, the Articles, and this Code (in that order) shall prevail.

Section 4. Notices. Unless otherwise provided in this Code, all notices, demands, bills, statements, or other communications under this Code shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid:

(a) if to a Member, or at the address which the Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Living Unit of such Member; or

(b) if to the Neighborhood Association, the Board, or the managing agent, at the principal office of the Neighborhood Association or the managing agent, if any, or at such other address as shall be designated by the notice in writing to the Owners pursuant to this Section.

Section 5. - Headings.

The heading of each Article and of each Section in this Code is inserted only as a matter of convenience and for reference and in no way defines, limits or describes the scope or intent of this Code or in any way affects this Code.

Section 6. - Rule Against Perpetuities.

If any of the options, privileges, covenants or rights created by this Code 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 W. Bush, President of the United States of America, and Richard Cheney, Vice President of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, being the Members of the Board of Directors of the Neighborhood Association, has caused this Code of Regulations to be duly adopted on or as of the 13th day of December, 2002.

Patricia Rakoci

Amanda Woodside

Jeremy Krahe

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STATE OF OHIO)
) SS.
CUYAHOGA COUNTY)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above name Patricia Rakoci, Amanda Woodside, and Jeremy Krahe, constituting the members of the Board of Directors of the Stratford Village Neighborhood Association, Inc., and Ohio not-for-profit corporation, who acknowledged that they executed the within instrument, that such execution was their free act and deed both individually and in their capacity as members of the Board of Directors of the Neighborhood Association.

IN TESTIMONY WHEREOF, I have herein set my hand and notarial seal this 13 day of December, 2002.

Linda K. Brown
NOTARY PUBLIC
My Commission Expires

LINDA K. BROWN
NOTARY PUBLIC, State of Ohio
My Commission Expires September 1, 2004