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COPY

DECLARATION
OF
EASEMENTS, COVENANTS AND RESTRICTIONS
FOR
VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

T.N.N.
11-21-94

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ORDER NO. ST 15854

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**DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS
FOR VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION**

THIS DECLARATION is made as of the 10th day of November, 1994, by Heartland Villas of Eaton, Inc. (the "Declarant"), and Villas at Eaton Estate Homeowners' Association, a non-profit Ohio corporation.

RECITALS:

A. Declarant is the owner of real property located in the Sagamore Hills Township, Ohio, shown on the plat attached hereto as Exhibit A and legally described in Exhibit B attached hereto. Declarant plans to develop the Property (as hereinafter defined) as a residential community and common area for use in common by the entire Villas at Eaton Estate community.

B. This Declaration provides the legal requirements necessary (a) to permit occupants of Villas at Eaton Estate to go upon, pass over, enjoy and relax in all of the Common Areas (as hereinafter defined), (b) to create an association whereby community members will be permitted, and encouraged, to participate in policy-making decisions and in the management of the Common Areas, (c) to provide for payment of the costs and expenses necessary to maintain and preserve the Common Areas, and (d) to establish high standards for the use and maintenance of residences and Common Areas so that the character of Villas at Eaton Estate will be preserved.

DECLARATION:

NOW, THEREFORE, Declarant declares that the Property shall be owned, held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, assessments, charges and liens (collectively, the "Covenants and Restrictions") provided in this Declaration, which Covenants and Restrictions shall run with the land and shall be binding on and inure to the benefit of all persons having any right, title, or interest in any part of the Property, their heirs, personal representatives, successors and assigns.

ARTICLE I

RECITALS: PROPERTY SUBJECT TO THIS DECLARATION

1.1 Recitals. The Recitals are incorporated in and made a part of this Declaration.

1.2 Property. The Property initially which is and shall be owned, held, transferred, sold, conveyed, used, and occupied subject to this Declaration is the real property described in Exhibit B attached hereto. Declarant may add additional property which is contiguous to any portion of the Property, as such Property may be expanded from time-to-time by Declarant, at any time by the filing of an amendment hereto on the plat of

the Property. By his acceptance of a deed for any Lot, an Owner hereby authorizes Declarant as his attorney-in-fact to execute and file such plat.

ARTICLE II
EXHIBITS AND DEFINITIONS

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

Exhibit A: A copy of the drawing of Villas at Eaton Estate, which plat may hereafter be amended or modified by Declarant as provided herein.

Exhibit B: The legal description of the Property.

Exhibit C: The Articles of Incorporation of Villas at Eaton Estate Homeowners' Association filed with the Secretary of State of the State of Ohio.

Exhibit D: The Bylaws of the Villas at Eaton Estate Homeowners' Association.

2.2 Definitions. The following definitions are applicable to this Declaration:

(a) "Villas at Eaton Estate" means the residential community to be developed by Declarant as described in Recital A to this Declaration and all of the Property, as it may be enlarged.

(b) "Assessments" means the share of Common Costs referred to in Section 11.1, and special assessments as permitted herein, together with "Other Charges" which are from time to time levied by the Board and are required to be paid by an Owner. "Other Charges" shall include, without limitation, (i) interest upon each Assessment and Other Charges as determined from time to time by the Board, but in no event greater than the highest legal rate which may be charged to an individual without being usurious (but not greater than fifteen percent (15%) per annum) from the date the Assessments or Other Charges first become due to the date it is paid in full; and (ii) the reasonable costs of collection of any unpaid Assessments and Other Charges (including court costs and reasonable attorneys' fees and disbursements of counsel).

(c) "Association" means Villas at Eaton Estate Homeowners' Association, an Ohio non-profit corporation, its successors and assigns, created to govern, operate, control and administer Villas at Eaton Estate, including, without limitation, the Common Areas, and to supervise and enforce the Covenants and Restrictions.

(d) "Board" means the Board of Trustees of the Association.

(e) "City" means the Sagamore Hills Township, Ohio, a municipal corporation organized and existing under the laws of the State of Ohio.

(f) "Common Area" and "Common Areas" means that portion of the Property (including the improvements thereto and facilities thereon) designated for ownership by the Association for the common use and enjoyment of the Members. The Common Area to be owned by the Association following the conveyance of the last Lot to an Owner as provided in Section 7.1, or earlier, if the Declarant conveys such area to the Association prior to such time, is described as follows: all portions of the Property excluding (i) any roadways dedicated by Declarant and accepted by the municipality and (ii) subject to the following exception, Lots (as the Lots may be modified by Declarant). Notwithstanding the foregoing, any portion of a Lot that is exterior to the exterior walls of the buildings in which the Homes are located shall be Common Area.

(g) "Declarant" means Heartland Villas of Eaton, Inc., and its successors and assigns. No Person shall be deemed to be a successor or assign of the original Declarant for the purposes of this Declaration unless such Person has been specifically so designated by Declarant, by instrument in writing and placed of record.

(h) "Declaration" means this Declaration of Easements, Covenants and Restrictions.

(i) "Home" means a building or a part of a building providing separate and complete living, cooking, sleeping, bathing and toilet facilities for one family.

(j) "Lot" means any subplot shown on the plat attached hereto as Exhibit A (as same may be amended or modified) upon which a Residence is intended to be constructed and which is or will be treated by the Auditor of Summit County, Ohio, as a separate tax parcel for the purpose of assessing real property taxes. The location and dimensions of each Lot and the number of Lots in the aggregate (until Declarant conveys its last Lot) are subject to amendment and modifications by Declarant by modification or amendment hereof and/or by the filing of an amended plat with the appropriate governmental offices (until such time as the respective Lot is conveyed by Declarant).

(k) "Member" means a member of the Association, being Declarant and the other Owners.

(l) "Occupant" means a natural person who resides in a Residence.

(m) "Owner" means any Person (including Declarant) who holds part or all of the record title to a Lot or to a leasehold estate in any Lot having an initial term of fifty (50) years or more. The word "Owner" shall not include (i) any Person holding, whether or not of record, a non-possessory future interest to a Lot or to a leasehold estate in a Lot having

an initial term of less than fifty (50) years; and (ii) any Person having an interest merely as security for the payment of or performance of an obligation unless and until said Person all have acquired title pursuant to foreclosure or any act or proceeding in lieu of foreclosure. In the case of a land installment contract, the vendee shall be deemed the Owner, absent an agreement between vendor and vendee otherwise.

(n) "Ownership Interest" means the fee simple interest of Declarant or any Owner of a Lot, Home, or any other land or real property within the Property or the leasehold estate of an Owner or Declarant having an initial term of fifty (50) years or more therein.

(o) "Person" means a natural person, corporation, partnership, limited partnership, trust and any other legal entity to which the law attributes the capacity of holding title to real property.

(p) "Property" means the land shown on the drawing attached hereto as Exhibit A and legally described in Exhibit B constituting Villas at Eaton Estate in its entirety as said land may be enlarged by Declarant's addition, from time-to-time, of contiguous property to the Property, as it may be enlarged from time-to-time, at any time until Declarant conveys its last Lot.

(q) "proportionate share" means an equal share to each Owner (excluding Declarant during the Start-Up Period) of a Home.

(r) "Residence" means a constructed Home located within Villas at Eaton Estate.

(s) "Rules" means such rules and regulations to govern the operation and use of the Common Areas and any other Property owned by the Association as may be adopted from time to time by the Board to implement and carry out the provisions and intent of this Declaration.

(t) "Start-Up Period" means the period commencing upon the filing of this Declaration for record with the Summit County Recorder and ending on the earlier of (i) the date that Declarant has completed the sale of all Lots in Villas at Eaton Estate or (ii) December 31, 1998 .

(u) "Tenant" means a Person living in and having a possessory leasehold interest in a Residence, other than an Owner.

ARTICLE III
EASEMENTS

3.1 Utility Easements. Declarant and/or the Association, as the case may be, shall have the right to install, operate, use, maintain, repair and replace or grant to any other Person the right to install, operate, use, maintain, repair or replace, in, on, over or under any portion of Villas at Eaton Estate determined by Declarant and/or the Association, as the case may be, any pipes, conduits, ducts, wires, television cables and equipment, and utility lines to provide or furnish electricity, telephone, television and other communications, sanitary sewers and storm sewers, drainage, gas, water, energy of all types and utility services of all types to or for the benefit of one or more Owners and/or the Association, and Declarant and the Association shall have the right to do all things reasonably necessary in connection therewith.

3.2 Access and Right-of-Way. Declarant, its agents, contractors and employees, the Association, its agents, contractors and employees, and all Owners and Occupants, their families, guests, licensees, invitees, mortgagees and lessees, shall have the perpetual and non-exclusive right of ingress, egress, access and passage to, from and over all portions of the Common Area (including, without limitation, all private roads) subject to Rules adopted by the Association.

3.3 Encroachments. Easements for encroachments caused by inaccuracy of survey or in construction or reconstruction of any building or Common Area or facility or caused by settlement or movement, and including easements for the maintenance and use of the encroaching improvements in favor of each Owner, the Association, and Declarant are hereby created, provided such encroachments are not intentionally created. Encroachments created by the initial construction of Homes by Declarant are and will be acceptable to all Owners even if created intentionally by Declarant.

3.4 Support Easements. Cross easements for support and use of any common structural elements in favor of Declarant, the Association, and the Owners of Homes which utilize common structural elements are hereby created for so long as the building or structure stands, including the continued use, benefit, enjoyment, support and service, and the right of maintenance, repair, replacement and access to said common structural elements.

3.5 Easements Reserved to Declarant. Declarant reserves the right and easement to go upon all portions Villas at Eaton Estate (including the inside of a Home provided that reasonable oral notice is given), for the purpose of developing, constructing, reconstructing, improving, repairing, maintaining, inspecting, selling, or otherwise dealing with any portion of the Common Area or any building or Home within Villas at Eaton Estate, included in the foregoing shall be the Declarant's right to maintain signage upon the Property for the advertisement and sale of Homes or Lots.

3.6 Right of Entry for Repair, Maintenance and Restoration. The Association shall have a right to entry and access to, over, upon and through all the Property, including each Home and the Common Areas, to enable the Association to perform its obligations, rights and duties pursuant hereto with regard to maintenance, repair, restoration and/or servicing of any items, things or areas of or in the Property. In the event of an emergency, the Association's right of entry to a Home may be exercised without notice; otherwise, the Association shall give the Owners or Occupants of a Home no less than twenty-four (24) hours advance notice prior to entering a Home.

3.7 Construction in Easements. No structure, planting or other material shall be placed or permitted to remain within the easements for the installation and maintenance of utilities and drainage facilities which may damage or interfere with the installation and maintenance of utility lines or which may change the direction of the flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easement areas. The utility facilities within the easement areas shall be subject to the right of the Board to maintain the same, and its right to delegate that right to a public authority or utility.

3.8 General. The easements and grants provided herein shall in no way affect any other recorded grant or easement. Failure to refer specifically to any or all of the easements and/or rights described in this Declaration in any deed of conveyance or in any mortgage or other evidence of obligation shall not defeat or fail to reserve said rights or easements but the same shall be deemed conveyed or encumbered, as the case may be, along with the Home or Lot.

ARTICLE IV PARTY WALLS

4.1 Use. The acceptance and use of party walls shall be governed by the following provisions:

(a) Every Owner who shall accept or receive any instrument of conveyance of a Lot by acceptance of title to his or her Lot, shall be deemed to have accepted the party wall covenants set forth in this Article IV.

(b) Each wall which is built as a part of the original construction of a Home and forming a common wall or boundary between two Homes shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article IV, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(c) The Owners of Homes divided by a party wall shall have the right to use it jointly. The term "use" shall and does include normal interior usage such as paneling,

wiring, piping, and other normal interior wall usages (but not in such a manner as to detrimentally and materially affect the use by the other party) plastering, painting, decorating, erection of tangent walls and shelving, hanging of mirrors and artwork, but prohibits any form of alteration which would cause an aperture, hole, conduit, break or other displacement of the original materials forming the other side of the party wall or which is not consistent with the foregoing.

4.2 Modification of Party Wall. The modification of any party wall shall be governed by the following provisions:

(a) Neither Owner of a Home sharing a party wall may extend or increase the height of the party wall except upon the written approval of the other Owner and holders of any mortgages on both Homes. No such extension or increase in height may be made which impairs the strength or injures the existing wall or the foundations of the building. No such extension may be made above the roof line of the building without the prior written approval of the other Owner and the Declarant, so long as Declarant is a Member of the Association, or thereafter the Board.

(b) In the event of such extension or increase in the height of the wall, the other Owner shall have the right to use the extended or heightened part of the wall by paying to the constructing party one-half (1/2) of the cost of such part of the wall as he shall use.

(c) Any extension or increased height of the wall shall be a party wall, become part of the existing wall and be subject to the terms hereof.

4.3 Damage and Insurance. The maintenance, repair and insurance of party walls shall be governed by the following provisions:

(a) In the event of damage or destruction of a party wall from any cause whatsoever, other than the negligence or willful misconduct of either Owner sharing the party wall, the Owners sharing the party wall shall, at their own expense, repair or rebuild said wall, and each Owner shall have the right to full use as herein contained of said wall so repaired or rebuilt. If either Owner's (or their family's, guest's, invitee's, licensee's or lessee's) negligence or willful misconduct causes damage or destruction of said wall, such Owner shall bear the entire cost of repair or reconstruction. If either Owner shall refuse to pay such Owner's share, or all of such cost in the case of negligence or willful misconduct, the other Owner may have such wall repaired or reconstructed and shall be entitled to a lien on the Lot of the Owner so failing to pay for the amount of such defaulting Owner's share of the repair or replacement costs. If either or both Owners shall give a mortgage upon such Owner's Home, then the mortgagee shall have the full right to exercise the rights of its mortgagor as a party hereunder and, in addition, the right to add the outstanding balance of such mortgage any amounts paid by the mortgagee for repairs hereunder and not reimbursed to said mortgagee by its mortgagor.

(b) Each Owner sharing a party wall shall obtain special form insurance on such Owner's Home which at all times shall be in an amount equal to the replacement cost of said Home, such policy to provide coverage for any damage to the party wall.

(c) All repairs or rebuilding shall be in accordance with the plans and specifications of a registered architect or engineer and in conformity with the applicable building codes.

4.4 Non-Use. If either Owner shall cease to use the wall as a party wall, such Owner shall be deemed to have abandoned all rights thereto, and the wall shall become the property of the other Owner who shall have an easement upon the land under the wall so long as the wall shall be used by such Owner.

4.5 Access. The rights of access to party walls shall be governed by the following provisions:

(a) In the event repairs or reconstruction shall be necessary, all necessary entries on the adjacent Home shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a reasonable and workmanlike manner, and consent is hereby given to enter at reasonable times adjacent property to make any necessary repairs and reconstruction. The party entering the adjoining Lot shall be liable for all damages arising from the entering party's (or its agents, contractors or employees) entry upon said adjoining Lot.

(b) Each Owner is licensed by the other to enter upon the other's Home or Lot to make repairs or rebuild the wall at reasonable times, upon prior notice and taking all necessary precautions so as to avoid damage to the other Home or Lot. The entering Owner shall be liable for all such damage.

4.6 Other Use. Each Owner sharing a party wall shall have the full right to use the party wall for the support beams and structural materials or in any other lawful manner not prohibited hereby; provided, however, that such use shall not injure, impair the strength of, or endanger the wall, foundation or other portion of the Home of the other Owner, and shall not impair or endanger the party wall benefits and supports to which the adjoining Home is entitled. All further use shall be subject to the terms of this Article IV.

4.7 Application. This Article IV shall be deemed to apply to a party wall built in connection with the original construction of two Homes and to all extensions and replacements thereof.

ARTICLE V

RESTRICTIONS ON CHANGE OF EXTERIOR OF HOMES - COMMON AREA

5.1 Restriction on Change of Exterior of Homes. No Owner, Occupant or guest of an Owner or Occupant shall make any material change in the exterior walls or roof of any Home or in the landscaping adjacent to a Home without first obtaining the prior consent of the Board (after Declarant conveys its last Lot) or Declarant (before Declarant conveys its last Lot); provided, however, that nothing herein shall prevent or prohibit an Owner or Occupant from planting flowers, plants or small shrubbery within three (3) feet of the exterior of his Home without the consent of the Board (after Declarant conveys its last Lot) or Declarant (before Declarant conveys its last Lot). An Owner shall not place within the exterior of such Owner's Lot any swing sets and other installations unless in accordance with Rules which may be adopted by Declarant or the Board or unless Declarant or the Board determines that such installation does not (a) adversely affect Villas at Eaton Estate, (b) create a safety or nuisance hazard, and (c) have an unsightly appearance; provided, however, that nothing herein shall prevent or prohibit an Owner from placing a gas grill within the exterior of such Owner's Lot as long as such Owner complies with the Rules, if any, adopted by Declarant or the Board in connection therewith. Declarant shall have all the rights of approval or consent herein provided to Declarant (before Declarant conveys its last Lot) or Board (after Declarant conveys its last Lot) so long as Declarant is a Member of the Association and thereafter, Board shall assume the rights of approval or consent.

5.2 Restrictions on Change of Common Areas. No Owner, Occupant or guest of an Owner or Occupant shall construct any building or structure, make any installation in, or in any manner change any portion of the Common Area, without the prior consent of Declarant (before Declarant conveys its last Lot) or the Board (after Declarant conveys its last Lot); provided, however, that Declarant shall have the right during the Start-Up Period to build buildings and structures, make installations in, and to change or modify any part of the Common Area, in Declarant's sole discretion.

ARTICLE VI

COVENANTS, CONDITIONS AND RESTRICTIONS

6.1 Covenant of Good Maintenance. To the degree of responsibility herein assigned, each Owner, Occupant, and the Association shall keep and maintain all land located within the Property owned, leased or controlled by such Person and all improvements, buildings and structures therein or thereon, in a clean and safe condition, in good order and repair, attractive looking and neat, including, but not limited to the seeding, watering, and mowing of all lawns; the pruning and cutting of all trees, shrubbery and grass, the painting (or other appropriate external care) of all buildings, structures and other improvements located thereon, and in accordance with applicable building, fire and health codes, all in a manner and with such frequency as is consistent with good property management.

6.2 Temporary Structures. No temporary building, trailer, tent, shack, garage, barn or other outbuilding shall be constructed or maintained, temporarily or permanently, on any part of the Property; provided, however, that the Declarant shall have the right to construct and maintain any such temporary structure for use in connection with the development of the Property and/or the sale of Residences.

6.3 Vehicles. No boat, truck, trailer, airplane, junk car, unlicensed vehicle, or recreational vehicle shall be parked on any part of the Property, except that a boat, truck, trailer or recreational vehicle may be parked within the appurtenant entrance driveway of a Home for the limited purpose of loading or unloading the same in an expeditious manner. In no event shall any vehicle or personal property of any kind be parked in the common drive shown on the plat attached hereto as Exhibit A, unless authorized in advance in writing by the Board. Licensed automobiles in working condition may be parked in the confines of a Home's garage, in the appurtenant entrance driveway of a Home, and in the parking areas, if any, designated by the Board.

6.4 Fences, Walls, Hedges, Etc. Fences, walls, trees, hedges and shrub plantings shall be maintained in a sightly and attractive manner. No such fence, wall, tree, hedge or shrub planting shall be placed or maintained in such manner as to obstruct the right-of-way sight lines for vehicular traffic.

6.5 Offensive Activities. No noxious or offensive activity shall be conducted upon any portion of the Property, or upon the Common Areas, nor shall any be used in any way or for any purpose which may endanger the health of or unreasonably disturb any Occupant.

6.6 Animals. Except as hereinafter provided, no animals, livestock or poultry of any kind shall be raised, bred or kept in any Home or on the Common Areas. Notwithstanding the foregoing, household domestic pets, not bred or maintained for commercial purposes, may be maintained in any Home, provided that:

- (i) no more than two (2) pets may be maintained in any Home;
- (ii) the maintaining of animals shall be subject to such rules and regulations as the Board may from time to time promulgate, including, without limitation, the right to prohibit pets entirely, to place reasonable limitations on the number and type of such pets, and to levy enforcement charges against persons who do not clean up after their pets; and
- (iii) the right of an Occupant to maintain an animal in a Home shall be subject to termination if the Board, in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Condominium or other Homes or occupants.

6.7 Storage of Material and Trash Handling. No lumber, metals, bulk material, refuse or trash shall be burned, whether in indoor incinerators or otherwise, kept, stored or allowed to accumulate on any portion of the Property, except normal residential accumulation pending pick-up and except building materials during the course of construction or reconstruction of any building or structure. If trash or other refuse is to be disposed of by being picked upon and carried away on a regular reoccurring basis, containers may be placed and permitted to remain in the open only on any day that pick-up is to be made, so as to provide access to persons making such pick-up. At all other times such containers shall be stored in garages or in other interior areas expressly designated by the Board for such purpose. No dumping shall be permitted on any part of the Property.

6.8 Pipelines and Drilling. No water pipe, gas pipe, sewer pipe, or drainage pipe shall be installed or maintained on any portion of the Property above the surface of the ground, except hoses and movable pipes used for temporary irrigation purposes. No portion of the surface or subsurface of the Property shall be used for the purpose of boring, mining, quarrying, exploring, or removing oil, gas or other hydrocarbons, minerals, gravel or earth.

6.9 Home Uses. Except as otherwise specifically provided in this Declaration or by Rules developed in accordance with this Declaration, no Home shall be used for any purpose other than that of a residence for individuals living together as a single housekeeping Home, and uses customarily incidental thereto, provided, however, that no Home may be used as a group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility. Notwithstanding the foregoing: (i) an occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the Home), making professional telephone calls or corresponding, in or from a Home, is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions; (ii) it shall be permissible for the Declarant to maintain, during the period of its sale or construction of Homes, one or more Homes as sales and rental models and offices, and for storage and maintenance purposes; and (iii) one or more Homes may be maintained for the use of the Association in fulfilling its responsibilities.

6.10 Firearms; Preservation of Wildlife. Firearms, ammunition, and explosives of every kind shall not be discharged, nor shall any traps or snares be set, nor shall any fishing, hunting, or poisoning of wildlife of any kind be permitted in or upon the Property, except for rodent control or except upon prior written approval of the Board.

6.11 Control of Trucks and Commercial Vehicles. Other than during the construction or reconstruction of the Homes, no tractor trailers, commercial tractors, commercial vehicles, road machinery or excavating equipment shall be permitted to remain on any portion of the Property for any period of time whatsoever, except while making deliveries or performing services thereon and except as necessary for the construction,

reconstruction or repair of buildings or structures. The Board shall have the right to adopt Rules with respect to the use or storage of such vehicles which the Property.

6.12 Use of Common Areas. The Common Areas shall be used in common by Home owners and occupants and their agents, servants, customers, invitees and licensees, in accordance with the purposes for which they are intended, reasonably suited and capable, and as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of Homes. Unless expressly provided otherwise herein, no Common Areas shall be used for any purpose other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Home Owners and Occupants. No Person shall use the Common Areas or shall construct, install or permit anything to remain in the Common Areas, except as is expressly permitted by this Declaration and as set forth in the Rules. Notwithstanding anything to the contrary herein contained, each Home Owner shall have exclusive use of the portion of the Common Area, if any, which consists of a contiguous patio and concrete pad and other improvements within the patio and the driveway extending immediately in front of the garage serving that Home to the curb of the roadway. Notwithstanding the foregoing, Declarant shall have the right and option to use the clubhouse, if any, within the Common Areas as a sales office, without charge, until such time as Declarant has transferred its last Lot.

6.13 Repair or Removal of Damaged Property. In the event that any improvement, building or structure within the Property shall be damaged or destroyed by any event, casualty or occurrence, whether intentional or unintentional, the Owner thereof shall promptly either (a) commence the repair or rebuilding of said improvement following such damage or destruction and thereafter diligently and continuously complete the same, or (b) raze said improvement, building or structure and remove all rubble and debris from the area within sixty (60) days following such damage or destruction; provided, however, that if any facility located on the Common Areas shall be damaged or destroyed, such facility shall be repaired or restored unless the damage or destruction is not covered by insurance and the cost of such repair or restoration is fifty percent (50%) or more of the replacement value thereof, in which event the Board may decide not to rebuild or restore said damage or destroyed facility. Following the date that Declarant shall no longer be a Member, the Board shall have the right as provided in Section 9.1(a)(viii) to determine not to restore any Common Area facility which is damaged, whether or not the same is covered by insurance.

6.14 Impairment of Structural Integrity of Homes. Nothing shall be done in any Home or in, on or to any Lot or Common Area which will impair the structural integrity of any Home.

6.15 Hazardous Uses and Waste. Nothing shall be done or kept in any Home, on any lot, or on the Common Area which will increase the rate of insurance applicable for the residential use of any Home and the contents thereof, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Home or in the Common

Area which will result in the cancellation of insurance on his Home or any other Home, or on the contents thereof, or which would be in violation of any law. No waste of any of the Property shall be committed.

6.16 Laundry. No clothes, sheets, blankets, or laundry of any kind shall be hung out or exposed to view from any part of the Common Area.

6.17 Visible Areas. Nothing shall be caused or permitted to be hung or displayed on the outside or inside of windows (except inoffensive drapes, curtains, or louvered blinds) or placed on the outside walls of a building or otherwise outside of a Home, or any part thereof, and no sign, awning, canopy, shutter or television or citizens' band or other radio antenna or transmitter, or any other device or ornament, shall be affixed to or placed upon the exterior walls or roof or any part thereof, or in, on, or over a patio or balcony, unless authorized by the Board or Rules adopted in accordance herewith.

6.18 Renting or Leasing. No Home or part thereof shall be rented or used for transient or hotel purposes, which is defined as: (i) rental for any period less than thirty (30) days; (ii) rental under which occupants are provided customary hotel services such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services; or (iii) rental to roomers or boarders, that is, rental to one or more persons of a portion of a Home only. No Home or part thereof shall be rented to any person under the age of twenty-two (22) years; provided however, other Occupants of the Home may be under such age. No lease may be of less than an entire Home. Any lease agreement shall be in writing, shall provide that the lease shall be subject in all respects to the provisions hereof, and to the Rules promulgated from time to time by the Board, and shall provide that the failure by the Tenant to comply with the terms of the Declaration and Rules shall be a default under the lease. Prior to the commencement of the term of a lease the Home owner shall notify the Board, in writing, the name or names of the Tenant or Tenants and the time during which the lease term shall be in effect.

6.19 Architectural Control. Except as constructed by Declarant, no building, fence, wall, sign or other structure shall be commenced, erected or maintained upon the Property, or any part thereof, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by the Declarant (before Declarant conveys its last Lot) and Board (after Declarant conveys its last Lot) or its designated representative or representatives, in its or their sole and unfettered discretion.

6.20 Waiver of Subrogation. Declarant, each Owner and Occupant, and any other Person that owns, leases, operates or controls any portion of the Property, as a condition of accepting title and/or possession of a Lot, Home or any other portion of the Property, and the Association agree, for themselves, and their respective successors, heirs, executors,

administrators, personal representatives, assigns and lessees, provided said agreement does not invalidate or prejudice any policy of insurance, that in the event that any building, structure or improvement within the Property or the fixtures or personal property of anyone located therein or thereon are damaged or destroyed by fire or other casualty that is covered by insurance of Declarant, any Owner, Occupant or any other Person that owns, leases, operates or controls any portion of the Property or the Association and the lessees and sublessees of any of them, the rights, if any, of any of them against the other, or against the employees, agents, licensees or invitees of any of them in respect of such damage or destruction and in respect of any loss resulting therefrom are hereby waived to the extent of the proceeds of insurance covering said damage or destruction.

6.21 Violation of Article VI. If any person required to comply with the following Covenants and Restrictions is in violation of any one of the same, Declarant (as long as Declarant is a Member of the Association) or the Association shall have the right to give notice to such person to terminate, remove or extinguish such violation. Such notice shall expressly set forth the facts constituting such violation.

If within fifteen (15) days after written notice of such a violation reasonable steps have not been taken toward the removal, alleviation or termination of same, or if such remedial action is not prosecuted with due diligence and until satisfactory completion of same, Declarant or the Association shall have the right to obtain an injunction from any court having jurisdiction for the cessation of such violation of this Article VI. The rights and remedies of Declarant and the Association contained in this paragraph shall be non-exclusive and in addition to any other right or remedy available at law or in equity.

The Association or Declarant shall notify in writing the Person in violation of this Article VI of all of the costs incurred to remedy same and of any other damages to which the Association or Declarant may be entitled. If said amounts are not paid within ten (10) calendar days following said notification, then said costs shall be "delinquent" and together with the Other Charges as defined in Section 2.2(b) shall, upon perfection as provided in Section 12.1 become a continuing lien upon the portion of the Property owned or occupied by such Person(s) and a personal obligation of the Person(s) violating this Article. In addition, the Owner of any portion of the Property shall be liable, jointly and severally, for any violations of an Occupant of such Owner's property.

ARTICLE VII COMMON AREAS

7.1 Ownership. Declarant is the fee simple owner of the Common Areas. No later than three (3) months following the conveyance of the last Lot to an Owner (other than Declarant), Declarant agrees to convey the Common Areas to the Association free and clear of any delinquent taxes or assessments.

ARTICLE VIII
THE ASSOCIATION

8.1 Existence. The Association is a duly constituted non-profit corporation existing under the laws of the State of Ohio. Copies of its Articles of Incorporation and its Bylaws are marked, respectively, Exhibit C and Exhibit D, and are attached to this Declaration.

8.2 Membership. Declarant and each Owner shall automatically become and be a Member of the Association. In the case of an Owner other than Declarant, such membership shall terminate upon the conveyance of record by such Owner of this Lot, at which time the new Owner shall automatically become a Member of the Association. Declarant's membership in the Association shall terminate on the earlier of (a) the date when Declarant no longer is the owner of a fee simple interest in any part of the Property or (b) the voluntary termination by Declarant.

8.3 Classes of Membership. The membership of the Association is and shall be divided into the following two (2) classes:

(a) Class A Members. The Class A Membership consists of every Owner of a Lot (other than Declarant), who shall automatically be a Class A Member.

(b) Class B Member. Declarant shall be the Class B Member. Upon conveyance of a Lot, Declarant shall cease to be a Class B Member in respect to that Lot, and the grantee thereof shall be a Class A Member. Declarant shall cease being a Class B Member upon its conveyance of the last Lot of the Property.

8.4 Voting Rights. Members shall have only those voting rights in the Association which are set forth below:

(a) Class A Members. Each Class A Member shall be entitled to exercise one (1) vote for each Lot owned by such Class A Member.

(b) Class B Member. The Class B Member shall be entitled to exercise three (3) votes for each Lot owned by the Class B Member until the end of the Start-Up Period, at which time the Class B Member shall have one (1) Vote per Lot owned by the Class B Member.

8.5 Board of Trustees and Officers. The Board of Trustees shall initially be composed of three (3) Persons as provided in the Bylaws. All Board Members shall be elected by Declarant so long as Declarant is a Member of the Association, unless Declarant elects otherwise from time-to-time. Thereafter, Board Members shall be elected by the voting Members at the annual meeting of the Association as provided in the Bylaws. The

Board shall be vested with and shall exercise all of the powers of the Association and shall elect the officers of the Association, and shall discharge the duties and obligations of the Association and shall have all rights conferred by law, the Articles of Incorporation and the Bylaws of the Association. Board Members need not be Owners or Occupants.

8.6 Rights of the Association. Notwithstanding the rights and easements of enjoyment and use created in this Declaration, and in addition to any other right the Association shall have pursuant to this Declaration or at law, the Association shall have the right:

- (a) to borrow money from time to time for the purpose of improving the Common Areas and to secure said financing with a mortgage or mortgages upon all or any portion of the Common Areas in accordance with its Articles and Bylaws and subject to the provisions of this Declaration;
- (b) to take such steps as are reasonably necessary to protect the Common Areas against foreclosure;
- (c) to suspend the enjoyment and use rights in the Common Areas of all of the Occupants and Owners of any Residence or Lot for which an Assessment or Other Charge is delinquent during the period of delinquency; and to suspend the use and enjoyment rights in the Common Areas of any Person in violation of any of the Covenants or Restrictions of this Declaration for any period during which said violation exists;
- (d) to convey the Common Areas, or a portion thereof, to a successor; provided, however, that such successor shall agree, in writing, to be bound by the easements, covenants, restrictions and spirit of this Declaration; provided, further, that the conveyance shall be approved by a vote of not less than seventy-five percent (75%) of each class of voting Members of the Association;
- (e) to enter or to authorize its agents to enter in or upon any Property or any part thereof, when necessary in connection with any maintenance, repair or construction for which the 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 is practicable and any damage caused thereby shall be repaired by the Association;
- (f) to dedicate, transfer or grant easements in all or any part of land or facilities owned by the Association or, with Declarant's prior written consent, land or facilities owned by Declarant, (i) to any municipality, public agency, authority or utility or (ii) to any Owner to install, operate, use, maintain, repair and

replace in, on, over or under such land or any part thereof, road, rights-of-way, pipes, conduits, ducts, wires, television and other communications, sanitary sewers and storm sewers, drainage, gas, water, energy of all types, utility services of all types and access to or for the benefit of the Owners and/or the Association and further, to construct improvements and establish grade, and for such other purposes as may be determined by the Association;

- (g) to obtain easements for the construction, extension, installation, inspection, maintenance or replacement of utility services and facilities to or from a public utility or governmental authority, and to or from any body or agency which has the power of eminent domain or condemnation;
- (h) to repair, restore or otherwise correct a condition of disrepair or neglect to the exterior areas of a Lot and to perform any work or duties required of an Owner pursuant to this Declaration, provided that the Owner shall not have made such repair or restoration or shall not have cured said condition within a reasonable time after notice thereof from the Board; provided, however, that the Board need not give notice if in its opinion it is acting to prevent personal injury or damage to property. The Association shall charge and assess the costs and expenses thereof to the Owner who should have performed the work or cured the condition, as a special Assessment pursuant to the provisions of this Declaration; and
- (i) to promulgate from time to time reasonable and non-discriminatory Rules in respect to the use of Common Areas and common utilities and in respect of the maintenance and operation of any structures within Villas at Eaton Estate.

ARTICLE IX
RESPONSIBILITIES OF THE ASSOCIATION AND OWNERS

9.1 Responsibilities of the Association. The Association shall have the exclusive duty to perform the following functions:

- (a) Maintenance.
 - (i) The Association shall maintain, repair and replace the entire Common Areas and all facilities, if any, located thereon, and any areas dedicated for public use which the City will not maintain, in a clean, safe, neat, healthy and workable condition, and in good repair, excluding a Home's concrete patio pad, driveway and front door walkway. The Association shall also keep the common drives and the individual Homes' respective driveways and front door walkways free from unreasonable accumulations of ice and snow.

- (ii) The Association shall keep, maintain in good condition, repair and replace, if necessary, all utility lines, pipes, lawn sprinkler systems, conduits, wires and cables located outside a Home, subject only to the provisions of this Declaration and excepting therefrom any of same installed by an Owner or Occupant.
- (iii) The Association shall make any necessary repairs and replacements to maintain in good condition and repair the non-structural portions of the roof and exterior walls (other than party walls), gutters, downspouts, patio fencing and shutters of all Homes, unless the necessity of such repair or replacement is caused by a fire or other casualty insured or insurable pursuant to the provisions of Section 9.2(d) or the negligence or misconduct of the Owner or Occupant of the affected Home.
- (iv) The Association shall maintain or repair, if necessary, any electrical street lights and/or posts located on the Common Areas and shall maintain or repair all outside lighting fixtures affixed to the exterior of a Home, except for the replacement of light bulbs.
- (v) The Association shall maintain, including, without limitation, fertilizing, cutting and pruning, as necessary, all lawns on each Lot, all trees, shrubs and landscaping on a Lot put in by Declarant or the Association, all trees, shrubs and landscaping on a Lot put in by an Owner where the Association has agreed in writing with the Owner to maintain such trees, shrubs and landscaping.
- (vi) The Association shall maintain, repair and replace, if necessary, the mailboxes for the Homes and any supports thereof.
- (vii) The Association shall provide equipment and supplies necessary for the maintenance of the Common Areas and the facilities, if any, located thereon and any other Property which the Association is required or has agreed to maintain from time to time.
- (viii) In the case of damage or destruction to any of the facilities located on any Common Area, the Association shall promptly restore such facilities to a condition at least equal to the condition in which they existed prior to the damage or destruction unless the cost of such repair or restoration is fifty percent (50%) or more of the replacement value thereof, and the loss is not covered by insurance. If Declarant is no longer a Member of the Association and sixty-six and two-thirds percent (66-2/3%) of the Board affirmatively vote not to rebuild or restore such damaged facilities, such facilities need not be replaced.

All work performed by the Association under this paragraph shall be performed in a good and workmanlike manner.

- (b) Liability of the Association. Except as to the extent of any insurance proceeds payable in respect thereof, the Association and the Association's agents and employees shall not be liable for, and each Owner and Occupant waives all claims for injury or death to Persons or loss or damage to property, or any consequential or incidental damage or loss, resulting from any accident or occurrence in or upon any Home, Common Area, or any other part of the Property.
- (c) Taxes and Assessments. The Association shall pay prior to delinquency all taxes and assessments levied against the Common Areas and any facilities constructed thereon, and any other Property which the Association may own, including, without limitation, personal property taxes, general real estate taxes and special assessments certified by the appropriate public authority. Since it is intended by Declarant that the value and cost of each Lot will include such Lot's proportionate share in the Common Area, Declarant will request that the County Auditor not place a separate and additional value upon the Common Area, other than, perhaps, a nominal value of One Dollar (\$1.00).
- (d) Utilities. The Association shall pay all charges, if any, for water, gas, sewer, electricity, light, heat or power, telephone and other services used, rented or supplied to or in connection with the Common Areas and any facilities constructed thereon and any other Property owned by the Association. All such utility services shall be contracted for, metered and billed by and to the Association.
- (e) Insurance. The Association shall, if applicable, obtain and keep in full force and effect the following insurance:
 - (i) Special Form (all risk) insurance, insuring all of the buildings owned by the Association, if any, in an amount equal to the full replacement cost thereof. Such insurance may have a deductible clause in an amount not exceeding One Thousand Dollars (\$1,000.00) of, if the property has a value of less than One Thousand Dollars (\$1,000.00), the Association shall not be required to maintain insurance on it;
 - (ii) General public liability insurance against claims for bodily injury or death occurring upon, in or about the Common Areas and any facilities located thereon and any other Property owned, controlled or maintained by the Association (if any), with contractual liability and "personal injury" coverage, such insurance to afford protection to the limit of not

less than One Million Dollars (\$1,000,000.00) single limit as respects to bodily injury and death and a single limit of not less than One Hundred Thousand Dollars (\$100,000.00) in respect of property damage. The insurance procured under this subparagraph shall name Declarant as an additional insured; and

- (iii) Worker's Compensation Insurance if required under the applicable laws of the State of Ohio.

The Association may, but shall not be obligated to, obtain and maintain such additional and other insurance as it deems desirable, including, without limitation, directors' and officers' liability insurance.

- (f) Management. The Association shall provide the management and supervision for the operation of the Common Areas and the facilities, if any, located thereon. The Association shall establish and maintain such policies, programs and procedures to fully implement this Declaration for the purposes intended and for the benefit of the Members and may (but shall not be required to) adopt Rules for the conduct of Members in connection with the use of Common Areas and the facilities located thereon. The Association may, but shall not be required to, engage employees or agents or delegate all or any portion of its authority and responsibility to a manager, managing agent, or management company, including Declarant or a related entity at reasonable compensation.
- (g) Construction of Facilities. The Association may authorize the construction, alteration, renovation, modification or reconstruction of any facilities located on the Common Areas.
- (h) Enforcement. The Association shall take all actions reasonably necessary in the circumstances to enforce the Covenants and Restrictions set forth in this Declaration.
- (i) General. The Association shall perform and carry out all other duties and acts reasonably necessary to give effect to and implement the intent of the provisions of this Declaration.
- (j) Disputes. The Board shall act as an arbitrator of disputes between Owners of Lots, provided that all parties to the disputes shall submit such dispute to the Board for mediation or arbitration.

9.2 Responsibilities of Owners. The Owners shall have the duty to perform the following functions:

(a) Maintenance.

- (i) Each Owner shall keep such Owner's Home in good condition and repair and shall make all repairs and replacements, structural and non-structural, ordinary as well as extraordinary, interior and exterior, except for the non-structural portions of the exterior walls and roofs, the gutters and downspouts, and shutters which shall be maintained, repaired and replaced, if necessary, by the Association. Notwithstanding the above, all windows, glass and doors, including hardware and other appurtenances thereof shall be repaired, maintained and replaced, if necessary, by the Owners of the Homes. In addition, each Owner shall make all repairs and replacements necessitated by fire or other casualty which is insured or insurable under the provisions of Section 9.2(d) of this Declaration even if the Association would otherwise be responsible for such maintenance and repair.
- (ii) The Owners of the Homes shall maintain and keep all flowers, plants, shrubs, trees and landscaping planted by them on their Lots in an attractive condition.
- (iii) The Owners shall replace light bulbs in any light fixtures affixed to the exterior of their Homes promptly as required.
- (iv) Notwithstanding anything in this Declaration to the contrary, Owners shall repair, maintain and replace, if necessary, all garage doors.
- (v) Each Owner shall be responsible to make all repairs and replacements which would otherwise be the responsibility of the Association or any other Owners, if the repairs or replacements are required because of the acts or negligence of the Owner, the Owner's Occupants or guests.
- (vi) The Owner shall repair, maintain and replace, if necessary, (i) any utilities exclusively serving such Owner's Home or Lot located within the Home or Lot and (ii) the respective Home's concrete patio pad, driveway and front door walkway.

(b) Taxes and Assessments. Each Owner shall pay prior to delinquency all taxes and assessments against the Lot owned by such Owner.

- (c) Utilities. Each Owner shall pay all charges for water, gas, sewer, electricity, light, heat, power, telephone and other services used, rendered or supplied to or in connection with such Owner's Home, including, without limitation, the charges for electricity used in any light fixture affixed to the exterior of such Owner's Home.
- (d) Insurance. Each Owner shall maintain and keep in full force and effect the following insurance:
 - (i) Each Owner shall maintain adequate liability insurance covering such Owner's Home and Lot.
 - (ii) Each Owner shall maintain Special Form (all risk) insurance coverage on such Owner's Home, in the amount of the full replacement cost of such Home, such policy to have an Agreed Amount Endorsement to avoid a co-insurance penalty. Such insurance may have a deductible clause in a reasonable amount (\$1,000 shall be considered a reasonable amount at the time this Declaration is filed for record) and may exclude excavation and foundation costs.
 - (iii) Each Owner shall maintain hazard insurance on such Owner's contents and personal property as such Owner shall desire.

9.3 Standards for Maintenance and Repair. All maintenance, repair and replacement required under this Declaration shall be done in a good and workmanlike manner and in accordance with all federal, state and local laws, statutes, ordinances, codes and regulations. Any replacements required shall be of the same quality, kind and type of the item being replaced. All repairs and maintenance shall be done promptly to maintain the values of the property within Villas at Eaton Estate.

ARTICLE X
RIGHTS OF DECLARANT

10.1 General Powers. Until the end of the Start-Up Period, Declarant shall have the right, but shall not be required, to exercise all or any of the powers, rights, duties and functions of the Association including, without limitation, the right to enter into a management contract with any Person whether owned or controlled or affiliated with Declarant or any Person associates with Declarant, the right to obtain insurance under a blanket policy (if any) covering other Persons or locations, the right to dedicate portions of Villas at Eaton Estate and facilities to the City and to grant easements to the City and utility companies, the right to perform each duty and obligation of the Association set forth herein, the right to adopt Rules, the right to determine and collect Assessments, the right to disburse

Assessments for payment of Common Costs, and the right to collect Assessments including the right to institute litigation and to obtain a lien (and to foreclose said lien) on a Lot for unpaid Assessments in the manner and to the extent granted to the Association as hereinafter provided. During such time, the Trustees named in the Articles of Incorporation (or their successors appointed by Declarant from time to time) shall constitute the Board of the Association. Declarant need not open books and accounts in the name of the Association but may operate through its accounts and books.

10.2 Modification of Design. Until Declarant conveys its last Lot, Declarant shall have the right to modify the design of any of the residences it builds or authorizes others to build upon the Property, including without limitation, roof lines and pitches, the inclusion of basements and the size of the Homes.

10.3 Additional Property. Until Declarant conveys its last Lot, Declarant may add from time-to-time additional land to the Property which is contiguous to any portion of the Property, as the Property may have been previously expanded by Declarant, from time-to-time, to any property which is then contiguous to the Property, as previously expanded.

ARTICLE XI COMMON COSTS - ASSESSMENTS

11.1 Common Costs. Declarant for each Lot owned by Declarant, and each Owner, whether or not it shall be so expressed in any contract, deed or other conveyance, shall be deemed to covenant and agree to pay the Association the annual Assessment for Common Costs as determined by Declarant or the Board to meet the annual Common Costs of the Association. As used in this Declaration, "Common Costs" shall mean all of the costs and expenses incurred by the Association in owning, maintaining, repairing, replacing, cleaning, painting, decorating, preserving, upgrading, administering, managing, operating, and leasing the Common Areas and the facilities located thereon and the other Property and improvements of the Association and maintained by the Association and in carrying out the responsibilities, duties and obligations of the Association, including, without limitation:

- (a) all expenditures required to fulfill the responsibilities of the Association outlined in Articles VI and IX of this Declaration;
- (b) the amount of all taxes, assessments and other impositions levied or assessed against the Common Areas and the facilities located thereon;
- (c) the costs of all insurance required to be carried by the Association;
- (d) the costs of utilities and other services which may be provided by the Association whether for the Common Areas and any facilities located thereon or for any other purpose;

- (e) the cost of funding all reserves established by the Association, including, without limitation, a general operating reserve and a reserve for capital expenditures; provided, however, that during the Start-Up Period Declarant shall not be required to pay any portion of the annual Assessment for Common Costs which represents the funding of such reserves; and
- (f) such other costs, charges and expenses which the Association determines to be necessary and appropriate within the meaning and spirit of this Declaration.

11.2 Operating Budget and Annual Assessments. Declarant or the Board shall prepare or cause the preparation of an annual operating budget for the Association and shall fix the amount of the annual Assessment against each Home. Written notice of the annual Assessment shall be sent to Declarant and each other Owner. Payment of Assessments may be required on a monthly, quarterly, semi-annual or annual basis as determined by Declarant or the Board. No person liable for the payment of an Assessment may be exempt from liability for the payment of an Assessment by abandonment of any Home or by the abandonment or waiver of any right to use or enjoyment of the Common Areas or the facilities located thereon.

11.3 Payment of Common Costs During Start-Up Period. Each Owner, other than Declarant, shall pay his proportionate share of the Common Costs by payments of Assessments in such amount as shall be established by the Board from time to time, except that annual assessments for Common Costs (excluding special assessments) for an individual Home shall not exceed on a prorated basis the following annual amounts for periods during the Start-Up Period: (i) 1995 - One Thousand Four Hundred Forty Dollars (\$1440.00); (ii) 1996 - One Thousand Five Hundred Twelve Dollars (\$1512.00); (iii) 1997 - One Thousand Five Hundred Eighty-Eight Dollars (\$1,588.00); (iv) 1998 - One Thousand Six Hundred Sixty-Seven Dollars (\$1,667.00). Declarant shall only be obligated during the Start-Up Period to make payments into the Association to fund the deficit, if any, in Common Costs and after the foregoing cap has been reached and a shortfall exists Declarant shall be exempt from and shall not be required to pay any portion of the Assessments which relate to the funding of any reserves established by the Association, including, without limitation, any general operating reserve or any reserve for capital expenditures.

11.4 Common Costs After the End of the Start-Up Period. From and after the end of the Start-Up Period, each Owner (including Declarant in respect of any Homes still owned by it) shall pay his proportionate share of the Common Costs by payments of Assessments in such amount as shall be established by the Board from time to time.

11.5 Assessments. Assessments for the Common Costs, extraordinary expenditures, and all other charges shall be made in the manner provided herein and in the Bylaws of the Association. Except for special Assessments assessed against individual Members and except as otherwise provided in Section 11.3, all Assessments made by the

Association shall be of uniform amount as to each Lot in accordance with the provisions of the Declaration, and each Owner hereby covenants and agrees by acceptance of the deed to an Ownership Interest, whether or not it shall be so expressed in any such deed, to pay the Assessments levied against him in such manner and at such times as provided herein and in the Bylaws.

11.6 Special Assessments. If an Owner or Occupant fails to perform maintenance, repairs and replacements which are the Owner's obligation or to comply with the other provisions of this Declaration, and if the Board shall undertake to provide any repair or restoration or to cure any condition not permitted hereunder as provided in Section 8.6(h), the Board shall levy a special Assessment against such Owner and the Lot (including the Home), equal to the amount so expended. In addition, all costs incurred in the enforcement of any provisions of this Declaration against the Owner, including, but not limited to, attorneys' fees and court costs, shall be assessed to the Owner and the Lot (including the Home) against whom enforcement is sought.

11.7 Creation of Lien and Personal Obligation. If a Person liable for the payment of an Assessment shall fail to pay the same when due, the Association shall notify said Person, in writing, of his failure to make said payment. In the event that the Assessment is not paid within ten (10) calendar days following said notification, then such Assessment shall be "delinquent" and, together with the Other Charges as defined in Section 2.2(b) shall, upon "perfection" as provided in Section 12.1, become a continuing lien upon the portion of the Property owned or occupied by such Person and a personal obligation of the Person who has not paid said Assessment. A Co-Owner of a Lot or a Home shall be personally liable, jointly and severally, with all other Co-Owners for all Assessments made by the Association in respect of said Lot or Home.

11.8 Non-Liability of Foreclosure Sale Purchaser for Past-Due Amounts. Where the holder of a first mortgage of record acquires an Ownership Interest as a result of foreclosure of the mortgage or of the acceptance of a deed in lieu of foreclosure, such mortgagee, its successors and assigns, shall not be liable for the assessments levied against the Owner of such Ownership Interest prior to its acquisition of the Ownership Interest. Any funds received on the judicial sale of the Ownership Interest in excess of the mortgage lien, the court costs and real estate taxes and assessments shall, however, be paid over to the Association to apply on all Assessments owed and interest thereon. The Owner of an Ownership Interest prior to the judicial sale thereof, and such owner's heirs, executors, administrators, personal representatives, successors and assigns shall be and remain personally and primarily liable, jointly and severally, for the Assessments accruing against the judicially sold Ownership Interest prior to the date of the judicial sale, as provided in this Article XI, but any unpaid part of the Assessment shall be deemed to be Common Costs and shall be assessed and levied against all of the other Owners including the Owner of the Ownership Interest foreclosed.

11.9 Liability for Assessments upon Voluntary Conveyance. In a voluntary conveyance of an Ownership Interest, the grantee of the Ownership Interest shall be jointly and severally liable with the grantor for all unpaid assessments levied pursuant to this Declaration against the grantor and the Ownership Interest prior to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefor. However, any such prospective grantee shall upon written request delivered to the President or Secretary of the Association, be entitled to a statement from the Board setting forth the amount of all unpaid Assessments due the Association in respect of the Ownership Interest to be conveyed, and such grantee shall not be liable for, nor shall the Ownership Interest conveyed be subject to a lien for, any unpaid Assessments which become due prior to the date of the making of such request if the same are not set forth in such statement. A devise of an Ownership Interest or the distribution of said Ownership Interest pursuant to the Statute of Descent and Distribution shall be deemed to be a voluntary conveyance.

11.10 Exemption from Liens and Assessments. Notwithstanding anything in this Declaration to the contrary, all properties to the extent of any easement or other interest therein dedicated and accepted by the City and devoted to public use, shall be exempted from the Assessments and liens created herein.

ARTICLE XII
LIENS

12.1 Perfection of Liens. If any Owner shall fail to pay when due any Assessment levied in accordance with this Declaration or any other amount due in accordance with the provisions of this Declaration (such Owner hereinafter referred to as the "Delinquent Person") and such Assessment or amount is delinquent pursuant to the provisions of this Declaration, the Board may authorize the perfection of a lien on the Ownership Interest of the Delinquent Person in the Property by filing for record with the Recorder of Summit County, Ohio, a certificate of lien. The certificate of lien shall be in recordable form and shall include the following:

- (a) the name of the Delinquent Person;
- (b) a description of the land owned by the Delinquent Person;
- (c) the entire amount claimed, including the amount of any delinquency and other charges;
- (d) a statement referring to the provisions of this Declaration and lien authorization.

12.2 Duration of Lien. Said lien shall remain valid for a period of five (5) years from the time of filing 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 an action brought to discharge such lien or unless an action for foreclosure shall be commenced in respect to such lien within said five (5) year period.

12.3 Priority. A lien perfected pursuant to this Article XII shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgagees, and may be foreclosed in the same manner as a mortgage in real property in an action brought by the Association after authorization from the Board. In any such foreclosure action, the Person affected 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; provided, however, that subject to any court order to the contrary, any moneys collected by a receiver shall be used first to pay real estate taxes and assessments and then to pay on the note of the first mortgagee as is set forth in the mortgage deed, assignment of rents and security agreement, if any, with the balance of such money, if any, to be held and disbursed pursuant to court order. Any funds received on the judicial sale of the Delinquent Person's Ownership Interest in excess of the mortgage liens, the court costs and tax and assessment liens shall be paid over to the Association to the extent of its lien.

12.4 Dispute as to Assessment. Declarant or any Person who believes that any Assessment levied by the Association for which a certificate of lien has been filed by the Association has been improperly determined, may bring an action under the arbitration provisions contained in Article XV of this Declaration or in the Court of Common Pleas of Summit County, Ohio, for discharge of all or any portion of such lien; but until such court or arbitrator shall determine that the lien is improper, the lien shall continue until the lien is paid in full; and the Association may counterclaim in such action for foreclosure of the amount of lien found to be due.

12.5 No Waiver Implied. The creation of a lien upon any Ownership Interest owned by a Delinquent Person shall not waive, preclude or prejudice the Association from pursuing any and all other remedies granted to it elsewhere in this Declaration, at law or in equity.

12.6 Personal Obligations. The obligations created pursuant to this Declaration shall be and remain the personal obligations of the Delinquent Person until full paid, discharged or abated as well as being obligations which run with the land and binding on the heirs, executors, administrators, personal representatives, successors and assigns of such Delinquent Person.

ARTICLE XIII
REMEDIES OF THE ASSOCIATION

13.1 Suspension of Entitlement to Use Common Areas. If any Person fails to pay an Assessment when due, such Person, the Occupants of any and all Residences owned by such Person and their guests shall not be entitled to use the Common Areas or any facilities located thereon until said Assessment is fully paid.

13.2 Rights of Association and Declarant. A violation of any Rule or the breach of any Covenant and Restriction shall give the Association and Declarant the right, in addition to all other rights herein set forth and those provided by law or in equity,

- (a) to enter upon the Home or Lot or portion thereof upon which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of such holder of the Ownership Interest where the violation or breach exists, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of this Declaration, the Bylaws of the Association or the Rules, and Declarant or the Association and their respective agents 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; and/or
- (c) to commence and prosecute any action to recover any damages which may have been sustained by the Association or any of its Members.

13.3 Failure to Pay. If any Person fails to pay any Assessment when due or upon delinquency in payment of any sums or costs due under this Declaration, Declarant or the Association may pursue any or all of the following remedies, which shall be in addition to any other remedy available in this Declaration, at law or in equity:

- (a) Assess against such Owner a "late payment" charge not to exceed five percent (5%) of the amount of the delinquency or Fifty Dollars (\$50.00), whichever is greater, said amount to be determined by the Board. Said late payment charge shall be in addition to the Other Charges;
- (b) sue and collect from such Person the amount due and payable, together with the Other Charges;
- (c) foreclose a lien filed in accordance with Article XII of this Declaration in the same manner as provided by the laws of the State of Ohio for the foreclosure of real estate mortgages.

13.4 Rights Against Heirs, Etc. The remedies provided in this Article XIII against a Delinquent Person may also be pursued against the heirs, administrators, executors, successors, assigns and grantees of such Person.

ARTICLE XIV
RIGHT OF INSPECTION AND ACCESS

14.1 Declarant, the Board, and any agent or employee of either of them, may at any reasonable time or times, enter upon any of the land in Villas at Eaton Estate and any improvements, buildings and structures therein for the purpose of inspecting, improving, installing, constructing, altering, repairing, maintaining, replacing, remedying or curing any condition, structure or building, or any part thereof, in accordance with the provisions of this Declaration.

ARTICLE XV
GENERAL PROVISIONS

15.1 Covenants Run with the Land; Binding Effect. All of the easements, covenants, and restrictions which are imposed upon, granted and/or reserved in this Declaration, including, without limitation, payment of Assessments, constitute easements, covenants and restrictions running with the land and are binding upon every subsequent transferee of all or any part thereof including, without limitation, grantees, Tenants and Owners.

Each grantee accepting a deed or Tenant accepting a lease (whether oral or written) which conveys any interest in any portion of the Property, whether or not the same incorporates or refers to this Declaration, covenants for himself or herself, his or her personal representatives, successors and assigns to observe, perform and be bound by the provisions of this Declaration.

15.2 Duration of Easements, Covenants and Restrictions. The term of this Declaration and the Covenants and Restrictions which are imposed, granted and/or reserved upon all or any part of the Property by this Declaration shall end upon the date all of the Owners of all of the real property within the Property agree, in writing in recordable form, to terminate this Declaration and such writing is filed with the Summit County Recorder.

15.3 Plural Owners. In the event that any Owner shall hold title to any portion of the Property as a joint tenant, tenant in common or in any other manner with one or more other Persons (herein referred to as a "Co-Owner"), the signature of any one of the Co-Owners shall be binding upon and shall be effective as an authorization from all of the other Owners of such portion of the Property. In addition, the vote cast at any meeting of the Association by one such Co-Owner shall be binding upon and shall be effective as an authorized vote from all of the Co-Owners of such portion of the Property. If two or more

Co-Owners vote, their vote shall be divided equally among them unless they otherwise agreement in writing delivered to the Secretary of the Association at the time immediately prior to the taking of the vote; for example, if four persons have three votes and if each of the four persons vote, the votes of each shall be three-quarters (3/4) of a vote.

15.4 Notices. Any notices required to be given to any Owner or Occupant under the provisions of this Declaration shall be deemed to have been given when personally delivered to such Owner's or Occupant's Residence in Villas at Eaton Estate, or mailed, postage prepaid, to the last known address of such Person or principal place of business of a corporation; provided, however, that notice of a "delinquency" of any payment due hereunder shall be made by personal delivery to such Residence or principal place of business of a corporation, or by certified or registered mail, return receipt requested. The effective date of such notice shall be the date said notice is personally delivered or postmarked, as the case may be.

15.5 Enforcement - Waiver. The enforcement of the covenants and Restrictions may be by any proceeding at law or in equity against any Person or Persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages against the Person or Ownership Interest, or to enforce any lien created by the covenants of this Declaration. The failure by the Association or anyone permitted by this Declaration to enforce any covenant or restriction herein contained shall in no event be deemed to be a waiver of the right to do so thereafter.

15.6 Construction of the Provisions of this Declaration. The Association and Declarant shall have the right to construe and interpret the provisions of this Declaration and in the absence of an adjudication by arbitrator(s) (as expressly provided in this Declaration) or a court of competent jurisdiction to the contrary, its construction or 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 by the Association or Declarant and that of any Person entitled to enforce the provisions hereof shall be resolved in favor of the construction of or interpretation of the Association or Declarant, as the case may be.

The Association may adopt and promulgate rules regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting rules and making any findings, determination, ruling or order, or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interests of Declarant, Owners, Tenants and Occupants of the Property to the end that the Property shall be preserved and maintained as a high-quality, residential community.

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

- (a) Until the end of the Start-Up Period, Declarant shall be entitled from time to time to modify or waive any of the provisions of this Declaration, either generally or with respect to particular real property, if in its judgment, the development or lack of development of the Property requires such modification or waiver, or if in its judgment the purposes of the general plan of development of Villas at Eaton Estate will be better served by such modification or waiver. Additionally, so long as Declarant owns a Lot, it shall have the ability to expand the Property by adding property to the Property in accordance with the terms hereof. To modify this Declaration in accordance with this paragraph, Declarant shall file a supplemental declaration and/or plat setting forth the amendment, which supplemental declaration or plat need not be, but shall at Declarant's request be, executed by the Association and all Owners of real property within Villas at Eaton Estate. Specifically included in the foregoing powers of Declarant is Declarant's ability to amend and modify the location, dimensions and number of the Lots it owns and the Common Areas by amendment hereto or amendment to the plat. Each such Owner hereby appoints Declarant his attorney-in-fact, coupled with an interest, by accepting a deed to his Lot, to execute on his behalf any such amendments. Each amendment shall be effective when signed by Declarant and filed for record with the Recorder of Summit County, Ohio or if accomplished by amendment of the plat, upon its filing with the applicable county offices.
- (b) This Declaration may be amended by Declarant at any time and from time to time to correct clerical and similar types of errors in this Declaration. In addition, Declarant shall have the right to amend this Declaration, the Articles of Incorporation and/or the Bylaws without the consent of any person as required to comply with the requirements of the Federal National Mortgage Association, the Governmental National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans Administration, or any other governmental agency or public or quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities. Also, Declarant may amend this Declaration, the Articles of Incorporation and/or the Bylaws in compliance with applicable laws, statutes and ordinances. To effect any said amendment, Declarant shall file a supplemental declaration setting forth the amendment(s) which shall be signed by Declarant and shall be effective upon the filing of said supplemental declaration with the Recorder of Summit County, Ohio.
- (c) Except as expressly provided in this Declaration, after the end of the Start-Up Period, any provision of this Declaration may be amended or repealed following a meeting of the Members held for such purpose, by the affirmative

vote of Members entitled to exercise sixty-six and two-thirds percent (66-2/3%) of the voting power of the Association unless a greater percentage of vote is required pursuant to this Declaration or in accordance with the statutes of the State of Ohio; provided, however, that any amendment which would terminate or materially and adversely affect the easements set forth in Section 3 of this Declaration shall not be amended (except as expressly provided to the contrary in this Declaration) unless all persons whose rights are terminated or materially affected shall affirmatively vote for such amendment. Written notice shall be given each Member entitled to vote at any meeting at least thirty (30) days in advance of the date of the meeting held for the purpose of amending this Declaration, which notice shall expressly state the amendment to be considered at such meeting. Each amendment shall be effective when signed by the President and one other officer of the Association and filed for record with the Recorder of Summit County, Ohio.

15.8 Severability. The severability, invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

15.9 Attorneys' Fees. In the event of any litigation or arbitration arising out of this Declaration, the prevailing party to the extent permitted by law shall be entitled to reimbursement of the costs and expenses thereof from the other party, including reasonable attorneys' fees and disbursements of counsel, including such costs, expenses and fees incurred on appeals of such litigation or arbitration.

15.10 Rule Against Perpetuities. If any of the Covenants and Restrictions shall be in violation of the Rule Against Perpetuities or any other analogous or comparable statutory or common law rule, such of the Covenants and Restrictions as shall be so affected thereby shall continue in effect only until twenty-one (21) years after the death of the last survivor of the now living shareholders of the law firm of Kadish & Bender.

IN WITNESS WHEREOF, this Declaration has been executed as of the day and year first above written.

In the presence of:

Heartland Villas of Eaton, Inc.

Barbara Moss
Barbara Moss
Karen M. Gambow
Karen M. Gambow
Barbara Moss
Barbara Moss
Karen M. Gambow
Karen M. Gambow

By: [Signature]
Robert T. Wetzal, Vice President

And by: [Signature]
J. Gordon Priemer, Secretary/Treasurer

"Declarant"

Villas at Eaton Estate Homeowners' Association

Barbara Moss
Barbara Moss
Karen M. Gambow
Karen M. Gambow
Barbara Moss
Barbara Moss
Karen M. Gambow
Karen M. Gambow

By: [Signature]
Robert T. Wetzal, Vice President

And by: [Signature]
J. Gordon Priemer, Secretary/Treasurer

"Association"

STATE OF OHIO :
: SS.
COUNTY OF CUYAHOGA:

BEFORE ME, a Notary Public in and for said County and State did personally appeared Heartland Villas of Eaton, Inc., by Robert T. Wetzel, its Vice President and J. Gordon Priemer, its Secretary, who acknowledged that they did sign the foregoing instrument on behalf of said Corporation and that the same is the free act and deed of such Corporation, and their free act and deed both individually and in such official capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 10th day of November, 1994.

Karen M Gambow
Notary Public

KAREN M. GAMBOW
Notary public - State of Ohio
My Commission Expires Sept. 29, 1997

STATE OF OHIO :
: SS.
COUNTY OF CUYAHOGA:

BEFORE ME, a Notary Public in and for said County and State did personally appeared Villas at Eaton Estate Homeowners' Association. by Robert T. Wetzel, its Vice President and J. Gordon Priemer, its Secretary, who acknowledged that they did sign the foregoing instrument on behalf of said Corporation and that the same is the free act and deed of such Corporation, and their free act and deed both individually and in such official capacity.

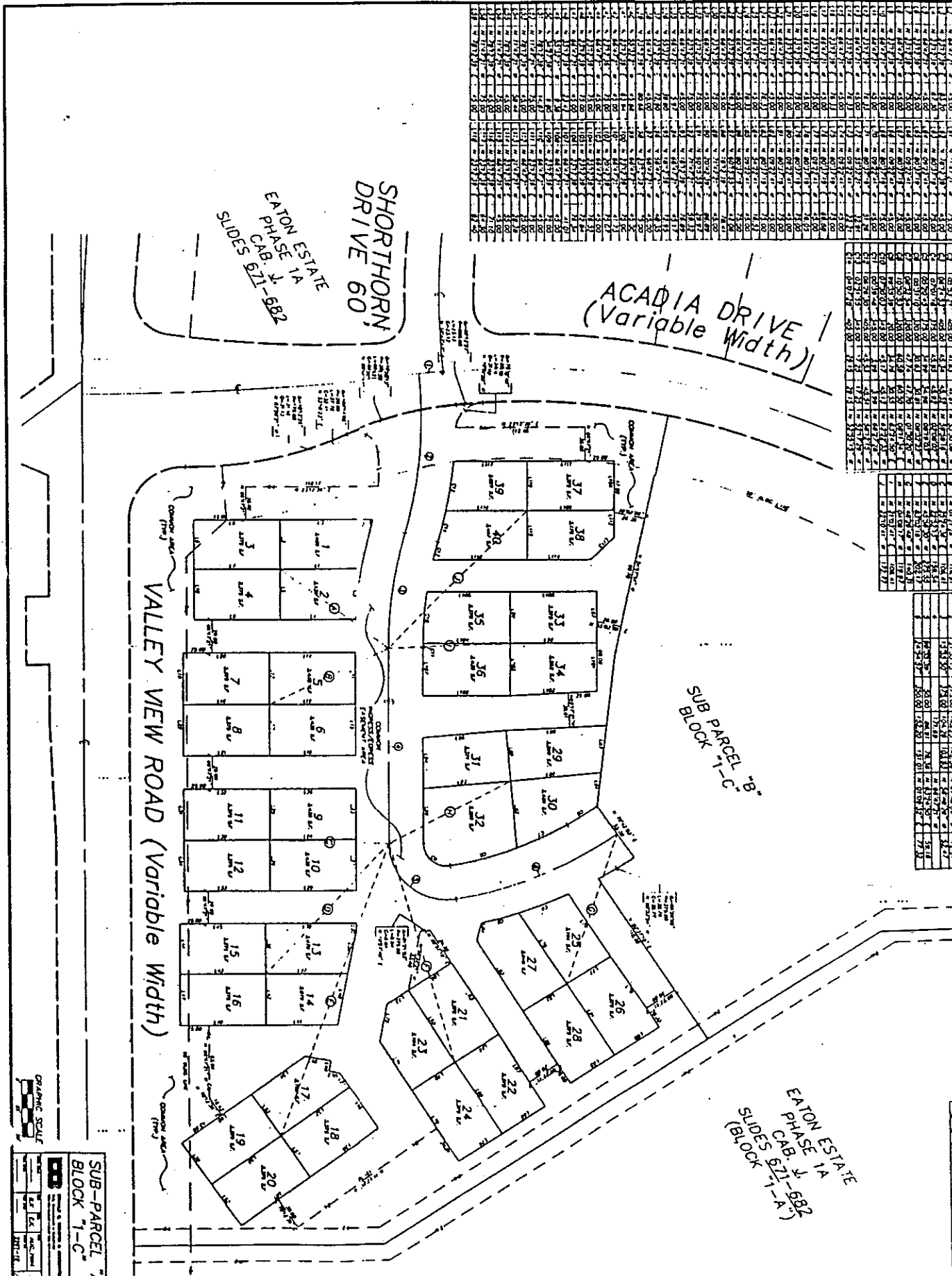
IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 10th day of November, 1994.

Karen M Gambow
Notary Public

KAREN M. GAMBOW
Notary public - State of Ohio
My Commission Expires Sept. 29, 1997

This instrument prepared by:

Kadish & Bender
2112 East Ohio Building
Cleveland, Ohio 44114
(216) 696-3030



Lot No.	Area (sq. ft.)	Area (sq. m.)	Area (ac.)
1	4,100	377	0.09
2	4,100	377	0.09
3	4,100	377	0.09
4	4,100	377	0.09
5	4,100	377	0.09
6	4,100	377	0.09
7	4,100	377	0.09
8	4,100	377	0.09
9	4,100	377	0.09
10	4,100	377	0.09
11	4,100	377	0.09
12	4,100	377	0.09
13	4,100	377	0.09
14	4,100	377	0.09
15	4,100	377	0.09
16	4,100	377	0.09
17	4,100	377	0.09
18	4,100	377	0.09
19	4,100	377	0.09
20	4,100	377	0.09
21	4,100	377	0.09
22	4,100	377	0.09
23	4,100	377	0.09
24	4,100	377	0.09
25	4,100	377	0.09
26	4,100	377	0.09
27	4,100	377	0.09
28	4,100	377	0.09
29	4,100	377	0.09
30	4,100	377	0.09
31	4,100	377	0.09
32	4,100	377	0.09
33	4,100	377	0.09
34	4,100	377	0.09
35	4,100	377	0.09
36	4,100	377	0.09
37	4,100	377	0.09
38	4,100	377	0.09
39	4,100	377	0.09
40	4,100	377	0.09

Sub-Parcel	Block	Slide	Area (sq. ft.)	Area (sq. m.)	Area (ac.)
1-A	671-682		164,000	15,050	0.37
1-B			164,000	15,050	0.37
1-C			164,000	15,050	0.37

Lot No.	Area (sq. ft.)	Area (sq. m.)	Area (ac.)
1	4,100	377	0.09
2	4,100	377	0.09
3	4,100	377	0.09
4	4,100	377	0.09
5	4,100	377	0.09
6	4,100	377	0.09
7	4,100	377	0.09
8	4,100	377	0.09
9	4,100	377	0.09
10	4,100	377	0.09

Lot No.	Area (sq. ft.)	Area (sq. m.)	Area (ac.)
11	4,100	377	0.09
12	4,100	377	0.09
13	4,100	377	0.09
14	4,100	377	0.09
15	4,100	377	0.09
16	4,100	377	0.09
17	4,100	377	0.09
18	4,100	377	0.09
19	4,100	377	0.09
20	4,100	377	0.09

Lot No.	Area (sq. ft.)	Area (sq. m.)	Area (ac.)
21	4,100	377	0.09
22	4,100	377	0.09
23	4,100	377	0.09
24	4,100	377	0.09
25	4,100	377	0.09
26	4,100	377	0.09
27	4,100	377	0.09
28	4,100	377	0.09
29	4,100	377	0.09
30	4,100	377	0.09

Lot No.	Area (sq. ft.)	Area (sq. m.)	Area (ac.)
31	4,100	377	0.09
32	4,100	377	0.09
33	4,100	377	0.09
34	4,100	377	0.09
35	4,100	377	0.09
36	4,100	377	0.09
37	4,100	377	0.09
38	4,100	377	0.09
39	4,100	377	0.09
40	4,100	377	0.09

GRAPHIC SCALE

1" = 100'

1" = 30.48m

SUB-PARCEL 1-C
BLOCK 1-C

EATON ESTATE
PHASE 1A
CAB. & SLIDES 671-682
(BLOCK 1-A)

OR 1805- 675



DONALD G. BOHNING & ASSOCIATES, INC.
CIVIL ENGINEERING & SURVEYING
7979 HUB PARKWAY • VALLEY VIEW, OHIO 44125 • (216) 642-1130
FAX • (216) 642-1132

EXHIBIT

B

Eaton Estate
Block 1-C
Sub Parcel "A"

August, 1994

LEGAL DESCRIPTION

Situated in the Township of Sagamore Hills, County of Summit, and State of Ohio, and known as being part of Block 1-C in Eaton Estate Phase 1A of part of Original Northfield Township Lot 63, as recorded in Cabinet J, Slides 671-682 of Summit County Map Records, and bounded and described as follows:

Beginning at an iron monument found in the centerline of Acadia Drive, variable width, at its intersection with the centerline of Shorthorn Drive, 60 feet wide;

Thence northerly along the curved centerline of Acadia Drive, being the arc of a curve deflecting to the right, 201.76 feet to a point, said arc having a radius of 630.00 feet and a chord which bears North 26 degrees 01 minute 05 seconds East, 200.90 feet;

Thence South 54 degrees 48 minutes 27 seconds East, 30.00 feet to an iron pin set in the easterly curved line of Acadia Drive and the principal place of beginning of the parcel herein described;

Thence South 54 degrees 57 minutes 54 seconds East, 219.53 feet to an iron pin set;

Thence South 60 degrees 15 minutes 55 seconds East, 133.34 feet to an iron pin set;

Thence North 78 degrees 42 minutes 03 seconds East, 55.00 feet to an iron pin set;

Thence southerly along the arc of a curve deflecting to the right, 35.79 feet to an iron pin set, said arc having a radius of 375.00 feet and a chord which bears South 08 degrees 33 minutes 54 seconds East, 35.77 feet;

Thence North 80 degrees 37 minutes 19 seconds East, 170.61 feet to an iron pin set in the westerly line of Block "1-A" in said Eaton Estate Phase 1A;

Thence South 09 degrees 22 minutes 41 seconds East along the westerly line of Block "1-A", 332.71 feet to an iron pin set at an angle point therein;

Thence South 23 degrees 12 minutes 39 seconds West continuing along the westerly line of Block "1-A", 221.61 feet to an iron pin set in the northerly line of Valley View Road, variable width;

OR 1805- 677

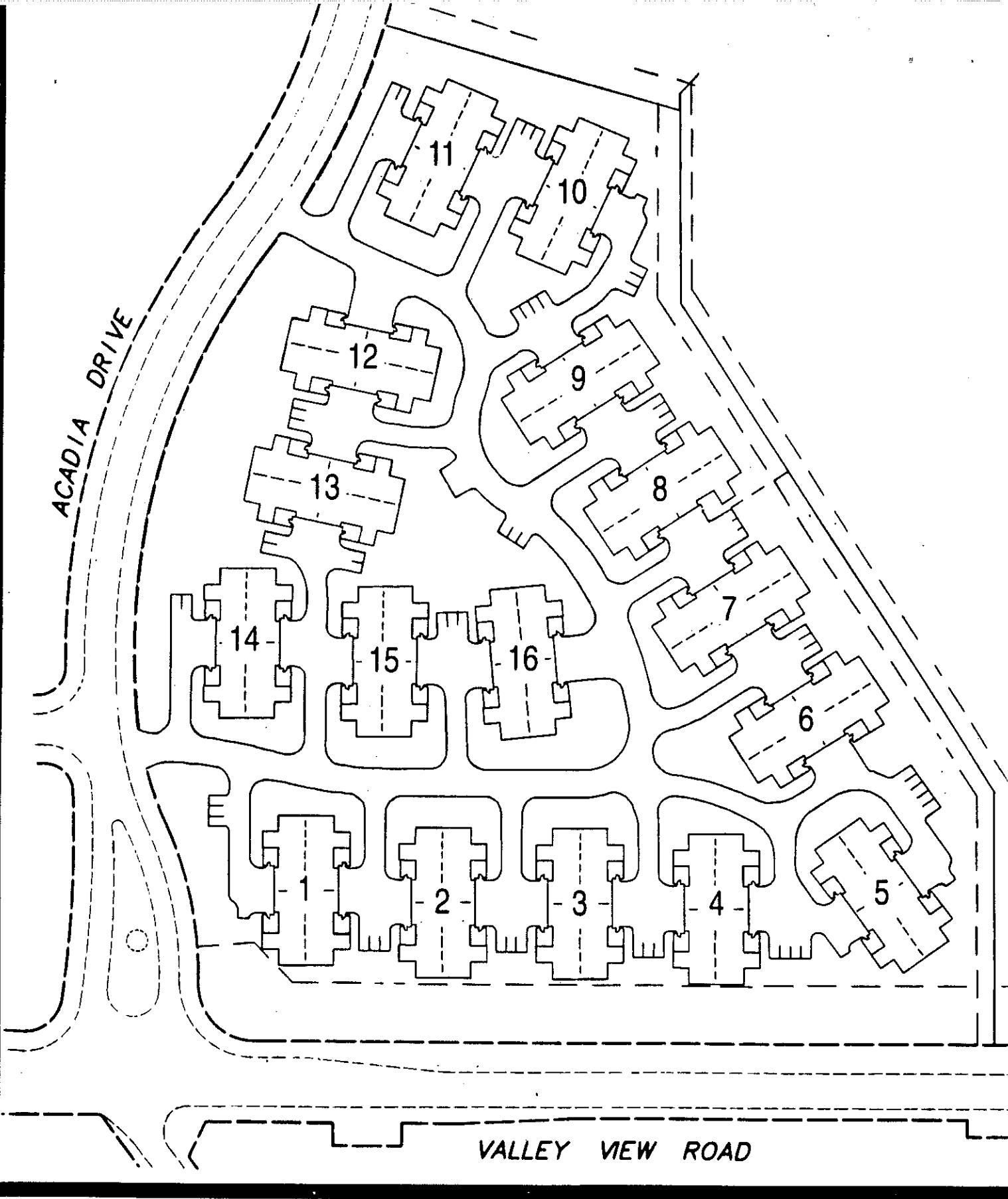
EXHIBIT C

ARTICLES OF INCORPORATION

OF

VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

ACADIA DRIVE



VALLEY VIEW ROAD

ARTICLES OF INCORPORATION

OF

VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

The undersigned, a citizen of the United States, desiring to form a corporation, NOT FOR PROFIT, under Sections 1702.01 et seq. of the Ohio Revised Code, does hereby certify:

FIRST: NAME.

The name of the corporation shall be Villas at Eaton Estate Homeowners' Association.

SECOND: LOCATION OF PRINCIPAL OFFICE.

The place in Ohio where the principal office of the corporation is to be located is the Sagamore Hills Township, County of Summit, Ohio.

THIRD: DEFINITIONS.

The following definitions are applicable to these Articles of Incorporation:

1. Association means Villas at Eaton Estate Homeowners' Association, a non-profit Ohio corporation, its successors and assigns.
2. Declaration means Declaration of Easements, Covenants and Restrictions which will be filed for record in the office of the Summit County, Ohio Recorder.
3. Declarant means Heartland Villas of Eaton, Inc., and any successor(s) who stands in the same relation to Villas at Eaton Estate as Heartland Villas of Eaton, Inc. does upon execution hereof.
4. Member means a member of the Association, being the Declarant and Owners.
5. Owner means any person who holds, whether or not in possession, record fee simple title or a leasehold estate of fifty years or more in any Lot within Villas at Eaton Estate. The word "Owner" shall not include any Person holding, whether or not of record, a non-possessory future interest or a leasehold estate having a term of less than fifty years. Further, an Owner shall not include Persons having an interest merely as security for the performance of an obligation unless and until said Person shall have acquired title pursuant to foreclosure or any act or proceeding in lieu of foreclosure.

6. Lot means a portion of Villas at Eaton Estate as designated on Tax Split Map approved by the Planning Commission of the Sagamore Hills Township, and which is intended to have a Residence constructed thereon. There are intended to be _____ () Lots in Villas at Eaton Estate, as such amount may be expanded by the addition of additional property up to sixty-four (64) homes.

7. Home means a dwelling or a portion thereof providing separate and complete living, cooking, sleeping, bathing and toilet facilities for one family.

Any capitalized terms used in these Articles and not otherwise defined herein shall have the meanings ascribed to such terms in the Declaration.

FOURTH: PURPOSES.

The principal purposes of the Association are:

1. To own, maintain, repair, replace, manage and operate the Common Area of Villas at Eaton Estate.
2. To establish Rules, regulations and criteria applicable to Villas at Eaton Estate.
3. To establish an orderly and efficient system of billing to pay for the expenses incurred in the furtherance of the purposes of the Association.
4. To carry out the responsibilities and obligations of the Association set forth in the Declaration, to exercise the rights set forth in the Declaration, and to perform such acts and deeds as are deemed necessary to achieve the aforesaid objectives.

FIFTH: POWERS.

The Association shall have the power to engage in any lawful act pursuant to Chapter 1702 of the Ohio Revised Code deemed by it necessary or desirable to accomplish the purposes set forth in ARTICLE FOURTH of these Articles and to protect the lawful rights and interests of its members in connection therewith.

SIXTH: DURATION.

The duration of the Association shall be in per pertuity.

SEVENTH: MEMBERSHIP AND VOTING RIGHTS.

1. Membership. The Declarant and each Owner upon becoming an Owner, shall automatically be a Member of the Association.

2. Classes of Membership. The membership of the Association is and shall be divided into the two following classes:

(a) Class A Members. The Class A Membership consists of every Owner of a Lot other than Declarant.

(b) Class B Member. The Declarant shall be the Class B Member. Upon conveyance of a Lot, the Declarant shall cease to be a Class B Member with respect to that Lot and the grantee thereof shall be a Class A Member.

EIGHTH: BOARD OF TRUSTEES.

The persons vested with the authority to conduct the affairs of the Association shall be known as the Board of Trustees. The following persons having the addresses set forth opposite their respective names, shall serve the Association as Trustees until the first annual meeting or other meeting called to elect Trustees:

PATRICIA P. KLINE	29425 Chagrin Blvd., Suite 211 Pepper Pike, Ohio 44122
J. GORDON PRIEMER	29425 Chagrin Blvd., Suite 211 Pepper Pike, Ohio 44122
ROBERT T. WETZEL	29425 Chagrin Blvd., Suite 211 Pepper Pike, Ohio 44122

NINTH: INDEMNITY.

Each member of the Board of Trustees and each officer of the Association and each former member of the Board of Trustees and officer of the Association shall be indemnified by the Association against the costs and expenses reasonably incurred by him or her in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he or she is or may be made a party by reason of being or having been such Board Member or officer of the Association (whether or not he or she is a member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for misconduct or gross negligence in the performance of his or her duty as such Board Member or officer. In case of a settlement of any action, suit or proceeding to which any Board Member or officer of the Association, or any former Board Member or officer of the Association, is made a party or which may be threatened to be brought against him or her by reason of his being or having been a Board Member or officer of the Association, he or she shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him or her in connection with such action, suit or

proceeding (whether or not he or she is a Board Member or officer at the time of incurring such costs and expense), if (A) the Association shall be advised by independent counsel that such Board Member or officer did not misconduct himself or herself or was not grossly negligent in the performance of his duty as such Board Member or officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Board Member or officer (and all Board Members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board Member and officers as a result of such settlement, (B) disinterested Association members entitled to exercise the majority of the voting power shall, by vote, at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board Member or officer of such costs and expenses, or (c) a court of law finds by a preponderance of evidence that Board Member did not misconduct himself or be grossly negligent. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board Member or officer of the Association who was a party to or threatened with such action, suit or proceeding, (ii) any corporation or organization of which such Board Member or officer owns of record or beneficially one percent (1%) or more of any class of voting securities, (iii) any firm of which such Board Member or officer is a partner and (iv) any spouse, child, parent, brother or sister of any such Board Member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board Member or officer and shall not be exclusive of other rights to which any Board Member or officer may be entitled to or granted pursuant to Section 1701.12(E) of the Ohio Revised Code, as a matter of law, or under the Declaration, these Articles, the Bylaws of the Association, any vote of Members, or any agreement.

IN WITNESS WHEREOF, I subscribe my name this _____ day of _____, 1994.

2112 EAST OHIO SERVICE CORP.

By: _____
Kevin M. Hinkel, Vice President

ARTICLES OF INCORPORATION

OF

VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION



The undersigned, a citizen of the United States, desiring to form a corporation, NOT FOR PROFIT, under Sections 1702.01 et seq. of the Ohio Revised Code, does hereby certify:

FIRST: NAME.

The name of the corporation shall be Villas at Eaton Estate Homeowners' Association.

SECOND: LOCATION OF PRINCIPAL OFFICE.

The place in Ohio where the principal office of the corporation is to be located is the Sagamore Hills Township, County of Summit, Ohio.

THIRD: DEFINITIONS.

The following definitions are applicable to these Articles of Incorporation:

1. Association means Villas at Eaton Estate Homeowners' Association, a non-profit Ohio corporation, its successors and assigns.
2. Declaration means Declaration of Easements, Covenants and Restrictions which will be filed for record in the office of the Summit County, Ohio Recorder.
3. Declarant means Heartland Villas of Eaton, Inc., and any successor(s) who stands in the same relation to Villas at Eaton Estate as Heartland Villas of Eaton, Inc. does upon execution hereof.
4. Member means a member of the Association, being the Declarant and Owners.
5. Owner means any person who holds, whether or not in possession, record fee simple title or a leasehold estate of fifty years or more in any Lot within Villas at Eaton Estate. The word "Owner" shall not include any Person holding, whether or not of record, a non-possessionary future interest or a leasehold estate having a term of less than fifty years. Further, an Owner shall not include Persons having an interest merely as security for the performance of an obligation unless and until said Person shall have acquired title pursuant to foreclosure or any act or proceeding in lieu of foreclosure.

6. Lot means a portion of Villas at Eaton Estate as designated on Tax Split Map approved by the Planning Commission of the Sagamore Hills Township, and which is intended to have a Residence constructed thereon. There are intended to be _____ () Lots in Villas at Eaton Estate, as such amount may be expanded by the addition of additional property up to sixty-four (64) homes.

7. Home means a dwelling or a portion thereof providing separate and complete living, cooking, sleeping, bathing and toilet facilities for one family.

Any capitalized terms used in these Articles and not otherwise defined herein shall have the meanings ascribed to such terms in the Declaration.

FOURTH: PURPOSES.

The principal purposes of the Association are:

1. To own, maintain, repair, replace, manage and operate the Common Area of Villas at Eaton Estate.
2. To establish Rules, regulations and criteria applicable to Villas at Eaton Estate.
3. To establish an orderly and efficient system of billing to pay for the expenses incurred in the furtherance of the purposes of the Association.
4. To carry out the responsibilities and obligations of the Association set forth in the Declaration, to exercise the rights set forth in the Declaration, and to perform such acts and deeds as are deemed necessary to achieve the aforesaid objectives.

FIFTH: POWERS.

The Association shall have the power to engage in any lawful act pursuant to Chapter 1702 of the Ohio Revised Code deemed by it necessary or desirable to accomplish the purposes set forth in ARTICLE FOURTH of these Articles and to protect the lawful rights and interests of its members in connection therewith.

SIXTH: DURATION.

The duration of the Association shall be in per pertuity.

SEVENTH: MEMBERSHIP AND VOTING RIGHTS.

1. Membership. The Declarant and each Owner upon becoming an Owner, shall automatically be a Member of the Association.

2. Classes of Membership. The membership of the Association is and shall be divided into the two following classes:

(a) Class A Members. The Class A Membership consists of every Owner of a Lot other than Declarant.

(b) Class B Member. The Declarant shall be the Class B Member. Upon conveyance of a Lot, the Declarant shall cease to be a Class B Member with respect to that Lot and the grantee thereof shall be a Class A Member.

EIGHTH: BOARD OF TRUSTEES.

The persons vested with the authority to conduct the affairs of the Association shall be known as the Board of Trustees. The following persons having the addresses set forth opposite their respective names, shall serve the Association as Trustees until the first annual meeting or other meeting called to elect Trustees:

PATRICIA P. KLINE 29425 Chagrin Blvd., Suite 211
Pepper Pike, Ohio 44122

J. GORDON PRIEMER 29425 Chagrin Blvd., Suite 211
Pepper Pike, Ohio 44122

ROBERT T. WETZEL 29425 Chagrin Blvd., Suite 211
Pepper Pike, Ohio 44122

NINTH: INDEMNITY.

Each member of the Board of Trustees and each officer of the Association and each former member of the Board of Trustees and officer of the Association shall be indemnified by the Association against the costs and expenses reasonably incurred by him or her in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he or she is or may be made a party by reason of being or having been such Board Member or officer of the Association (whether or not he or she is a member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for misconduct or gross negligence in the performance of his or her duty as such Board Member or officer. In case of a settlement of any action, suit or proceeding to which any Board Member or officer of the Association, or any former Board Member or officer of the Association, is made a party or which may be threatened to be brought against him or her by reason of his being or having been a Board Member or officer of the Association, he or she shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him or her in connection with such action, suit or

proceeding (whether or not he or she is a Board Member or officer at the time of incurring such costs and expense), if (A) the Association shall be advised by independent counsel that such Board Member or officer did not misconduct himself or herself or was not grossly negligent in the performance of his duty as such Board Member or officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Board Member or officer (and all Board Members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board Member and officers as a result of such settlement, (B) disinterested Association members entitled to exercise the majority of the voting power shall, by vote, at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board Member or officer of such costs and expenses, or (c) a court of law finds by a preponderance of evidence that Board Member did not misconduct himself or be grossly negligent. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board Member or officer of the Association who was a party to or threatened with such action, suit or proceeding, (ii) any corporation or organization of which such Board Member or officer owns of record or beneficially one percent (1%) or more of any class of voting securities, (iii) any firm of which such Board Member or officer is a partner and (iv) any spouse, child, parent, brother or sister of any such Board Member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board Member or officer and shall not be exclusive of other rights to which any Board Member or officer may be entitled to or granted pursuant to Section 1701.12(E) of the Ohio Revised Code, as a matter of law, or under the Declaration, these Articles, the Bylaws of the Association, any vote of Members, or any agreement.

IN WITNESS WHEREOF, I subscribe my name this 20th day of December, 1994.

2112 EAST OHIO SERVICE CORP.

By: Kevin M. Hinkel, V-P
Kevin M. Hinkel, Vice President

ORIGINAL APPOINTMENT OF AGENT

The undersigned, being the sole incorporator of Villas at Eaton Estate Homeowners' Association (the "Corporation) does hereby appoint 2112 East Ohio Service Corp., an Ohio corporation, as its statutory agent for said Corporation, upon whom any process, notice or demand required or permitted by statute to be served upon the Corporation may be served.

The complete address of the above-referenced agent is 2112 East Ohio Service Corp., 2112 East Ohio Bldg., 1717 East Ninth Street, Cleveland, Ohio 44114.

2112 East Ohio Service Corp.

12/20/94
Date

By: *Kevin M. Hinkel*
Kevin M. Hinkel, Vice President

"Sole Incorporator"

VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

Gentlemen: 2112 East Ohio Service Corp. hereby accepts your appointment as agent of your corporation upon whom process, tax notices or demands may be served.

2112 East Ohio Service Corp.

12/20/94
Date

By: *Kevin M. Hinkel*
Kevin M. Hinkel
Vice President

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ORIGINAL APPOINTMENT OF AGENT

The undersigned, being the sole incorporator of Villas at Eaton Estate Homeowners' Association, hereby appoints 2112 East Ohio Service Corp., an Ohio corporation, as the Statutory Agent for said Association, upon whom any process, notice or demand required or permitted by statute to be served upon the Corporation, may be served. The complete address is:

2112 East Ohio Service Corp.
2112 East Ohio Building
1717 East Ninth Street
Cleveland, Ohio 44114

2112 EAST OHIO SERVICE CORP.

By: _____
Kevin M. Hinkel, Vice President

"Sole Incorporator"

Dated: _____, 1994
Cleveland, Ohio

OR 1805- 683

EXHIBIT D

BYLAWS OF
VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

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VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

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BYLAWS OF
VILLAS AT EATON ESTATE HOMEOWNERS' ASSOCIATION

ARTICLE I

DEFINITIONS

Definitions in Articles of Incorporation.

The definitions set forth in Section 2.2 of the Declaration of Easements, Covenants and Restrictions ("Declaration") shall be applicable to the words and terms used in these Bylaws unless expressly otherwise provided herein or unless the context otherwise requires.

ARTICLE II

THE ASSOCIATION

Section 1. Name and Nature of Association.

The Association shall be an Ohio nonprofit corporation called "Villas at Eaton Estate Homeowners' Association".

Section 2. Membership and Voting Rights.

The membership of the Association is divided into two Classes namely, Class A Members, and Class B Members. The voting rights for each class of membership is described in the Declaration.

Section 3. Proxies.

Members may vote or act in person or by proxy. The person appointed as proxy need not be a Member of the Association. Each proxy shall be executed in writing by the Member entitled to vote or by his duly authorized attorney-in-fact and filed with the Secretary of the Association.

Section 4. Meeting of Members.

(a) Annual Meeting. The annual meeting of Members of the Association for the election of members of the Board and the transaction of such other business as may properly be brought before such meeting shall be held at such place within eight (8) miles of Villas at Eaton Estate as may be designated by either the Board or the President and specified in the notice of such meeting, at 8:00 p.m. or at such other time as may be designated by the Board

or the President and specified in the notice of the meeting. The first annual meeting of Members of the Association shall be held when determined by Declarant, but shall not be later than on the first Tuesday of the fourth month following the end of the first fiscal year of the Association following the date that Declarant shall convey all Homes to Owners, as the number of Homes may be increased from time-to-time by the addition of land to the Property in accordance with the Declaration if not a legal holiday, and if a legal holiday, then on the next succeeding business day. Subsequent annual meetings of Members of the Association shall be held on the first Tuesday following the anniversary of the first annual meeting if not a legal holiday, and, if a legal holiday, then the next succeeding business day.

(b) Special Meeting. Special meetings of the Members shall be called upon the written request of the Declarant, the President of the Association or, in case of the President's absence, death or disability, the Vice-President of the Association, a majority of the members of the Board acting either with or without a meeting, or Members entitled to exercise at least twenty-five percent (25%) of the total voting power of the Association. Upon request in writing for a special meeting delivered either in person or by certified mail to the President or the Secretary of the Association by any persons entitled to call a meeting of Members such officer shall forthwith cause to be given to the Members entitled thereto notice of a meeting to be held on a date not less than five (5) or more than thirty (30) days after the receipt of such request as such officer may fix. If such notice is not given within thirty (30) days after delivery of mailing of such request, the persons calling the meeting may fix the date and place of the meeting and give notice thereof. Each special meeting shall be called to convene at 8:00 o'clock P.M. and shall be held at such place on Villas at Eaton Estate or off Villas at Eaton Estate but within eight (8) miles of Villas at Eaton Estate as shall be specified in the notice of meeting. No business other than that specified in the call shall be considered at any special meeting.

(c) Notices of Meetings. Not less than five (5) nor more than sixty (60) days before the day fixed for a meeting of the Members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery or by mail to each Member of the Association. If mailed, the notice shall be addressed to the Members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of Members of the Association may be waived in writing, either before or after the holding of such meeting, by any Member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member of the Association at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting.

(d) Quorum; Adjournment. At any meeting of the Members of the Association, the Members of the Association entitled to exercise fifty percent (50%) of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration, by the Articles or by these Bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided, further, that the Members of the Association entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time.

(e) Order of Business. The order of business at all meetings of Members of the Association shall be as follows:

- (i) Calling of meeting to order
- (ii) Proof of notice of meeting or waiver of notice
- (iii) Reading of minutes of preceding meeting
- (iv) Reports of officers
- (v) Reports of committees
- (vi) Appointment or election of inspectors of election
- (vii) Election of members of Board (if applicable)
- (viii) Unfinished and/or old business
- (ix) New business
- (x) Adjournment

ARTICLE III

BOARD OF TRUSTEES

Section 1. Number and Qualification.

Until the first annual meeting of Members of the Association, the Board of Trustees shall consist of three persons designated in ARTICLE EIGHTH of the Articles, subject to a vacancy or vacancies being filled by the Declarant, at its option, or the remaining Trustees as

permitted in Section 2 of this ARTICLE III. None of such three persons or their replacements need be Members. Until the first annual meeting, Declarant may substitute replacement trustees for the named Trustees. At the time of the first annual meeting of Members of the Association the three persons serving as Trustees as provided above shall resign and thereafter the Board of Trustees shall consist of three (3) persons (two of whom must be Members) elected by Members of the Association as provided in Sections 2 and 3 of this Article III.

Section 2. Election of Board; Vacancies.

Board members shall be elected at the annual meeting of Members of the Association or at a special meeting called for such purpose except that prior to the first annual meeting of Members, only the Trustees designated in the Articles or their replacements shall have the right to call such a meeting. At a meeting of Members of the Association at which Board members are to be elected, only persons nominated as candidates shall be eligible for election as board members and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board, however caused, the remaining Board members, though less than a majority of the whole authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term.

Section 3. Term of Office; Resignations.

Each Board member shall hold office until the annual meeting of the Members of the Association held for the election of his or her position and until his successor is elected, or until his or her earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting of the Members of the Association called for the purpose of electing the Board, the term of office of one Board member shall be fixed so that such term will expire one year from and after the date of the next following annual meeting of Members of the Association. The term of office of the remaining two Board members shall be fixed so that such term will expire at the date of the next following annual meeting of Members of the Association. At the expiration of such initial term of office of each respective Board member, his or her successor shall be elected to serve for a term of two (2) years. If the number of Board members is increased, such new members shall, also, serve for a term of two years, with their initial terms being similarly staggered. The term (or terms) of the first new members may be less than two years, if necessary, to properly stagger the expiration dates of the Board.

Section 4. Organizational Meeting.

Promptly after each annual meeting of Members of the Association, the newly elected Board members and those Board members whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 5. Regular Meeting.

Regular meetings of the Board may be held at such times and places as shall be determined by a majority of the Board, but at least one such meeting shall be held during each four (4) month period.

Section 6. Special Meetings.

Special meetings of the Board may be held at any time upon call by the President or any two Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram, telecopy or telephone at least two days before the meeting, which notice need not specify the purposes of the meeting; provided, however, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting, and such notice may be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 7. Quorum; Adjournment.

A quorum of the Board shall consist of a majority of the number of persons then serving as Board members; provided that a majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these Bylaws.

Section 8. Powers and Duties.

Except as otherwise provided by law, the Declaration, the Articles or these Bylaws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Declaration and subject to the limitations prescribed by law, the Declaration, the Articles or these Bylaws, the Board shall have the right to do all things permitted by law and exercise all powers and authority of the Association.

Section 9. Removal of Members of Board.

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

Section 10. Fidelity Bonds.

The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the Association and shall be "Common Costs".

Section 11. Actions Without a Meeting.

All actions which may be taken at a meeting of the Board may be taken without a meeting with the approval of and in a writing signed by all members of the Board then serving as such.

ARTICLE IV

OFFICERS

Section 1. Election and Designation of Officers.

The Board shall elect a President, a Vice President, a Secretary and a Treasurer. The President shall be a member of the Board, and some or all of the remaining officers may, but need not be, members of the Board. The Board may also appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary who may or may not be members of the Board but who must be Members of the Association. One person may hold more than one office.

Section 2. Term of Office; Vacancies.

The officers of the Association shall hold office until the next organizational meeting of the Board and until their successors are elected, except in case of resignation, removal from office or death. The Board may remove any officer at any time with or without cause

by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

Section 3. President.

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

Section 4. Vice President.

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

Section 5. Secretary.

The Secretary shall keep the minutes of meetings of the Members of the Association and of the Board. The Secretary shall keep such books as may be required by the Board, shall give notices of meetings of Members of the Association and of the Board as required by law, the Declaration or by these Bylaws and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise as provided for in the Declaration or in these Bylaws.

Section 6. Treasurer.

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

Section 7. Other Officers.

The Assistant Secretaries and Assistant Treasurers, if any, and any other officer whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board.

Section 8. Delegation of Authority and Duties.

The Board is authorized to delegate the authority and duties of any officer to any other officer, to a managing agent or to a management company, or to any one or more of them, and generally to control the action of the officers and managing agent or management company and to require the performance of duties and in addition to those mentioned herein. The execution of a management agreement with a managing agent or management company which authorizes or requires the managing agent or management company to perform certain duties shall be deemed to be a delegation and authorization to such managing agent or management company of such duties and of all power and authority necessary to carry out such duties.

Section 9. Compensation of Officers and Trustees.

Officers and Trustees shall serve without compensation except that the Association shall reimburse such Officers or Trustees for out-of-pocket expenses incurred in connection with the exercise of their duties hereunder, pursuant to such reasonable Rules as the Board may, at its election, adopt.

ARTICLE V

APPLICABLE LAWS; PRIORITY OF DOCUMENTS

- (a) Chapter 1702 of the Ohio Revised Code,
- (b) The Declaration,
- (c) The Articles,
- (d) These Bylaws, and
- (e) The Rules

shall be attempted to be interpreted as a harmonious whole, and the Association shall be subject to and governed by all of such laws, documents and Rules. In the event of any direct inconsistency in any provisions in any of the foregoing, the provisions, in the law or document first above listed shall be given priority; provided, however, that all inconsistencies between or among the permissive provisions of Chapter 1702 of the Ohio Revised Code and any provisions of any documents or Rules, listed later, shall be resolved in favor of the documents or Rules listed later.

ARTICLE VI

FINANCES OF ASSOCIATION (ASSESSMENTS)Section 1. Preparation of Estimated Budget.

On or before December 15 of each year after the Declarant has conveyed all Lots in Villas at Eaton Estate to Class A Owners, the Association shall estimate the total amount necessary to pay all of the Common Costs for each succeeding calendar year together with any income the Association may receive. On or before December 21, the Association shall notify each Member in writing as to the amount of such estimates. The failure of the Association to comply strictly with the above time requirements shall not be deemed to be a waiver and shall not prevent the Association from collecting Assessments for Common Costs. The net of the aggregate amounts of such estimates of the next calendar year shall be assessed to those Members required to pay such Assessments according to and as specifically set forth in the Declaration. Each Member required to pay Assessments shall pay to the 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 quarterly or monthly, in advance. On or before the date of each annual meeting following the first annual meeting, the Association shall furnish to all Members an itemized accounting of the Common Costs for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, by 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 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.

Section 2. Books and Records of Association.

The Association shall keep full and correct books of account. The books and records shall be open for inspection by any Class A or Class B Member or his representative duly authorized in writing, at such reasonable time or times during normal business hours as may be requested. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Class A Member or Class B Member shall be furnished a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing.

Section 3. Status of Funds Collected by Association.

All funds collected hereunder shall be held and expended solely for the purposes designated herein and shall be deemed to be held for the use, benefit and account of all Members required to pay Assessments pursuant to the Declaration.

Section 4. Reserve Fund.

Subject to the terms of Section 11.3 of the Declaration, the Board shall establish and maintain for the Association a reasonable reserve fund for replacements of Common Area, exterior walls, roofs and other property required to be maintained, repaired and replaced by the Association, in such amount as the Board may deem necessary. The reserve shall be funded through regular Assessments for Common Costs. Upon the sale of a Lot and/or Home by any Owner, such Owner shall have no right to any portion of the funds in the reserve account; nor shall such Owner have any claim against the Association with respect thereto. Extraordinary expenditures incurred in any year which were not originally included in the estimated cash requirement for such year shall be charged first against the reserve fund. The amount of the reserve fund shall be reviewed annually by the Board.

Section 5. Initial Capital Contribution.

In addition to the regular monthly Assessments, each purchaser of a Lot from the Declarant will be required to make, at the time such purchaser acquires title to a Lot, an initial working capital contribution to the Association equal to twice the estimated monthly Assessment for Common Costs for such Lot as determined by the Declarant in Declarant's sole discretion. The general purpose of this contribution is to provide the Association with a portion of the necessary initial working capital. Such funds may be used to reimburse the Declarant for certain prepaid items (e.g., insurance premiums, utility deposits and organizational, equipment and supply costs) and for such other purposes as the Board may determine. This initial working capital contribution is not an escrow or advance, it is not refundable and shall not be required of the Declarant, but only from those Persons who or which purchase a Lot from the Declarant. Upon sale of a Lot by an Owner (other than Declarant) such Owner shall have no right to all or any part of the initial capital contribution or any other part of the funds held by the Association, nor shall such Owner have any claim against the Association in respect thereto.

Section 6. Lien of Unpaid Assessments - Interest Charges - Late Payment Charges.

Unpaid Assessments shall be a lien upon the Lot in the manner specified in the Declaration. The Board may charge interest as provided in the Declaration. The Board may also assess a late payment charge for any payment not paid when due as provided in the Declaration.

Section 7. Remedies for Failure to Pay Assessments.

The Board and the Declarant shall have all remedies for failure to pay Assessments set forth in the Declaration or available in law or in equity, and each such right in remedy of the Declarant and the Board shall be cumulative and non-exclusive.

Section 8. Statement of Unpaid Assessments.

Upon seven (7) days prior written notice to the Board and upon obtainment of a reasonable fee established by the Board, any Owner or existing or prospective mortgagee shall be furnished a statement of the account of such Owner setting forth the amount of any unpaid Assessments or other charges due and owing from such Owner. Any perspective purchaser or mortgagee may rely upon such statement.

ARTICLE VII

AMENDMENT

These Bylaws may be amended to the same extent and in the same manner as the Declaration may be amended.