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DECLARATION OF CONDOMINIUM OWNERSHIP

FOR

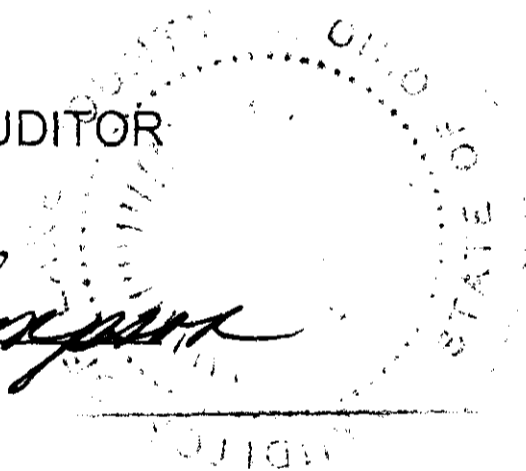
THE RETREAT AT RIVER'S EDGE CONDOMINIUMS

PHASE I

This will certify that a copy of this Declaration, together with the Drawings, By-Laws, and other Exhibits referred to therein, were filed in the office of the County Auditor, Lake County, Ohio on 5-24, 2003: 2004

COUNTY AUDITOR

BY: *MJ Thompson*
Deputy



This Instrument Prepared By:
David J. Richards, Jr., Esq.
60 South Park Place
Painesville, Ohio 44077
(440) 946-7656

2004R023366

LAKE COUNTY OHIO
RECORDED ON

05-24-2004 10:31 AM

FRANK A SUPONCIC
LAKE COUNTY RECORDER

NOTICE

REC. FEE: 524.00
PAGES: ~~84~~ 65 els

GRANTOR HAS A RIGHT TO MAKE TECHNICAL CHANGES IN THIS INSTRUMENT TO REFLECT THE THEN EXISTING DEVELOPMENT OF THE RETREAT AT RIVER'S EDGE CONDOMINIUMS.

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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
THE RETREAT AT RIVER'S EDGE CONDOMINIUMS**

WHEREAS, MADKATS Builders, LLC, an Ohio Limited Liability Company, (hereinafter referred to as the "Grantor" or as the "Developer") is the owner in fee simple of the real property and land described as Parcels I and II in Exhibit "A" attached hereto and hereby made a part hereof; and

WHEREAS, Grantor desires to submit the real property and land described as Parcel I in Exhibit "A" attached hereto and hereby made a part hereof, together with the improvements thereon constructed, and herein described (hereinafter referred to as the "Premises"), to the provisions of Chapter 5311 of the Ohio Revised Code (hereinafter referred to as the "Condominium Act") as Condominium Property which will be thereby established and shall be known under the name and style of "*THE RETREAT AT RIVER'S EDGE CONDOMINIUMS*"; and

WHEREAS, it is the desire of Grantor to provide for the possible future submission of all or any part of the land described as Parcel II and/or Additional Lands in Exhibit "A", together with improvements to be constructed thereto, to the provisions of the Condominium Act and to add the same to the Condominium Property established pursuant to this instrument at varying times and as varying phases as Grantor may from time to time determine, but subject to and in accordance with the limitations and restrictions hereinafter set forth.

NOW THEREFORE, Grantor does hereby submit Parcel I described in Exhibit "A" attached hereto and hereby made a part hereof to the Condominium Act as Condominium Property and hereby declares:

I. LEGAL DESCRIPTIONS AND DEFINITIONS

A. Legal Descriptions.

- I. The legal description of the Premises is set forth as Parcel I on Exhibit "A" attached hereto and hereby made a part hereof.
2. The legal descriptions of additional property and land which Grantor may in the future submit to provisions of the Condominium Act is set forth as Parcel II and/or Additional Lands on Exhibit "A" attached hereto and hereby made a part hereof.

B. Definitions. The following terms used herein are defined as follows:

1. "Unit" means a unit in *THE RETREAT AT RIVER'S EDGE CONDOMINIUMS* which is a "Unit" as defined in Section 5311.01(I)(1), Ohio Revised Code.
2. "Association" means The Retreat at River's Edge Condominium Unit Owners Association, Inc. which will be a "Unit Owners Association" as defined in Section 5311.01 (L), Ohio Revised Code.
3. "Condominium Property" and "Premises" means and includes the land described herein as the Premises and described as Parcel I in Exhibit "A", together with all buildings, improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property incident thereto, in *THE RETREAT AT RIVER'S EDGE CONDOMINIUMS* which are hereby being submitted to the provisions of the Condominium Act; provided, however, that if and when at varying times and phases all or any part of Parcel II and/or Additional Lands is added to the Condominium Property pursuant to the provisions of Article XX of this Declaration, the term "Condominium Property" shall also include all or the part of the land in Parcel II and/or Additional Lands, as the case may be, which is added to the Condominium Property pursuant to Article XX of the Declaration and all buildings, improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property incident thereto and thereon.
4. "Phase I" means the Condominium Property or the Premises.
5. "Limited Common Areas and Facilities" means and includes those COMMON AREAS AND FACILITIES designated in this Declaration or the Drawings which are filed herewith as reserved for use of a certain Unit or Units to the exclusion of the other Units in *THE RETREAT AT RIVER'S EDGE CONDOMINIUMS*.
6. "Owner" means the Unit Owner in *THE RETREAT AT RIVER'S EDGE CONDOMINIUMS* who is a "Unit Owner" as defined in Section 5311.01 (J), Ohio Revised Code.
7. All other terms and/or words used herein which are defined in Chapter 5311 of the Ohio Revised Code have the same meaning herein as set forth therein.

II. NAME

The Condominium Property shall be known as *THE RETREAT AT RIVER'S EDGE CONDOMINIUMS*.

III. THE PURPOSE OF AND RESTRICTIONS ON USE OF CONDOMINIUM PROPERTY

A. Purpose. The Condominium Property shall be used for single family residence purposes and common purposes auxiliary thereto, in accordance with the Condominium Act, this Declaration, the By-Laws, and the rules and regulations of the Association pertaining thereto, and for no other purpose except purposes reserved to Grantor herein. A Unit Owner may use a portion of an Owner's Unit for Unit Owner's office or studio provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other Owner or occupant, and provided further that in no event shall any part of the Condominium Property be used as a school or music studio, and provided further that the use of the Unit as aforesaid is in full compliance with any applicable zoning law or ordinance.

B. Restrictions.

1. Obstruction and Maintenance. There shall be no obstruction of the Common Areas and Facilities nor shall anything be stored in the Common Areas and Facilities without the prior consent of the Association, except as hereinafter expressly provided, or as otherwise provided in the By-Laws. Each Owner shall be obligated to maintain and keep in good order and repair the Owner's Unit.

2. Hazardous Uses and Waste. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or Limited Common Areas and Facilities which will increase the rate of insurance on the Condominium Property, or any contents thereof, applicable for residential use, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in the Owner's Unit or in the Common Areas and Facilities or in the Limited Common Areas and Facilities which will result in the cancellation of insurance on the Condominium Property, or any contents thereof, or which would be in violation of any law, statute, ordinance, rule, regulations or order of any governmental authority or of the Association. No waste will be committed on any part of the Condominium Property.

3. Exterior Surfaces of Buildings. No Owner shall cause or permit anything to be hung or displayed on the outside or inside of windows (except that curtains, draperies, and blinds may be hung on the inside of windows) or placed on the outside walls of the building which is part of the Condominium Property and no sign, awning, canopy, shutter or radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof without the prior written consent of the Association, other than those originally provided by the Grantor, except to the extent that the preclusion of satellite dishes is prohibited by applicable federal laws or regulations.
4. Animals and Pets. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas or Facilities or Limited Common Areas and Facilities except that dogs, cats or other household pets may be kept in Units, not to exceed a maximum of two (2) per Unit, subject to rules and regulations, if any, hereafter adopted by the Association, provided that the same are not kept, bred or maintained for any commercial purposes; and provided further that any such pets when outside of a Unit, shall be kept on a leash or otherwise suitably restrained and further provided that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Condominium Property subject to these restrictions upon three (3) days written notice from the Board of Managers of the Association.
5. Nuisance. No noxious or offensive activity shall be carried on in any Unit or in, on or to the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants.
6. Impairment of Structural Integrity of Building. Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities or Limited Common Areas and Facilities which will impair the structural integrity of the building or which would structurally change the building.
7. Laundry or Rubbish in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Areas and Facilities or Limited Common Areas and Facilities. The Common Areas and Facilities and the Limited Common Areas and Facilities shall be kept free and clear of rubbish, debris and other unsightly materials.

8. Lounging or Storage in Common Areas and Facilities. There shall be no playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles (except for deliveries), benches or chairs on any part of the Common Areas and Facilities or Limited Common Areas and Facilities except in accordance with rules and regulations therefor which may be adopted by the Association.

9. Prohibited Activities. No industry, business, trade or occupation or profession of any kind, commercial, religious, educational or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any part of the Condominium Property, provided however, that for a period of seven (7) years following the date of recording this Declaration, the right is hereby reserved to Grantor and/or its agent or agents to use one or more Units, and/or other parts of the Condominium Property (including the Common Areas and Facilities), for business and/or promotional purposes, including clerical activities, sales and rental offices, model Units and the like, in connection with the sale, use or other disposition of the Units or other Units offered for sale or use by Grantor or its Affiliates, whether such Units are then part of the Condominium Property or separately used, owned or controlled by Grantor and its Affiliates. The term "Affiliates" as used herein, shall mean and include any person, firm or corporation owned, controlled or managed by Grantor or by Mark R. Moore. For said seven (7) year period, Grantor reserves to itself and its Affiliates and its respective agent or agents the right to place "For Sale" or "For Rent" signs on any Unit or on the Condominium Property, for the purpose of facilitating the disposal of Units by any Owner, mortgagee or the Association. Further, any persons, firms and/or corporations which may, from time to time, be designated by Grantor as sales agents (hereinafter sometimes referred to as "Agents") for Grantor in connection with the sale and/or lease of the Units to other persons, may, for said seven (7) year period, be the Owners of one or more Units as a step in the ultimate sale and/or lease of Units to such other persons; and, as the Agents, may hold title to the Units in the Agent's names or in the names of the Agent's nominees and the Units so owned by the Agents for said seven (7) year period may be used for any and all such business or promotional purposes, including clerical activities, sales and rental offices, model Units and the like, in connection with the sale, use or other disposition of any of said Unit or Units by the Agents, anything contained in this Declaration and/or the By-Laws notwithstanding.

10. Alteration of Common Areas and Facilities. Nothing shall be altered or constructed in or removed from the Common Areas and Facilities or Limited Common Areas and Facilities except as herein provided and except upon the prior written consent of the Association. The Association shall not unreasonably withhold its consent to alterations or constructions by a Unit Owner within the Limited Common Areas appurtenant to such Unit Owner's Unit.
11. Rental of Units. The respective Units shall not be rented by the Owners thereof except in compliance with the terms of the Declaration and rules and regulations adopted by the Association and in no event shall a Unit be rented by the Owners thereof pursuant to any governmental subsidized housing or rental program, including but not limited to so-called "Section 8 Housing" or federal or state tax credit housing; and in no event shall a Unit be rented by the owners thereof for "transient or hotel purposes", which "transient or hotel purposes" are hereby defined as (a) rental for any period less than six (6) months, or (b) any rental, if the occupants of the Units are provided any customary hotel service such as room service for food and beverage, maid service, furnishing of laundry and linen and/or bellboy service. Other than the foregoing obligations, and except as is otherwise provided in the Declaration, the Owners of the respective Units shall have the absolute right to lease the Unit provided that any said lease is made subject to the covenants and restrictions in this Declaration, the By-Laws and the rules and regulations of the Association pertaining thereto as amended, enacted, or established from time to time hereafter.

IV. GENERAL DESCRIPTION OF UNITS.

The Units created as a result of the submission hereof are contained in three (3) buildings, and said buildings contain a total of 6 Units. The buildings are constructed with wood frame and vinyl sided and cultured stone exterior walls, vinyl frame windows, a wood frame roof with fiberglass or asphalt shingle covering, wood floor joists and wall studs, and drywall. The buildings and the Units are shown on the Drawings which are marked Exhibit "B" and hereby made a part hereof and which are hereinafter referred to as the "Drawings".

V. INFORMATION ABOUT UNITS.

- A. Identifying Numbers of Units. Each Unit bears the identifying number designated on Exhibit "C" attached hereto and hereby made a part hereof. The legal description of each Unit shall consist of the identifying number of each such Unit as shown on the Drawings (Exhibit "B") and as set forth on Exhibit "C". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number as shown in the Drawings and on Exhibit "C", and every such description shall be deemed good and sufficient for all purposes as provided in the Condominium Act.

- B. Description of Units. Each of the Units shall consist of all of the space bounded by the horizontal and vertical planes formed by the undecorated interior surfaces of the perimeter walls, floors and ceilings of the Unit projected, if necessary, by reason of structural divisions such as interior walls and other partitions or roof rafters, to constitute a complete enclosure of space, provided that, where ever such undecorated surfaces consist of plaster or plasterboard all of such plaster or plasterboard contiguous to such surface shall be included within the Unit, but excepting the space occupied thereby lying outside of the perimeters of the Unit. The layout and dimensions of the Units are shown on the Drawings and include without limitation:
1. The decorated surfaces, including paint, lacquer, varnish, wallpaper, tile and any other finishing material applied to perimeter walls, floor and ceilings.
 2. The interior surface of all screens and doors, including the frames, sashes and jambs, and the space occupied thereby, and the entire panes of glass on all windows;
 3. All fixtures located within the bounds of a Unit, installed in and for the exclusive use of the Unit commencing at the point of disconnection from the structural body of the building and from utility pipes, lines or systems serving the entire building or more than one Unit thereof;
 4. All control knobs, switches, thermostats and base plugs, floor plugs and connections affixed to or projecting from the walls, floors and ceilings which service either the Unit or the fixtures located therein, together with the space occupied thereby;
 5. All space between the interior walls, including the space occupied by structural and component parts of the building and by utility pipes, wires, ducts and conduits; and
 6. All plumbing, electric, heating, cooling and other utility or service lines, pipes, wires, ducts or conduits which serve either the Unit or fixtures located therein, and which are located within the bounds of the Unit.

There shall be excepted and excluded from the foregoing all of the following items (which excepted items shall be Common Areas and Facilities) located within the bounds of any Unit:

1. Any part of the structure contained in all interior walls, and the structural component parts of perimeter walls;

2. All vent covers, grills, plat covers and other coverings of space which are not part of the Unit as defined herein;
3. All plumbing, electric heating, cooling and other utility or service lines, pipes, wires, ducts and conduits which serve any other Unit; and
4. All supporting walls, floors, ceilings, fixtures and other parts of the building which are within the boundaries of a Unit but which are necessary for the existence, support, maintenance, safety or comfort of any other part of the Condominium Property.
5. The exterior of all screens and doors, including the exterior frames, sashes and jambs associated therewith.

VI. DESCRIPTION OF COMMON AND LIMITED COMMON AREAS AND FACILITIES.

- A. Common Areas and Facilities. The entire balance of the Condominium Property, including the land and the improvements thereon as shown on the Drawings, shall be the Common Areas and Facilities. The percentage of ownership of undivided interests in the Common Areas and Facilities, and the percentage basis of the allocation of Common Profits and Common Expenses attributable to the ownership interest of each Unit, shall be as set forth in Exhibit "C". The aforesaid respective percentages of ownership of undivided interests in the Common Areas and Facilities of each Unit as expressed herein shall not be altered without an amendment to this Declaration unanimously approved by all Unit Owners affected, except as otherwise provided in Articles IX and XX of the Declaration. The undivided interest in the Common Areas and Facilities shall not be separately conveyed, encumbered or otherwise divided from the Unit to which it appertains and each such undivided interest in the Common Areas and Facilities shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the deed, mortgage, lease or other instrument, conveyance or encumbrance.
- B. Limited Common Areas and Facilities. The following, included within the Common Areas and Facilities, are all hereby made and shall be deemed to be Limited Common Areas and Facilities which are reserved for the exclusive use of a Unit or Units, as hereinafter set forth:

1. Patio, if any, adjoining a Unit shall be reserved for that Unit;
2. Balcony, if any, adjoining a Unit shall be reserved for that Unit;
3. Front porch, if any, adjoining a Unit shall be reserved for that Unit;
4. Rear yard, if any, adjoining a Unit shall be reserved for that Unit if so depicted on the Drawings;
5. Deck, if any, adjoining a Unit;
6. The driveways for each of the Units shall be and the same are reserved for the exclusive use and benefit of each of the respective adjoining Units.

Each, every and all of the parts of the Limited Common Areas shall be maintained by the respective Unit Owners having the exclusive use and benefit of the Limited Common Areas; provided, however, the Unit Owners Association shall have the right at any time or times to maintain all of the Limited Common Areas in a uniform manner and charge the cost of the maintenance and repair of the Limited Common Areas to the Unit Owners who have the right to the use of Limited Common Areas so repaired and/or maintained. In the event that the Association elects to maintain, repair, and care for the Limited Common Areas, then in that event, the Unit Owners who have the right to the use of that Limited Common Areas shall have no obligation to maintain and repair the same so long as the Association has accepted the responsibility for the maintenance and repair of the same but all costs and expenses associated with the maintenance and repair of Limited Common Areas shall be charged to the Unit Owners who have the right to use those Limited Common Areas in a fair, just and reasonable manner as determined by the Association in its absolute discretion.

VII. UNIT OWNERS ASSOCIATION.

Grantor shall cause to be formed an Ohio corporation not for profit to be named The Retreat at River's Condominium Edge Unit Owners Association, Inc. ("Association") which shall administer the Condominium Property. Each Owner, upon acquisition of title to a Unit, shall automatically become a member of the Association, and no Owner shall decline or avoid membership in the Association for any reason. Such membership shall terminate upon the sale or other disposition by such member of such member's Unit ownership, at which time the new Owner of such Unit automatically shall become a member of the Association. Each Unit shall be entitled to a vote in accordance with its

respective percentage of ownership interest in the Common Areas and Facilities as set forth in Article VI-A of the Declaration, as the same may be amended.

- A. Board of Managers. The Trustees of The Retreat at River's Edge Unit Owners Association, Inc. shall be and shall be known and designated as the Managers and shall collectively comprise the Board of Managers of the Association. The Board of Managers and the officers of the Association shall be elected as provided in the By-Laws (hereinafter referred to as the "By-Laws") of the Association which is identified herein as Exhibit "D" and hereby made a part hereof, and the Board of Managers shall exercise the powers, discharge the duties and be vested with the rights conferred by operation of law, the Condominium Act, the By-Laws, and this Declaration upon the Association, except as otherwise specifically provided in the Declaration; provided, however, in the event any such power, duty and right shall be deemed exercisable or dischargeable by, or vested in, an officer or member of the Board of Managers, the Officer shall be deemed to act in such capacity to the extent required to authenticate the Officer's acts and to carry out the purposes of this Declaration and the By-Laws.
- B. Administration of Condominium Property. The administration of the Condominium Property shall be in accordance with the provisions of the Condominium Act, this Declaration and the By-Laws. Each Owner, tenant or occupant of a Unit shall comply with the provisions of the general law, the Condominium Act, this Declaration, the By-Laws, the rules and regulations of the Association and the decisions and resolutions of the Association or its representative, all as lawfully amended from time to time, and failure to comply with any such provisions, rules, regulations, decisions or resolutions shall be grounds for an action to recover sums due and for damages and/or for injunctive and/or other appropriate relief.

VIII. STATUTORY AGENT.

The person to receive service of process for the Association shall be Mark R. Moore whose address is c/o 1360 Madison Avenue, Painesville, Ohio 44077. In the event Mark R. Moore is not registered with the Secretary of State of Ohio, as Statutory Agent for the Association, the person to receive such service shall be the statutory agent for the Association as the same may from time to time be designated.

IX. AMENDMENT OF DECLARATION, BY-LAWS AND DRAWINGS.

This Declaration, the By-Laws, and/or the Drawings may be amended by meeting all requirements of the Condominium Act, and upon the filing for record with the Recorder of Lake County, Ohio of an instrument in writing setting forth specifically the item or items to be amended and any new matter to be added, which instrument shall have been duly executed by or for the Owners entitled to exercise at least seventy-five percent (75%) of the voting power of the Association, or in the case of technical amendments or an amendment for the purpose of adding all or any part of Parcel II and/or Additional Lands to the Condominium Property pursuant to and subject to the limitations contained in Article XX of the Declaration, by Grantor or its successor in interest, acting as Attorney-In-Fact for the Owners and mortgagees as provided in the Declaration. Such amendment must be executed with the same formalities as this instrument, and must refer to the Recorder's volume and page in which this instrument and its exhibits are recorded and must except as otherwise provided in Article XX of this Declaration contain an affidavit by the President or other authorized officer of the Association or by the Grantor or its successor in interest, as the case may be, that a copy of the amendment has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit, except that in lieu of such affidavit such Amendment may be accompanied by the written consent of such Mortgagee(s) thereto. Except as provided in Article XX of the Declaration with respect to an amendment for the purpose of making additions to the Condominium Property, no amendment shall have any effect, however, upon the rights and/or reservations of Grantor under this Declaration or a bona fide first mortgagee until the written consent of Grantor and/or such mortgagee to such amendment has been secured. Such consents shall be retained by the Secretary or other authorized officer of the Association and its certification of the instrument of amendment as to the consent or non-consent of Grantor and the names of the consenting and non-consenting mortgagees of the various Units shall be sufficient for reliance thereon by the general public. If Grantor does not consent and/or if less than all mortgagees consent to an amendment to this Declaration, the By-Laws and/or the Drawings, said amendment or modification shall nevertheless be valid among the consenting Owners themselves, provided that the rights and reservations of Grantor and the rights of any such non-consenting mortgagee shall not be derogated thereby. No provision in this Declaration or the By-Laws may be changed, modified, or rescinded, which after such change, modification or rescission would conflict with the provisions to the Condominium Act, and except as otherwise provided in Article XX of the Declaration and by the applicable provisions of the Condominium Act, no amendment may be made to the percentage interests set forth in Article VI-A (except as it may be amended pursuant to Article IX and XX) without the prior unanimous written approval of all Owners and their respective mortgagees.

X. DRAWINGS.

Exhibit "B" which is referred to in the Declaration is a set of engineering and architectural Drawings, as prepared and certified by a Licensed Professional Engineer and by a Licensed Architect and/or a Licensed Surveyor and the same are hereby incorporated into and made a part of the Declarations. The Drawings and any amendments thereto are referred to in this Declaration as the "Drawings."

XI USE OF COMMON AREAS AND FACILITIES.

Each Owner shall have the right to use the Common Areas and Facilities in common with all other Owners, as may be required for the purpose of ingress and egress to, and to use, occupy and enjoy the respective Unit owned by such Owner. Such rights shall extend to the Owner and the members of the immediate family and guests and other authorized occupants and visitors of the Owner. The aforesaid and any further use of the Common Areas and Facilities and the rights of the Owners with respect thereto shall be subject to and governed by the provisions of the Condominium Act, this Declaration, the By-Laws and the rules and regulations of the Association as hereinafter described.

XII. MANAGEMENT, MAINTENANCE, REPAIRS, ALTERATIONS AND IMPROVEMENTS.

A. Management. Except as otherwise provided herein, the management, maintenance, repair, alteration and improvement of the Common Areas and Facilities shall be the responsibility of the Association. The Association may delegate all or any portion of its authority to discharge such responsibility to a manager or managing agent. The Board of Managers of the Association shall have the power and authority to authorize said managing agent to enter into any contracts which are necessary for the comfort and convenience of the Unit Owners. Each Unit Owner agrees to maintain, repair and replace at the Owner's expense all portions of the Common Areas and Facilities and/or Limited Common Areas and Facilities which may be damaged or destroyed by reason of the Owner's willful or uninsured negligent act or neglect of the Owner or any other member of the Owner's household, or by the willful or uninsured negligent act or neglect of any invitee, licensee or guest of such owner or members of the Owner's household.

- B. Responsibility of Owner. The responsibility of each Owner shall be as follows:
- I. To clean, maintain, repair and replace at the Owner's expense all portions of the Owner's Unit, and all internal installations of such Unit such as appliances, heating, plumbing, electrical and air conditioning fixtures, or installations and any portion of any other utility service facilities located within the Unit boundaries. Each Owner shall furnish and be responsible for, at the Owner's own expense, all of the decorating within the Owner's Unit from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, which constitute the exterior boundaries of the respective Unit owned by such Owner, and such Owner shall maintain such interior surfaces in good condition at the Owner's sole expense as may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Association, and each such Owner shall have the right to decorate such interior surfaces from time to time as the Owner may see fit and at the Owner's sole expense. The interior and exterior surfaces of all windows and doors forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Owner. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades or other items, visible on the exterior of the building, shall be subject to the rules and regulations of the Association. Decorating of the Common Areas and Facilities (other than interior surfaces within the Units as above provided), and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Areas and Facilities by the Association, shall be furnished by the Owners Association as part of the Common Expenses.
 2. To maintain and repair all interior and exterior windows in the Unit and all interior doors, vestibules and entry-ways within the Owner's Unit and all associated structures and fixtures therein, which are appurtenances to the Owner's Unit. The foregoing includes, without limitation, the Unit Owner's responsibility for all breakage, damage, malfunctions and ordinary wear and tear of such appurtenances.
 3. To remove trash and garbage to the designated areas and receptacles on or before days of collection, to water the lawn and shrubbery appurtenant to the Owner's Unit unless watering of the same is

undertaken by the Association, to keep gutters free from debris and to provide exterminating service if and when necessary.

4. To perform the Owner's responsibilities in such manner so as not to unreasonably disturb other Owners and persons residing within the Condominium Property.
 5. Not to paint or otherwise decorate or change the appearance of any portion of the Condominium Property not within the walls of the Unit, unless the prior written consent of the Association or Grantor is obtained.
 6. To promptly report to the Association or its agent or agents, any defect or need for repairs, the responsibility for the remedying of which is with the Association.
 7. Not to make any alterations in the portions of the Unit or any of the Condominium Property which is to be maintained by the Association or remove any portion thereof or make any addition thereto or do anything which would or might jeopardize or impair the safety or soundness of the Unit without first obtaining the written consent of the Board of Managers of the Association, nor shall any Owner impair any easement without first obtaining the prior written consents of the Association and of the Owner or Owners or person, firm or corporation for whose benefit such easement exists.
 8. To fulfill such other responsibilities as may be imposed pursuant to the By-Laws.
- C. Separate Mortgages of Units. Each Owner shall have the right to mortgage and/or encumber the Owner's own respective Unit together with the Owner's respective ownership interest in the Common Areas and Facilities and each such bona fide mortgage and/or encumbrance shall include any subsequently acquired interest, be it legal, equitable, contractual or otherwise no Owner shall encumber in any manner whatsoever the Condominium Property or any part thereof except the Owner's own Unit and the Owner's own respective ownership interest in the Common Areas and Facilities as aforesaid.
- D. Separate Real Estate Taxes. Each Unit and its percentage interest in the Common Areas and Facilities shall be deemed to be a separate parcel for all purposes of taxation and assessment of real property, and no other Unit or other part of the Condominium Property shall be charged with the payment of such taxes and assessments; however, in

the event that for any year such taxes are not separately taxed to each Owner, but are taxed to the Condominium Property as a whole, then each Owner shall pay the Owner's proportionate share thereof in accordance with the Owner's respective percentage of ownership interest in the Common Areas and Facilities, as determined by Association.

- E. Construction Defects. The obligations of the Association and of the Owners to repair, maintain and replace the portions of the Condominium Property for which the Owners are respectively responsible shall not be limited, discharged or postponed by reason of the fact that any maintenance, repair or replacement may be necessary to cure any latent or patent defects in material or workmanship in the construction of the Condominium Property. The undertaking of repair, maintenance or replacement by the Association or Owners shall not constitute a waiver of any rights against any warrantor but such rights shall be specifically reserved.
- F. Limited Warranty. Grantor shall and does hereby furnish a two (2) year warranty in connection with the sale by Grantor of any Unit, which two (2) year warranty covers the full cost of labor and materials for any repair or replacement of the roof or structural components and the mechanical, electrical, or plumbing elements which are part of the Common Area of the building in which such Unit is located, which repairs or replacement are occasioned or necessitated by defect in material or workmanship with respect to the aforesaid items; and the within warranty shall commence as to all Units within a given building on the date that the first deed or other evidence of ownership is filed for record for the sale of a Unit in such building, which sale shall be made by Grantor or Developer in good faith for value. Grantor shall and does hereby furnish to the Unit Owner a one (1) year warranty covering the full cost of labor and materials for any repair or replacement of the structural, mechanical and other elements pertaining to each Unit which are not part of the Common Area and which are occasioned by defect in material or workmanship, and such warranty shall commence as of the date on which the deed for the first sale of said Unit is filed for record. With respect to any appliances installed and furnished by Grantor as part of the Unit, Grantor shall and does hereby assign to the purchasing Unit Owner all of the express and implied warranties of the manufacturer, and such assignment shall and does hereby assign to the purchasing Unit Owner all of the express and implied warranties of the manufacturer and such assignment shall and does hereby satisfy Grantor's obligation to provide a one (1) year warranty for those items.
- With respect to such appliances, Grantor's sole and only direct warranty

shall be limited solely and exclusively to the installation thereof. Grantor shall and does hereby transfer and assign without recourse to the Unit Owner and to the Association all other warranties which exceed the time periods set forth herein with respect to the warranties required to be made by Grantor pursuant to the applicable provisions of the Condominium Act.

- G. Effect of Insurance or Construction Guarantee. Notwithstanding the fact that the Association and/or any Owner may be entitled to the benefit of any guarantee of material and workmanship furnished by any construction trade responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of any construction guarantee or insurance coverage shall not excuse any delay by the Association or any Owner in performing its or the Owner's obligations hereunder.

XIII. ENCROACHMENTS AND EASEMENTS.

- A. Encroachments. In the event that, by reason of the construction, settlement, or shifting of a building or any part thereof, or by reason of the partial or total destruction and rebuilding of a building and/or any part of the Condominium Property, or if any part of the Common Areas and Facilities presently encroaches or shall hereafter encroach upon any part of a Unit, or any part of a Unit presently encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities, or if by reason of the design or construction of any Unit it shall be necessary or advantageous to an Owner to use or occupy, for formal uses and purposes, any portion of the Common Areas and Facilities consisting of unoccupied space within the building adjoining the Owner's Unit, or, if by reason of the design or construction of utility systems, any mains, pipes, ducts, or conduits serving either any other Unit or more than one Unit presently encroaches or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment and for the use of such adjoining space are hereby established and shall exist for the benefit of such Unit and of the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be established in favor of the Owner of any Unit or in favor of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of the Owner or of the Association.

- B. Maintenance Easements. The Owner of each Unit shall be subject to easements for access established hereby arising from necessity of maintenance and operation of the entire Condominium Property or any part thereof. The Owner of each Unit shall have the permanent right and easement to and through the Common Areas and Facilities and walls, floor ceilings and halls to the use of water, sewer, power, satellite dish devices to the extent that any prohibition against same is precluded under applicable federal laws or regulations, and other utilities now or hereafter existing with the walls, floors ceilings and halls and further shall have an easement to hang pictures, mirrors and the like upon the walls of the Owner's Unit.
- C. Easements for Drives, Utilities and Roadways. The roadways, driveways, sidewalks, land and utility systems installed or created by Grantor within the Condominium Property are and will be an integrated, interdependent and continuous system of private roadways, drives and utility easements for the use and benefit of the Condominium Property and each Unit Owner therein, and for the orderly development, operation and ownership of any addition to the Condominium Property or other use and development of Parcel II and/or Additional Lands on Exhibit "A" hereto, and accordingly, Grantor has heretofore granted, reserved and excepted and does hereby grant, reserve and except non-exclusive easements and rights-of-way for roadways, drives, sanitary sewers, storm sewers and or for other utility services and/or other services (including without limitation thereto, water, gas, electricity, telephone and cable television) in, on, under and/or over the Exhibit "A" property subjected to this Declaration; and the roadways, drives, easements, water mains, sewers and other utility services provided and/or to be provided for and/or on the said property herein and/or the extensions and/or connections of any and all of the same in order that the same be part of said continuous systems of roadways, drives and easements for the Condominium Property. The Association and the Owners hereby are assigned, and assume and shall perform all rights, duties (including, without limitation, Grantor's obligations to keep in good repair and/or maintain said roadways, drives, and utility lines, systems and easements) and privileges of Grantor under such easements with respect to the Premises herein, including Grantor's rights, duties, obligations and privileges with respect to the entire system of roadways and utility easements and services which are the subject hereof and/or of said easement agreements, whether the same are on or beyond the limits of the Condominium Property, and the Association and the Owners shall pay its and their share of the total cost of performing and/or assuming performance of and/or cooperating and/or contributing in performance of Grantor's said duties, obligations and/or liabilities with

respect thereto; and each and every Owner's interest in the Owner's respective Unit and/or in the Common Areas and Facilities associated with such Unit and/or any and all parts of the Condominium Property shall be subject thereto. If and when additional condominiums or other residences or uses are established on all or part of Parcel II and/or Additional Lands whether or not such additional property is added to the Condominium Property, as permitted by Article XX of the Declaration, each such Condominium Unit and/or other residential use shall pay its share of the cost of the aforesaid easements as provided in this Article XIII which shall be paid by assessment as set forth herein. The Grantor, for a term of seven (7) years or until the Grantor is no longer a Unit Owner, whichever event is the first to occur, and thereafter the Association, may hereafter grant easements on behalf of the Owners to entities for utility purposes and drive or roadway purposes for the benefit of the Condominium Property, including the right to install, lay, maintain, repair and replace drives, roadways, floors, ramps, water mains, and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires over, under along and on any portion of the Common Areas and Facilities within the Condominium Property; and each Unit Owner hereby grants, and the transfer of title to an Owner to the Unit shall be deemed to grant, to the Grantor and/or Association, as the case may be, an irrevocable power of attorney to execute, acknowledge and record, for and in the name of such Unit Owner, such instruments as may be necessary to effectuate any and all of the foregoing, including in connection with the Association's and/or Owner's obligations to perform said easement agreement, and the Unit Owner and the Association for a period of seven (7) years or until the Grantor is no longer a Unit Owner, whichever event shall first occur, grants to Grantor an irrevocable power of attorney, which is coupled with an interest, to execute such easement agreements on behalf of the Association and Unit Owners.

- D. Easements Through Walls Within Units. Easements are hereby declared and granted to the Association to install, lay, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the Unit boundaries or the building.
- E. Reservation of Temporary Easement. For a period of seven (7) years or for the maximum period permitted under the Condominium Act, whichever period is less, temporary easements in favor of the Grantor are hereby reserved in, on, under and/or over the Premises (for the benefit of Parcel II and/or Additional Lands) and the Owners (including

Grantor) of such property, for reasonable access to construct buildings, repair and other improvements on Parcel II and/or Additional Lands to install, lay, maintain, repair and replace utility conduits and lines for the purpose of providing all available utility services thereto, and to add to the building and other improvements on property such buildings and other improvements on Parcel II as Grantor may determine. Non-exclusive temporary easements in favor of Grantor for the same period set forth in the first sentence of Article XII-E hereof are hereby reserved in, on under and/or over the Premises for the benefit of Parcel II and/or Additional Lands and the Owners (including Grantor) of such property for ingress and egress of pedestrian and vehicular traffic over all roadways, drives, and/or walks located on the Premises, during the construction of said improvements on Parcel II and/or Additional Lands.

- F. Reservation of Access and Utility Easement. Grantor shall and does hereby reserve unto itself, its successors and assigns, a non-exclusive perpetual easement in, unto, over and under the property which is hereby or hereafter submitted to the Condominium Act of the Condominium Property, said easement being for the purpose of access, ingress and egress by Grantor, its successors and assigns, to construct, install, lay, maintain, repair or replace roadways, sewer, gas, water or electric utility conduits, mains, laterals, pipes, lines and systems and other utility services for the benefit of and to service Parcel II and/or Additional Lands and Grantor's other contiguous property, if any. Grantor's rights hereunder shall include the right to tap into and otherwise make connections with any utility systems now or hereafter existing within the easement area.
- G. Modification and Amendment of Easement. Grantor shall and does hereby reserve the right to modify, amend, extend or relocate any and all of the easements which are established, granted or reserved upon, through or over the part of the Premises for roadways, drives, lanes and utility purposes and in furtherance thereof each Unit Owner by acceptance of title to a Unit shall and does hereby grant to Grantor, its successors and assigns, an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Owner and for and in the name of the Association such instruments, documents and papers as may be necessary to effectuate any and all of the foregoing rights hereby reserved to Grantor, its successors and assigns.
- H. Easements to Run with Land. All easements and rights described herein are appurtenant running with the land, perpetually (except as provided in Article XIII-E hereof) in full force and effect, and at all times shall inure to the benefit of and be binding on Grantor, its successors

and assigns, and any and all other persons having an interest in the Premises, or any part or portion thereof.

- I. Reference to Easements in Deeds. Failure to refer specifically to any or all of the easements and/or rights described in this Declaration in any deed or conveyance or in any mortgage or trust deed 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 along with the Unit.

XIV. ASSESSMENTS-LIEN OF ASSOCIATION.

- A. General. Assessments for the maintenance, repair and insurance of the Common Areas and Facilities and for the insurance of the Units and for other general and or specific maintenance and/or operating expenses shall be Common Expenses and, together with the payment of other Common Expenses, shall be made in the manner provided herein, and in the manner provided in the By-Laws.
- B. Utilities. Each Owner shall pay for the Owner's own telephone, electricity, water, sewer, cable television, and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed separately shall be treated as part of the Common Expenses.
- C. Division of Common Profits and Common Expenses. In connection with the operation of Condominium Property, the Common Expenses shall be assessed against each Owner and the Common Profits shall be divided among the Owners in a proportion which is equal to the percentage of interest of the respective Owners in the Common Areas and Facilities as specifically set forth in Article VI-A, of the Declaration and Exhibit "C" attached hereto as the same may be amended.
- D. Non-Use of Facilities. No Owner may be exempted from liability for such Owner's contribution toward the Common Expenses by waiver of the use of enjoyment of any of the Common Areas and Facilities or by the abandonment of the Owner's Unit.
- E. Lien of Association. The Association shall have a lien upon the estate or interest in any Unit of the Owner thereof and its percentage of interest in the Common Areas and Facilities, for the payment of the portion of the Common Expenses chargeable against such Unit which remain unpaid for ten (10) days after the same have become due and payable from the time a certificate therefor, subscribed by the President

or other authorized officer of the Association, is filed with the Recorder of Lake County, Ohio, pursuant to the authorization given by the Board of Managers of the Association. Such certificates shall contain a description of the Unit, the name or names of the record Owner or Owners thereof, and the amount of such unpaid portion of the Common Expenses. Such lien shall remain valid for a period of five (5) years from the time of filing thereof, unless sooner released or satisfied in the same manner provided by law for the release and satisfaction of mortgages on real property or discharged by the final judgment or order of the court in an action brought to discharge such lien as hereinafter provided. In addition, the Owner of the Unit and any occupant thereof shall be personally liable for such expenses chargeable for the period of the Owner's ownership or occupants of a Unit occupancy.

- F. Priority of Association's Lien. The lien provided for in Article XIV-E shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been theretofore filed for record, and may be foreclosed in the same manner as a mortgage on real property in an action brought by the Association or by the President or other officer of the Association pursuant to the authority given the officer of the Board of Managers of the Association. In any such foreclosure action, the Unit Owner or occupant shall be required to pay reasonable rental for the Unit, and the plaintiff in such action shall be entitled to the appointment of a receiver to collect the same. In any such foreclosure action, the Association, or its agent, duly authorized by action of the Board of Managers, shall be entitled to become a purchaser at the foreclosure sale.
- G. Dispute as to Common Expenses. Any Owner who believes that the portion of Common Expenses chargeable to the Owner's Unit, for which a certificate of lien has been filed by the Association, has been improperly charged against the Owner or the Owner's Unit may bring an action in the Court of Common Pleas for Lake County, Ohio for the discharge of such lien. In any such action, if it is finally determined that such portion of the Common Expenses has been improperly charged to such Owner or the Owner's Unit, the court shall make such order as is just, which may provide for the discharge of record of all or a portion of such lien, but the Owner's expenses of such action shall be paid by the Owner and the Association shall have no liability in connection therewith.
- H. Non-Liability of Foreclosure Sale Purchaser. Where the mortgagee of a first mortgage of record or other purchaser of a Unit acquires title to the Unit as a result of foreclosure, or by accepting a deed in lieu of foreclosure, such acquirer of title, and the acquirer's successors and

assigns, shall not be liable for the share of the Common Expenses or other assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses shall, however, be collectible from all of the Units, including that of such acquirer, and the acquirer's successors or assigns.

- I. Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Unit except for a deed in lieu of foreclosure, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against grantor and grantor's Unit for the Owner's share of Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled upon written request to a statement from the Board of Managers of the Association setting forth the amount of all unpaid assessments against the grantor due to the Association, and such grantee shall not be liable for nor shall the Unit conveyed be subject to a lien for any unpaid assessments made by the Association against the grantor in excess of the amount set forth in such statement for the period reflected in such statement. As used in this paragraph "grantor" shall include a decedent and "grantee" shall include a legatee or intestate heir of said decedent.
- J. Grantor's Obligations. From and after the date that the Declaration is filed for record, Grantor shall assume the rights and obligations of a Unit Owner in its capacity as an Owner of Condominium Ownership Interest not yet sold, including, without limitation thereto, the obligation to pay Common Expenses attributable to the Units not sold.

As a condition of purchasing a Unit in *THE RETREAT AT RIVER'S EDGE CONDOMINIUMS* and accepting delivery of a deed to such Unit, each Owner irrevocably consents to the foregoing assessments and agrees to be responsible for such Owner's share thereof, as stated above, and agrees that this requirement shall not be subject to any modification or amendment of the Declaration.

XV. HAZARD INSURANCE.

- A Fire and Extended Coverage Insurance. The Association, as a Common Expense, shall obtain for the benefit of all Owners insurance (hereinafter referred to as the Association Insurance) on the buildings, structures, and/or other improvements now or at any time hereafter constituting a part of the Condominium Property against loss or damage

by fire, lightning and such perils as are at this time included within the term "extended coverage" and vandalism and malicious mischief in an amount not less than ninety percent (90%) of the replacement value thereof. All policies of insurance shall name at the request of any mortgagee of any Unit the mortgagee of the Unit as the mortgagee's interest may appear. The Association Insurance shall be written in the name of, and the proceeds thereof shall be payable to, the Association as Trustee for each of the Owners in accordance with the percentage ownership in the Common Areas and Facilities set forth in Article VI-A of the Declaration, as the same may be amended, and to their respective mortgagees, and the policy shall provide for built-in or installed fixtures and equipment in an amount no less than ninety percent (90%) of the replacement value thereof. The Association Insurance shall not prejudice the right of any Owner to obtain individual contents or chattel property insurance, but no Owner may at any time purchase individual policies of insurance on Owner's Unit or Owner's interest in the Common Areas and Facilities as real property unless the Association shall be named insured in such policy, and be first advised in writing of the same. The Association Insurance policy may contain at the request of any mortgagee an endorsement recognizing the interest of any mortgagee or mortgagees of any Unit and shall also provide that any mortgagee who holds mortgages on more than fifty percent (50%) of the Units shall be consulted in adjusting claims under such insurance. The Association Insurance and Unit Owner's Insurance, if any, shall also provide for the release by the insurer of any and all rights of subrogation or assignment and all causes and rights of recovery against the Grantor, any Owner, member of the Owner's family, Owner's tenant or other occupant of the Condominium Property for recovery against any one of them for any loss occurring to the insured property resulting from any of the perils insured against under such insurance policy provided such waiver does not invalidate such policy of insurance.

- B. Sufficient Insurance. In the event the improvements forming a part of the Condominium Property, or any portion thereof, shall suffer damage or destruction from any cause or peril insured against and the proceeds of any policy or policies insuring against such loss or damage and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken by the Association in payment therefor; provided, however, that if and in the event, within thirty (30) days after such damage or destruction, the Owners, if they are entitled to do so pursuant to Article XV-D, shall elect to sell the Condominium Property or to withdraw the same from the provisions of the

Condominium Act, then such repair, restoration or reconstruction shall not be undertaken.

- C. Insufficient Insurance. In the event the improvements forming a part of the Condominium Property, or any portion thereof, shall suffer damage or destruction from any cause or peril which is not insured against, or, if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, unless the Owners shall within ninety (90) days after such damage or destruction, if they are entitled to do so pursuant to Article XV-D hereof, elect to withdraw the Condominium Property from the provisions of the Condominium Act, such repair, restoration or reconstruction shall be undertaken by the Association as a Common Expense as to the Common Areas and Facilities and otherwise by the Association at the expense of the Owners of Units so damaged or destroyed in the same proportions which the cost of repair, restoration or reconstruction of each such Unit together with its Limited Common Areas and Facilities so damaged or destroyed bears to the total cost of repair, restoration or reconstruction for all such Units and Limited Common Areas and Facilities. Should any Owner refuse or fail after reasonable notice to pay the Owner's share of such cost of damage or destruction in excess of available insurance proceeds, the amount thereof may be advanced by the Association and the amount so advanced by the Association shall be assessed to such Owner and such assessments shall have the same force and effect as an assessment, and, if not paid, may be enforced in the same manner as hereinbefore provided for the non-payment of assessments. To determine the share of each Owner of the cost in excess of the available insurance proceeds, the following principles shall govern:
1. The cost of repair, restoration or reconstruction of all uninsured and under-insured (to the extent of such under-insurance), damage or destruction to the respective Unit and the Limited Common Areas and Facilities appertaining thereto shall be borne by the Owner;
 2. The cost of repair, restoration or reconstruction of the uninsured and under-insured (to the extent of such under-insurance), damage or destruction of Common Areas and Facilities shall be borne by the Owners in proportion to their respective percentages of interest in the Common Areas and Facilities; and
 3. All insured, damaged or destroyed portions of the Condominium Property shall be deemed under-insured in the same proportion.

The Term "uninsured damage or destruction" as used herein shall mean loss occurring by reason of hazard not covered by the insurance policies of the Association. The term "under-insured damage or destruction" as used herein shall mean loss occurring by reason of a hazard covered by the insurance policies of the Association, but for which the proceeds are insufficient to cover the cost of repair, restoration or reconstruction. The final determination made with the insurers as to insured, uninsured and underinsured damage or destruction shall govern.

- D. Non-Restoration of Damage or Destruction. In the event of substantial damage to or destruction of more than 50% of the Units, the Owners by the affirmative vote of those entitled to exercise not less than seventy-five (75%) of the voting power may elect not to repair or restore such damage or destruction. Upon such election, all of the Condominium Property shall be subject to an action for sale as upon partition at the suit of any Owner. In the event of any such sale or a sale of the Condominium Property after such election by agreement of all Owners, the net proceeds of the sale together with election by agreement of all Owners, the net proceeds of the sale together with the net proceeds of insurance, if any, and any other indemnity arising because of such damage or destruction, shall be considered as one fund and shall be distributed to all Owners in proportion to their respective percentages of interest in the Common Areas and Facilities. No Owner, however, shall receive any portion of the Owner's share of such proceeds until all liens and encumbrances on the Owner's Unit have been paid, released or discharged.

XVI. LIABILITY INSURANCE.

The Association, as Common Expense, shall insure itself, the Board of Managers, all Owners and members of their respective families and other persons residing families and other persons residing with them in the Condominium Property, their tenants, and all persons lawfully in possession or control of any part of the Condominium Property, against liability for bodily injury, disease, illness or death and for injury to or destruction of property occurring upon, in, or about, or arising from the Condominium Property, such insurance to afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to bodily injury, disease, illness or death suffered by any one person, and to a limit of not less than Two Million Dollars (\$2,000,000.00) in respect to any one occurrence, and to the limit of not less than One Hundred Thousand Dollars (\$100,000.00) in respect to damage to or destruction of property arising out of any one incident. Such policy or policies of insurance shall not insure against liability for personal injury or property damage arising out of or relating to the individual Units, or Limited Common Areas and Facilities. Each Owner shall be responsible for the

Owner's own insurance on the contents of the Owner's own Unit, and Owner's additions and improvements thereto and decorating and furnishing and personal property therein and the Owner's personal property stored elsewhere in the Condominium Property, and the Owner's personal liability to the extent not covered by the liability insurance for all of the Owners obtained as part of the Common Expenses as provided in this Declaration.

XVII. REHABILITATION AND RENEWAL OF OBSOLETE PROPERTY.

The Association may, by the affirmative vote of Owners entitled to exercise not less than seventy-five percent (75%) of the voting power, determine that the Condominium Property is obsolete in whole or in part, and elect to have the same renewed and rehabilitated. The Board of Managers of the Association shall thereupon proceed with such renewal and rehabilitation and the costs thereof shall be a Common Expense. Any Owner who does not vote for such renewal and rehabilitation may elect, in a writing served by Owner on the President of the Association within five (5) days after receiving notice of such vote, in consideration of the conveyance of the Association of the Owner's Unit, subject to such liens and encumbrances hereinafter referred to, to receive the fair market value of the Owner's Unit, plus such Owner's prorata share of any undistributed Common Profits accrued to the date of such vote, less the sum of the following:

1. The amount of any liens and encumbrances thereon as of the date such vote is taken;
2. The amount of any liens and encumbrances arising out of actions of said Owner filed during the period from the date of such vote to the date of conveyance;
3. The amount of any liens and encumbrances thereafter arising because of unpaid Common Expenses of the Association accruing prior to the date of such vote; and
4. The amount of any Common Expenses accruing prior to the date of such vote, whether assessed or not assessed.

In the event of such election, such conveyance and payment of the consideration therefor, which shall be a Common Expense to the Owners who have not so elected, shall be made within thirty (30) days thereafter, and, if such Owner, and a majority of the Board of Managers of the Association cannot agree upon the fair market value of such Unit,

such determination shall be made by the majority vote of three appraisers, one of which shall be appointed by such Owner, one of which shall be appointed by the Association, and the third of which shall be appointed by the first two appraisers.

XVIII. REMEDIES FOR BREACH OF COVENANTS AND REGULATIONS.

- A. Abatement and Enjoinment. The violation of any restriction or condition, rule or regulation adopted by the Board of Managers of the Association or the breach of any covenant or provision contained in this Declaration or in the By-Laws, shall give the Board of Managers, in addition to the rights hereinafter set forth in this Article XVIII, the right:
1. To enter upon the Condominium Property or Unit or any portion thereof upon which, or as to which, such violation or breach exist and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of this Declaration and the By-Laws of the Association, and the Board of Managers, or its agents, shall not be thereby deemed guilty in any manner of trespass; or
 2. To enjoin, abate or remedy at the cost of the Unit Owner by appropriate legal proceedings, either at law or in equity, the continuance of any breach.
- B. Involuntary Sale. If any Owner (either by the Owner's own conduct or by the conduct of any other occupant of the Owner's Unit) shall violate any of the covenants, restrictions or provisions of the general law, the Condominium Act, this Declaration, the By-Laws and/or the rules and regulations adopted by the Board of Managers of the Association, and such violation shall continue for thirty (30) days after notice in writing from the Board of Managers, or shall occur repeatedly during any 30-day period after written notice or request from the Board of Managers to cure such violation, then the Board of Managers shall have the power to issue to the defaulting Owner a 10-day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner and to continue to occupy, use or control the Owner's Unit. Thereupon, an action in equity may be filed at the Unit Owner's expense by the Board of Managers against the defaulting Owner for a decree of mandatory injunction against the Owner or occupant subject to the prior consent in writing of any mortgagee having a mortgage or security interest in the Unit ownership of the defaulting Owner, which consent shall not be unreasonably withheld. In the alternative, the action may pray for a decree declaring the termination of the defaulting Owner's

right to occupy, use or control the Unit owned by Owner on account of the breach of covenant, and ordering that all the right, title and interest of the Owner, in the Unit and Condominium Property be sold at a judicial sale upon such notice and terms as the court shall establish, provided that the court shall enjoin and restrain the defaulting Owner directly or indirectly from reacquiring the Owner's interest at such judicial sale. The Association, however, may acquire said interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, master's or commissioner's fees, court reporter charge, real estate taxes and assessments, amount due on any mortgages, reasonable attorney fees, and all other expenses of the proceeding, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments and any other liens, may be paid to the Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the court a writ of assistance for the purpose of acquiring such possession and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit sold subject to the Condominium Act, this Declaration, the By-Laws and/or rules and regulations adopted by the Board of Managers of the Association.

XIX. SALE, LEASE, RENTAL OR OTHER DISPOSITION.

- A. Sale or Lease. All Owners of Units may sell, lease, give, transfer or devise the Owner's Unit at such prices and upon such terms and provisions as the Owner shall determine, but such sale, lease, gift, transfer or devise shall be subject to the provisions and restrictions of this Declaration, the By-Laws, and/or rules and regulations adopted by the Board of Managers of the Association.

- B. Payment on Default. In the event any Owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against the Owner's Unit, the Board of Managers shall have the right to cure such default by paying the amount so owing to the party entitled thereto and shall thereupon have a lien therefor against such Unit, which lien shall have the same force and effect and may be enforced in the same manner as provided in Article XIV of this Declaration.

XX. ADDITIONS TO CONDOMINIUM PROPERTY.

- A. Additional Parcels. Grantor hereby reserves the rights and options for a period of seven (7) years from and after the date of the filing of this Declaration for record to add all or any part of the property described herein as Parcel II and/or Additional Lands as set forth on Exhibit "A" to the Condominium Property. The maximum number of Units if Parcel II and/or Additional Lands or any portion thereof is added to Condominium Property is 78. Grantor during said seven (7) year period shall have the right to submit all or any part of Parcel II and/or Additional Lands and all easements, rights and appurtenances thereunto belonging and all articles of personal property incident thereto and thereon to the provisions of the Declaration and Condominium Act thereby causing the same to be part of the Condominium Property and the rights reserved to the Grantor herein may be exercised as to all or any part of Parcel II and/or Additional Lands in various times throughout the entire seven (7) year period. Grantor has no obligation to make any improvements upon Parcel II and/or Additional Lands and there are no restrictions upon Grantor as to the restrictions or limitations upon any improvements which Grantor may make upon all or any part of Parcel II and/or Additional Lands. Grantor has no obligation to make the Units so added in Parcel II and/or Additional Lands substantially identical to the Units described in the Declaration or to each other, and there is no limitation upon Grantor as to the nature or type of Units, if any, which may be added to all or any part of Parcel II and/or Additional Lands. Grantor has the right to establish other Limited Common Areas and Facilities within any portion of Parcel II and/or Additional Lands, if and when the same is added to the Condominium Property or designate that other Common Areas and Facilities within all or any part of Parcel II and/or Additional Lands in such manner and at such times and in such sizes, types and maximum numbers as Grantor, in Grantor's discretion, shall determine, but subject to the limitations shown on the Drawings as to the maximum number of Units which may be added on Parcel II and/or Additional Lands. All of the remaining parts of Parcel II and/or Additional Lands will be used, if developed, by Grantor as residential dwellings, but nothing contained herein shall obligate Grantor to develop additional Condominium Units upon all or any part of Parcel II and/or Additional Lands and if all or any part of Parcel II and/or Additional Lands is sold by Grantor, the same shall be sold free of all restrictions with respect to the portion of Parcel II and/or Additional Lands so sold and the purchaser thereof, if for valuable consideration shall have the full and absolute right to use the portion of Parcel II and/or Additional Lands so purchased for such uses and purposes as that purchaser, in that purchaser's discretion shall determine. The remaining parts

of Parcel II and/or Additional Lands shall be used, if developed by Grantor, for residential purposes, whether as single-family residences, condominium units or other residential facilities and for facilities necessary or appurtenant to residential facilities. Grantor further reserves the right to amend the Declaration as provided in this Article XX and Article IX of the Declaration in order to provide without limitation for the submission of and the inclusion of all or any part of Parcel II and/or Additional Lands and the improvements constructed thereon which Grantor desires to have included in this Declaration and submitted to the Condominium Act as part of the Condominium Property as and so that part of Parcel II and/or Additional Lands shall become a part of the Condominium Property. The right hereby reserved to Grantor for said seven (7) year period to amend the Declaration from time to time to permit for the inclusion of all or any part of Parcel II and/or Additional Lands to the Condominium Property shall likewise include the right to establish legal descriptions for the various parts of Parcel II and/or Additional Lands so that portion thereof which Grantor desires to submit to the Declaration and the Condominium Act and to become part of the Condominium Property is so included and further to amend the Drawings so as to include such parts of Parcel II and/or Additional Lands and the buildings and improvements situated thereon and such amendments shall provide for the addition and combination of the Common Areas and Facilities to be combined with the Common Areas and Facilities shown on the Drawings with the Common Area and Facilities which are part of Parcel II and/or Additional Lands to be submitted to this Declaration and the Condominium Act. In the event that all or any portion of Parcel II and/or Additional Lands is hereafter submitted to the Act, the percentage interest of each Owner in the Common Areas and Facilities shall be reduced to that percentage which is reflected by a fraction, the numerator of which is one (1) and the denominator of which is the total number of Units contained in Parcel I and in those portions of Parcel II and/or Additional Lands which have been submitted to the Act and the denominator of which is one hundred (100). Notwithstanding the foregoing, Grantor shall have no obligation to submit all or any part of Parcel II and/or Additional Lands to this Declaration and/or to the Condominium Act and Grantor shall have the right to establish separate additional condominiums or other residential developments for all or any part of Parcel II and/or Additional Lands, or otherwise use, deal and/or develop all or any part of Parcel II and/or Additional Lands but subject only to the limitations contained herein. The addition of all or any part of Parcel II and/or Additional Lands to the Condominium Property are not mandatory on the Grantor and the Grantor shall have no obligation to have Parcel II and/or Additional Lands added to the Condominium Property nor shall Grantor have any obligation to have the buildings

constructed or to be constructed upon all or any part of Parcel II and/or Additional Lands to be architecturally compatible with the Condominium Property and the buildings situated thereon. The seven (7) year period during which Grantor has the right to add all or any part of Parcel II and/or Additional Lands to the Condominium Property may be renewed for an additional seven (7) year period at the option of Grantor, exercised within six (6) months prior to the expiration of the original seven (7) year period, with the prior consent of a majority of the Unit Owners of the Condominium Property; provided, however, that in determining a majority vote of the Unit Owners of the Condominium Property the Units owned by the Grantor or the Developer shall not be permitted to vote nor shall the same be counted in determining such majority. Grantor has no other obligation to add any additional property to the Condominium Property and with respect to Parcel II and/or Additional Lands, the Grantor is not subject to any limitations as to the times when Parcel II and/or Additional Lands or part thereof shall be added to the Condominium Property except for the seven (7) year limitation set forth herein nor shall Grantor have any obligation to have the buildings constructed on Parcel II and/or Additional Lands architecturally compatible or similar to the structures which are a part of the Condominium Property or to those in each other in terms of quality of construction, principal materials to be used, architectural style and/or price, the Grantor has no obligation regarding any of the foregoing and Grantor shall have the right during said seven (7) year periods to use its sole and absolute discretion as to the addition of Parcel II and/or Additional Lands to the Condominium Property.

- B. Consent of Owners. Grantor, on its own behalf and as the initial Owner of all Units in the Condominium Property and on behalf of all subsequent Owners, hereby consents and approves, and each Owner and/or the Owner's mortgagees, by acceptance of a deed conveying such ownership interest and/or a mortgage encumbering such ownership interest, as the case may be, thereby consents to and approves all of the provisions of this Article XX including, without limiting the generality of the foregoing, the amendment of this Declaration by Grantor in the manner provided in this Article XX and/or in Article IX of the Declaration, and all such Owners and their mortgagees upon request of Grantor, shall execute and deliver from time to time all such instruments and perform all such acts as Grantor deems necessary and/or request to effectuate any and/or all of said provisions.
- C. Grant of Power of Attorney. Each Owner and the Owner's respective mortgagees, by acceptance of a deed conveying an ownership interest and/or a mortgage encumbering such ownership interest, as the case

may be, hereby irrevocably appoints and designates Grantor (and/or any successor and/or designee of Grantor) an attorney-in-fact, such appointment and designation being coupled with an interest, and hereby authorizes, directs and empowers such attorney-in-fact at the option of such attorney-in-fact, in the event that Grantor exercises the rights and options reserved in this Article XX to add Parcel II and/or Additional Lands or any part thereof and the improvements constructed thereon to the Condominium Property as herein provided, to execute, acknowledge and record for and in the name of each such Owner and/or mortgagee an amendment or amendments of this Declaration for such purpose and for and in the name of such respective mortgagees, their consents to such amendment or amendments.

- D. City of Painesville Approval Anything elsewhere contained to the contrary notwithstanding Additions to the Condominium Property shall be subject to the approval of the City of Painesville as to Units, locations, and architecture.

XXI. MISCELLANEOUS PROVISIONS.

- A. Acceptance of Deed. By the acceptance of a deed of conveyance, each grantee of Grantor and their respective successors and assigns accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights, and powers created or reserved by the Condominium Act, this Declaration, the By-Laws, all conditions, restrictions, and easements of record, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land and/or Unit, and shall bind any person having at any time any interest or estate in said land and shall inure to the benefit of such Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.
- B. Termination of Rights. In the event of and upon the removal of the Condominium Property from the provisions of the Condominium Act, all easements, covenants and other rights, benefits, privileges, impositions and obligations declared herein to run with the land and/or any Unit shall terminate and be of no further force or effect.
- C. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in this Declaration and/or the By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

- D. Enforceability of Covenants. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration and/or By-Laws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration and/or the By-Laws.
- E. Rule Against Perpetuities. If any of the privileges, covenants or rights created by this Declaration and/or the By-Laws shall be unlawful or void for violation of: (1) the rule against perpetuities or some analogous statutory provisions; (2) the rule restricting restraints on alienation, or (3) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of Ted Kennedy, United States Senator from Massachusetts.
- F. Ownership of Units by Grantor. So long as said Grantor, its successors and/or assigns, owns one or more of the Units established and described herein, said Grantor, its successors and assigns shall be subject to the provisions of the Condominium Act, this Declaration, and the By-Laws; and said Grantor covenants to take no action which would adversely affect the right of the Association with respect to assurances against latent defects in the Condominium Property or other right assigned to the Association by reason of the establishment of the Condominium Property, but shall have the specific rights reserved to himself as contained in this Declaration and the By-Laws.
- G. Non-Liability of Grantor. Except as is specifically provided in Section 5311.25 of the Ohio Revised Code, neither Grantor, nor its representatives, successors or assigns, nor any of Grantor's agents, nor the affiliates of the Developer, shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted or delegated to them by or pursuant to the Condominium Act, this Declaration and/or the By-Laws or in the capacity of Grantor (or its representative, agent affiliate or developer) as developer, contractor, owner, manager, or seller of Condominium Property whether or not such claim: (1) shall be asserted by any Owner, occupant, the Association, or by any person or entity claiming through any of them, or (2) shall be on account of injury to person or damage to or loss of property wherever located and however caused; or (3) shall arise ex contractu or (except in the case of gross negligence) ex delictu. Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the Condominium Property or any part thereof being or becoming out of repair, or containing any patent or latent defects, or by reason of any act or neglect or any Owner, occupant, the Association, and the respective agents, employees, guests, and invitees or by reason of any neighboring

property or personal property located on or about the

Condominium Property, or by reason of the failure to function or disrepair of any utility services (heat, air conditioning, electricity, gas, water sewage, etc.)

- H. Headings. The headings to each Article and to each Section of the Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Declaration nor in any way affect this Declaration.
- I. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of establishing a uniform plan for the establishment and operation of a first class condominium development.
- J. Interchangeability of Terms. The singular of any word shall also include the plural of such word, and the masculine, feminine and neuter gender shall be used interchangeably.
- K. Purchaser's Deposits. Grantor agrees that any deposit or down payment made by any Unit Owner to Grantor or to the Developer who acquires title to the Unit from Grantor or the Developer shall be held in trust or escrow by Grantor or the recipient thereof until delivered at the settlement or returned to or otherwise credited to that purchaser or forfeited and if such deposit or down payment is \$2,000.00 or more and is held for more than ninety (90) days, then interest at a rate of not less than four percent (4%) per annum for any period which exceeds ninety (90) days on the deposit of \$2,000.00 or more shall be credited to the purchaser of the Unit at the settlement or returned or otherwise credited to the purchaser or added to any amount forfeited by the Purchaser with respect to such sale.
- L. Corrections. Grantor reserves the right to make amendments to the Declaration, By-Laws, and Exhibits to correct any scrivener's error or other inadvertent error so long as such correction does not adversely affect any Unit Owner. Further, Grantor reserves the right at any time or times to amend the Declaration and By-Laws in any manner whatsoever by addition, deletion or modification to permit the Declaration and By-Laws to comply with any law, rule or regulation now or hereafter adopted by any federal, state or local governmental authority including without limitation the Condominium Act and laws and regulations so as to permit the Units to be mortgaged with a financial institution whose mortgages are or may be insured by a governmental agency, authority or instrumentality. In furtherance of the foregoing rights reserved to Grantor, each Unit Owner and each Unit Owner's respective successors and assigns and each successive transferee of a

Unit Owner shall and do hereby irrevocably grant to Grantor and its successor in interest and title irrevocable special power of attorney and right to execute for and on behalf of the Association, Unit Owner, and the Unit Owner's successor in title, all documents, instruments and forms as may be necessary to effectuate the amendments and modifications permitted pursuant to this Article XXI-L.

- M. Interest. All amounts due from any Unit Owner to the Association which are not paid when due or within thirty (30) days thereafter shall bear interest at the highest rate of interest then permissible under the laws of the State of Ohio on loans made to individuals and, if there is no such rate established, then at an interest rate equal to ten percent (10%) per annum.
- N. No Personal Liability. No partner of Grantor, nor any officer, shareholder or director of any partner shall have any personal liability for the performance by Grantor of any term, provision, or condition of this Declaration, and any liability shall be limited to Grantor's ownership interest in the Condominium Property and the net profits actually received by Grantor therefrom, and each Unit Owner shall and does by the acceptance of the Owner's deed for the Unit, waive any right which such Owner shall have against Grantor, with respect to the Grantor's performance or observance of any term, condition, or provision of the Declaration which exceeds the limitations contained herein.

IN WITNESS WHEREOF, said Grantor, MADKATS Builders, LLC has executed this instrument at Painesville, Ohio on the 12th day of August, 2003.

MADKATS Builders, LLC
An Ohio Limited Liability Company

BY:


Mark R. Moore, Authorized Member

STATE OF OHIO
COUNTY OF LAKE

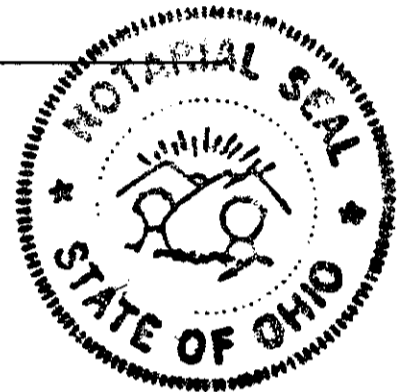
} SS.

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named **MADKATS Builders, LLC**, an Limited Liability Company by **Mark R. Moore** its Authorized Member, who acknowledged that he did sign the foregoing instrument and that the same is his free and voluntary act and deed personally and as such member and the free and voluntary act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto affixed my signature and official seal at Painesville, Ohio this 12th day of August, 2003.


Notary Public

My commission has no expiration date.
Section 147.08 R, O.



David J. Richards, Jr., Esq.
60 South Park Place
Painesville, Ohio 44077

Exhibit "A" Parcel 1
Description
For
The Retreat At Rivers Edge
Phase 1
May 7, 2004

Situated in the City of Painesville, County of Lake, State of Ohio and known as being a part of Lot 6, Tract 2 in Township 10, Range VIII of the Connecticut Western Reserve and is further bounded and described as follows:

Commencing at a 5/8 inch rebar found at the centerline of right of way of Bank Street, 60 feet wide, with the centerline of right of way of Painesville Warren Road, 60 feet wide;

Thence North 15°46'00" East along the centerline of right of way of Bank Street a distance of 543.06 feet;

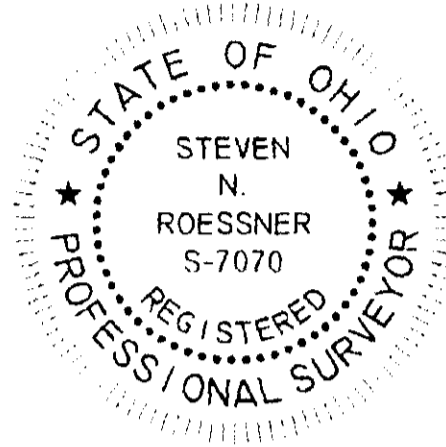
Thence South 89°07'09" East a distance of 31.04 feet to a drill hole found in concrete sidewalk at the southwesterly corner of parcel #15B0150000400 owned by Carole A. Green by document #98003485 of the Lake County Records, said drill hole also being on an easterly right of way line of Bank Street and the place of beginning;

- Course I. Thence South 89°07'09" East along a southerly line of said Carole A. Green a distance of 116.40 feet;
- Course II. Thence South 2°57'28" West a distance of 125.51 feet;
- Course III. Thence South 87°02'32" East a distance of 76.92 feet;
- Course IV. Thence North 2°57'28" East a distance of 128.30 feet to a southerly line of said Carole A. Green;
- Course V. Thence South 89°07'09" East along the southerly line of said Carole A. Green and a southerly line of parcel #15B0150000370 owned by COE Manufacturing Company by document #2000019817 of the Lake County Records a distance of 229.15 feet;
- Course VI. Thence South 2°57'28" West a distance of 206.58 feet;
- Course VII. Thence North 87°02'32" West a distance of 40.07 feet;
- Course VIII. Thence along the arc of a non-tangential curve deflecting to the left, having a delta of 101°56'34", a length of 33.81 feet, a radius of 19.00 feet, a tangent of 23.44 feet, and a chord which bears North 36°04'15" West a distance of 29.52 feet;
- Course IX. Thence North 87°02'32" West a distance of 274.04 feet;
- Course X. Thence North 74°14'00" West a distance of 124.64 feet to the easterly right of way line of Bank Street;

Course XI. Thence North 15°46'00" East along the Easterly right of way line of Bank Street a distance of 144.30 feet to the place of beginning and containing 1.5380 acres of land as calculated and described by Foresight Engineering Group, Inc. under the supervision of Steven N. Roessner, Professional Surveyor, Ohio #7070.


STEVEN N. ROESSNER, P.S. #7070
FORESIGHT ENGINEERING GROUP, INC.

5/24/04
DATE



**Exhibit "A" Additional Lands
Description
For
The Retreat At Rivers Edge
Phase 1 Additional Lands
May 7, 2004**

Parcel 1

Situated in the City of Painesville, County of Lake, State of Ohio and known as being a part of Lot 6, Tract 2 in Township 10 North, Range VIII West of the Connecticut Western Reserve Survey and is further bounded and described as follows:

Commencing at a 5/8 inch rebar found at the intersection of the right of way centerline of Bank Street, 60 feet wide, with the right of way centerline of Painesville Warren Road, 60 feet wide;

Thence North 15°46'00" East along the right of way centerline of Bank Street a distance of 543.06 feet;

Thence South 89°07'09" East a distance of 31.04 feet to a drill hole found in concrete sidewalk at the southwesterly corner of parcel #15B0150000400 owned by Carole A. Green by document #98003485 of the Lake County Records, said drill hole also being on an easterly right of way line of Bank Street, 60 feet wide;

Thence South 89° 07' 09" East along the southerly line of said Carole A. Green and the southerly line of parcel #15B0150000370 owned by COE Manufacturing, Inc. by document #200019817 of the Lake County Records, a distance of 422.52 feet to the place of beginning;

Course I. Thence South 89° 07' 09" East along the southerly line of said COE Manufacturing, Inc., passing through a 5/8 inch rebar found at the top of bank at a distance of 97.48 feet, a total distance of 495.97 feet to the center of Grand River, also being a westerly line of parcel #11A0050000050 owned by Grand River Partners, Inc. by document #970046664 of the Lake County Records;

Course II. Thence South 28° 27' 37" West along the center of the Grand River a distance of 961.17 feet;

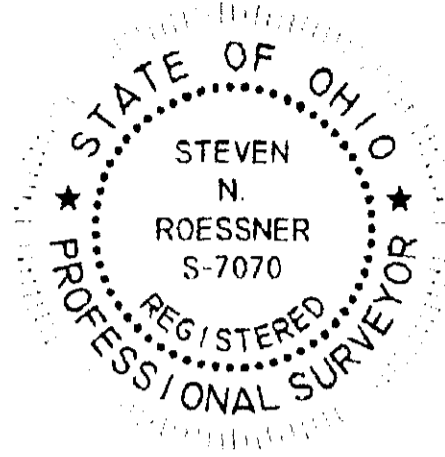
Course III. Thence South 8° 33' 55" West along the center of the Grand River a distance of 128.13 feet;

Course IV. Thence South 19° 52' 57" East along the center of the Grand River a distance of 237.61 feet to the northerly line of parcel #11A0060000140 owned by Mathew T. & Jessica A. Harrill by document #2003R069087 of the Lake County Records;

Course V. Thence North 89° 32' 11" West along a northerly line of land of said Mathew T. & Jessica A. Harrill and the northerly line of parcel #11A006B000060 owned by Jimmy L. Nugent by deed recorded in Volume 100, Page 104 of the Lake County Records of Deeds a distance of 460.18 feet to a 3/4 inch pipe found at the intersection of the easterly right of way line of Painesville Warren Road, 60 feet wide (S.R. 86), with the northerly line of land of said Jimmy L. Nugent, passing through a 3/4 inch iron pipe found at a distance of 162.58 feet at a northwesterly corner of land of said Mathew T. & Jessica A. Harrill;

- Course VI. Thence North 17° 00' 50" West along the easterly right of way of said Painesville Warren Road a distance of 312.64 feet to a ¾ inch iron pipe found at the southwesterly corner of parcel #11A006B000070 by Margaret Bryant by deed recorded in Volume 877, Page 503 of the Lake County Records of Deeds;
- Course VII. Thence North 72° 54' 07" East along the southerly line of land of said Margaret Bryant a distance of 128.22 feet to a ¾ inch iron pipe found at the southeasterly corner of land of said Earl F. and Margaret Bryant;
- Course VIII. Thence North 5° 45' 54" West along the easterly line of land of said Earl F. and Margaret Bryant and the easterly line of parcel 11A006B000080 owned by Albert J. Diloio by deed recorded in Volume 884, Page 267, parcel 11A006B000090 Nicola and Assunta Zapitelli by deed recorded in Volume 134, Page 1247 and Nicola and Assunta Zappitelli by deed recorded in Volume 134, Page 1249 of the lake County Records of Deeds a distance of 318.16 feet to a ¾ inch iron pipe found at the southeasterly corner of parcel #11A0060000210 owned by Terry and Marlene Castilyn by deed recorded in Volume 945, Page 787 of the Lake County Records of Deeds, passing through a 5/8 inch rebar found at 101.94 feet at the northeasterly corner of land of said Earl F. and Margaret Bryant, a ½ inch iron pipe found at 198.46 feet at the northeasterly corner of land of said Albert J. Dilorio and a ¾ inch iron pipe found at 295.87 feet at the northeasterly corner of land of said Nicola and Assunta Zappitelli;
- Course IX. Thence North 14° 08' 52" East along the easterly line of land of said Terry and Marlene Castilyn a distance of 84.19 feet to a 5/8 inch rebar found at the northeasterly corner of land of said Terry and Marlene Castilyn;
- Course X. Thence North 74° 16' 04" West along the northerly line of land of said Terry and Marlene Castilyn a distance of 206.42 feet to a 5/8 inch rebar found at the northwesterly corner of land of said Terry and Marlene Castilyn, said 5/8 inch rebar also being on the easterly right of way line of Bank Street 60 feet wide;
- Course XI. Thence North 15° 46' 00" East along the easterly right of way line of said Bank Street a distance of 286.66 feet;
- Course XII. Thence South 74°14'00" East a distance of 124.64 feet;
- Course XIII. Thence South 87°02'32" East a distance of 274.04 feet;
- Course XIV. Thence along the arc of a curve deflecting to the right, said curve having a delta of 101°56'34", a length of 33.81 feet, a radius of 19.00 feet, a tangent of 23.44 feet, and a chord which bears South 36°04'15" East a distance of 29.52 feet;
- Course XV. Thence South 87°02'32" East a distance of 40.07 feet;
- Course XVI. Thence North 2°57'28" East a distance of 206.58 feet to the place of beginning and containing 15.2654 acres of land as calculated and described by Foresight Engineering Group, Inc. under the supervision of Steven N. Roessner, Professional Surveyor, Ohio #7070.

Steven N. Roessner 5/24/04
STEVEN N. ROESSNER, P.S. #7070 DATE
FORESIGHT ENGINEERING GROUP, INC.



Parcel 2

Situated in the City of Painesville, County of Lake, State of Ohio and known as being a part of Lot 6, Tract 2 in Township 10 North, Range VIII West of the Connecticut Western Reserve Survey and is further bounded and described as follows:

Commencing at a drill hole found in concrete sidewalk at the southwesterly corner of parcel #15B0150000400 owned by Carole A. Green by document #98003485 of the Lake County Records, said drill hole also being on an easterly right of way line of Bank Street, 60 feet wide;

Thence South $89^{\circ} 07' 09''$ East along the southerly line of said Carole A. Green a distance of 116.40 feet to the place of beginning;

Course I. Thence South $89^{\circ} 07' 09''$ East along the southerly line of said Carole A. Green a distance of 76.97 feet;

Course II. Thence South $2^{\circ} 57' 28''$ West a distance of 128.30 feet;

Course III. Thence North $87^{\circ} 02' 32''$ West a distance of 76.92 feet;

Course IV. Thence North $2^{\circ} 57' 28''$ East a distance of 125.51 feet to the place of beginning and containing 0.2241 acres of land as calculated and described by Foresight Engineering Group, Inc. under the supervision of Steven N. Roessner, Professional Surveyor, Ohio #7070.

Steven N. Roessner 5/24/04
STEVEN N. ROESSNER, P.S. #7070 DATE
FORESIGHT ENGINEERING GROUP, INC.

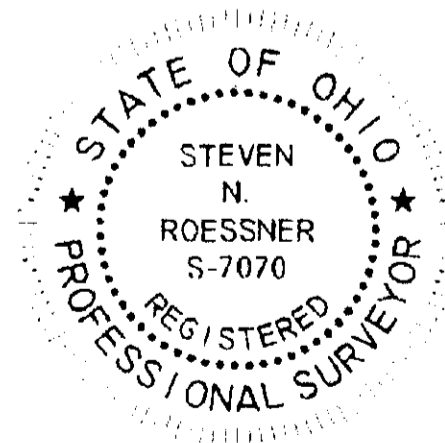


EXHIBIT "B"

DRAWINGS

[Filed Separately at Lake County Records of Maps]

Exhibit "C"

**CONDOMINIUM OWNERSHIP FOR
THE RETREAT AT RIVER'S EDGE CONDOMINIUMS
UNIT NUMBERS AND SCHEDULE OF PERCENTAGE INTEREST
IN COMMON AREAS AND FACILITIES**

PHASE I

<u>Building Number</u>	<u>Unit Number</u>	<u>Percentage Interest</u>
1	1	16 2/3%
1	2	16 2/3%
3	5	16 2/3%
3	6	16 2/3%
4	7	16 2/3%
4	8	16 2/3%

BY-LAWS OF
THE RETREAT AT RIVER'S EDGE CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.

This Instrument Prepared By:

David J. Richards, Jr., Esq.
60 South Park Place
Painesville, Ohio 44077
(440) 946-7656

BY-LAWS OF
THE RETREAT AT RIVER'S EDGE CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.

The within By-Laws have been executed and are attached as Exhibit "D" to the Declaration of Condominium Ownership for *The Retreat at River's Edge Condominiums* pursuant to Chapter 5311, Ohio Revised Code, said Chapter 5311 being hereinafter referred to as the "Condominium Act" and said Declaration, and any amendment thereto, being hereinafter referred to as the "Declaration". For purpose of these By-Laws, the definition of any and all words, terms and/or phrases which appear or are used in these By-Laws are defined in the Declaration and shall have the same meaning in these By-Laws as set forth in the Declaration and in the event any words, terms and/or phrases are not defined in the Declaration and are defined in the Condominium Act, such words, terms and/or phrases shall have the same meaning herein as are set forth in the Condominium Act. The purpose of these By-Laws (hereinafter referred as the "By-Laws") is to provide for the establishment of a Unit Owners Association (hereinafter referred to as the "Association") for the government of the Condominium Property described in the Declaration in the manner provided by the Declaration and these By-Laws (said condominium property being hereinafter referred to as the "Condominium Property"). All present or future owners or tenants or their employees, or any other person who might use the facilities of the Condominium Property in any manner, shall be subject to the covenants, provisions and/or regulations contained in the Declaration and these By-Laws and shall be further subject to any and all restrictions, conditions and/or regulations hereafter adopted by the Board of Managers of the Association. The mere application or rental of any Unit or Units described in the Declaration, or the mere act of occupancy of any Unit or Units shall constitute acceptance and ratification of the Declaration and these By-Laws.

ARTICLE I

THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an Ohio corporation not for profit and shall be called *THE RETREAT AT RIVER'S EDGE UNIT OWNERS ASSOCIATION, INC.*

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

Section 3. Membership Not Transferable. Except as provided herein or in the Declaration, membership in the Association shall not be transferable. The membership in the Association of each Owner shall terminate upon a sale, transfer or other disposition of the Owner's ownership interest in the Unit, accomplished in accordance with the provisions of the Declaration, and all rights and privileges of a Member in the Association, the Owner's Unit and the Condominium Property shall cease on the termination of such membership, and thereupon, the membership of such respective Owner in the Association shall automatically transfer to the vest of the succeeding Owner. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

Section 4. Proxies. Members may vote or act in person(s) or by proxy. The person appointed as a proxy need not be a Member of the Association. Designation by a Member or a proxy to vote or act on the Owner(s) behalf shall be made in writing to the Board of Managers of the Association and shall be revocable at any time by actual notice to the Board of Managers by the Member or Members making such designation. Notice to the Board of Managers in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meeting of Members.

(a) Annual Meeting. The annual meeting of the Members of the Association for the election of Members of the Board of Managers, the consideration of reports to be laid before such meeting, and the transaction of such other business as may be properly brought before the meeting, shall be held at the offices of the Association or at such other place as may be designated by the Board of Managers 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 of Managers and specified in the notice of the meeting, which notice shall be given as provided in Section 5(c) of this Article I. Subject to the provisions and conditions specified in Article VI, Section I of these By-Laws, the first annual meeting of the Members of the Association at which Unit Owners other than Grantor and the Developer have a right to elect more than 51% of the members of the Board of Managers shall be held as soon as practicable on a date selected by Grantor and designated in the notice after the events specified in Article VI, Section I, of these By-Laws have occurred; provided, however, in the event that the events specified in Article VI, Section I, have not occurred within five (5) years after the date of the filing of the Declaration for record, then in all events, the first annual meeting of the Members of the Association at which the members of the Board of Managers are elected by Unit Owners other than Grantor or Developer shall be held on the next succeeding business day following the expiration of said five year period. After the first meeting of the Members of the Association at which the Unit Owners other than Grantor or Developer elected all or a majority of the members of the Board of Managers, the annual meeting held thereafter shall be held in succeeding years on the third (3rd) Tuesday of September, if not a legal holiday, and if a legal holiday, on the next succeeding business day.

(b) Special Meetings. Special meetings of the Members of the Association may be held on any business day when called by the President of the Association or by the Board of Managers of the Association or by Members entitled to cast at least twenty percent (20%) of the votes of the Association. Upon request in writing delivered either in person or by certified mail or registered mail to the President or the

Secretary of the Association by any person or persons entitled to call a meeting of Members, such officer shall forthwith cause to be given to the Members entitled thereto written notice by personal delivery or by mail of a meeting to be held on a date not less than seven (7) days nor more than sixty (60) days after the receipt of such request as such office may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such request, the Members calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be held at the office of the Association or at such other place or at such place as shall be specified in the notice of such meeting.

(c) Notices of Meetings. Not less than seven (7) days nor more than sixty (60) days before the date fixed for any meeting of the Members of the Association, written notice stating the date, time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these By-Laws to give such notice. The notice shall be given by personal delivery or by mail to each Member of the Association who is an Owner of record as of the day preceding the day on which notice is given. If mailed, the notice shall be addressed to the respective Members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purpose of any meeting of Members of the Association may be waived in writing, either before or after the holding of such meeting, by any Member, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a Waiver by the Owners of notice of such meeting.

(d) Quorum/Adjournment. Except as may be otherwise provided by law or by the Declaration, at any meeting of the Members of the Association, the Members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting. No action may be authorized or taken by a lesser percentage than required by law, by the Declaration or by these By-Laws. The Members entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

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

- (1) Calling of meeting to order;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading of minutes of preceding meeting;
- (4) Reports of officers;
- (5) Reports of Committees;
- (6) Appointment of Inspectors of Election by Chairman of Meeting;
- (7) Election of Managers;
- (8) Unfinished and/or old business;
- (9) New business
- (10) Adjournment.

(f) Actions Without a Meeting. All actions, except removal of a Manager, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of and in writing or writings signed by Members having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association.

(g) Voting Rights for Units. Each Unit shall own a proportionate percentage interest in the Common Areas and Facilities and each Unit shall be entitled to one (1) vote. If any Unit is owned by more than one (1) person, the voting rights for such Unit shall not be divided but shall be exercised only as a Unit. Except as otherwise prohibited under the Condominium Act, the Grantor may exercise the voting rights with respect to any Units title to which is in the name of the Grantor or Developer. Unless, by express statutory provision of the statutes of the State of Ohio or of these By-Laws or the Declaration, a different vote is required, each question presented at a meeting of Members shall be determined by a majority vote of those present. With respect to all elections of the Board of Managers, each Member shall be entitled to cast his vote on a cumulative voting basis.

(h) Vote by a Business Entity. The vote of any corporate, partnership or trust Member may be cast on its behalf by any officer, partner, or beneficiary of such Member. Any individual Member may appoint only the Member's spouse or another Member as a proxy. Each proxy must be filed with the Secretary prior to the commencement of a meeting, or at the time the proxies are called for.

ARTICLE II

BOARD OF MANAGERS

Section 1. Number and Qualifications. The Trustees of *THE RETREAT AT RIVER'S EDGE UNIT OWNERS ASSOCIATION, INC.* shall be and shall be known and designated as the Managers and shall collectively comprise the Board of Managers of the Association. The Board of Managers shall consist of three (3) persons except as otherwise provided in these By-Laws, all of whom must be Owners (or persons who could be heirs-at-law of Owners under the Ohio statutes of descent and distribution) and occupiers of a Unit, except as to Managers designated by Grantor and except as provided otherwise in these By-Laws. The Grantor shall designate all of the Managers of the first Board of Managers of the Association who shall have all of the powers, authorities and duties herein conferred upon and/or delegated to the Board of Managers until the periods of time set forth in Article I, Section 5 and Article VI, Section I of the By-Laws, whichever event shall first occur.

Section 2. Powers, Authorities and Duties. The Board of Managers (the term "Board of Managers" whenever used in these By-Laws shall include and also mean the first Board of Managers designated by Grantor) shall have the powers, authorities and duties necessary for the administration of the affairs of the Association and the Condominium Property and shall have all powers, authorities and duties necessary for the administration of the affairs of the Association and the Condominium Property and shall have all powers, authorities and duties referred to in the Declaration, these By-Laws, Chapter 1702 of the Ohio Revised Code, as amended from time to time ("Non-Profit") and to do and perform all things provided by the Condominium Act to be done by the Board of Managers or by the By-Laws or by the Declaration directed to be exercised and done by the Members individually. The powers of the Board of

Managers shall include but not be limited to the following:

- (a) To elect the officers of the Association;
- (b) To administer the affairs of the Association and the Condominium Property
- (c) To engage the services of a manager or managing agent for the Condominium Property and to fix the terms of such engagement and the compensation and authority of such manager or managing agent;
- (d) To promulgate such rules and regulations concerning the operation and use of the Condominium Property or of the Common Areas and Facilities as may be consistent with the Declaration and these By-Laws and to amend such rules and regulations from time to time;
- (e) To provide for the maintenance, repair and replacement of the Common Areas and Facilities and Limited Common Areas and Facilities, except as otherwise provided in the Declaration or these By-Laws;
- (f) To estimate and adopt an annual operating budget and to provide for the assessment and collection from the Owners of their respective share of the Common Expenses; and
- (g) To provide for the distribution of Common Profits, if any.

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

Section 4. Term of Office: Resignations. Except as specifically provided otherwise herein, each Manager shall hold office for a two (2) year term and until the annual meeting of the Members of the Association at which the Manager's successor is elected, or until the Manager's earlier resignation, removal from office or death. Any Manager may resign at any time by oral statement to the effect made at a meeting of the Board of Managers or in a writing to that effect delivered to the Secretary of the Association; such resignation shall take effect immediately or at such other time as the Manager may specify. Members of the Board of Managers shall serve without compensation for their services except as expressly provided by a resolution of the Members. At the first annual meeting of the Members of the Association at which Unit Owners other than Grantor elect a majority of the Managers, the term of office of the Managers so elected shall be fixed so that such

terms shall expire one year from the date of said first annual meeting of Members of the Association. The term of office of the remaining Managers shall be fixed so that such terms will expire on the date of the annual meeting two (2) years from the date of the first annual meeting. At the expiration of such initial term of office of such respective Managers, all Managers shall be elected to serve for a term of two (2) years.

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

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

Section 7. Special Meetings. Special meetings of the Board of Managers may be held at any time upon call by the President or any two Managers. Notice of the time and place of each such meeting shall be given to each Manager, either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purposes of the meeting. Attendance of any Manager at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by the Manager of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting, by any Manager, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any organizational, regular, or special meeting.

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

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

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

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

ARTICLE III

OFFICERS

Section 1. Election and Designation of Officers. The Board of Managers shall elect a President, a Vice President, a Secretary and a Treasurer of the Association, each of whom shall be a member of the Board of Managers. A member of the Board of Managers may hold more than one office. The Board of Managers may also appoint one or more Assistant Treasurers and/or one or more Assistant Secretaries and such other officers as in their judgment may be necessary who are neither Members of the Board of Managers nor Unit Owners.

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

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

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

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

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

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

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

ARTICLE IV

GENERAL POWERS OF THE ASSOCIATION

Section I. Payments from Maintenance Funds. Each Owner shall pay to the Association, Common Expenses and/or assessments for Common Expenses as provided herein and/or in the Declaration, for the benefit of all of the Owners and the Association shall place the funds so collected in one or more accounts of the Association (said account or accounts being hereinafter referred to as the "Maintenance Fund"), and out of the Maintenance Fund the Association shall arrange and pay for the following:

(a) Utility Services. The cost of water, waste removal, electricity, telephone, heat, power, and/or any other necessary utility service for the Common Areas and facilities, and the cost of water lines, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners; however, the Association may discontinue such payments at any time, in which case each Owner shall be responsible for direct payment of his share of such expenses as shall be determined by the Board of Managers of the Association; and the Association reserves the right to levy additional assessments against any Owner to reimburse it for excessive use, as shall be determined by the Board of Managers, by such Owner of any utility service having been charged against or to the Maintenance Fund:

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

(c) Liability Insurance. The premiums upon a policy or policies insuring the Association, the members of the Board of Managers and the Owners against any liability to the public or to the Owners, and their invitees or tenants, incident to the ownership and/or use of the Units and/or the Limited Common Areas and Facilities and/or Common Areas and Facilities, as provided in the Declaration, the limits of which policy or policies shall be reviewed annually;

(d) Workers' Compensation. The costs of workers' compensation insurance to the extent necessary to comply with any applicable law;

(e) Wages and Fees for Services. The fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any person or persons required for the maintenance or operation of the Condominium Property, and legal and/or accounting services necessary or proper in operation of the Condominium Property or the enforcement of the Declaration and these By-Laws and for the organization, operation and enforcement of the rights of the Association;

(f) Care of Common Areas and Facilities. The cost of landscaping, gardening, snow removal, cleaning, tuck-pointing, maintenance, decorating, repair, and replacements of the Common Areas and Facilities and the parts of the Limited Common Areas and Facilities which are to be maintained and repaired as Common Expenses pursuant to the Declaration (but not including the interior surfaces of the Units or the Limited Common Areas and Facilities, which are not to be maintained, repaired and/or replaced by the Association: as a Common Expense which the respective Owners shall paint, clean, decorate, maintain and repair), the painting, cleaning and decorating of the exterior surfaces of the buildings and all exterior surfaces of the garages and parking spaces (whether the same are Limited Common Areas and Facilities or Common Areas and Facilities) and such furnishings and equipment for the Common Areas and Facilities as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to require the same for the Common Areas and Facilities, except as otherwise provided in the Declaration or in these By-Laws;

(g) Certain Maintenance of Units. The cost of the maintenance and repair of any Unit or Limited Common Areas and Facilities if such maintenance or repair is necessary, in the discretion of the Association, to protect or improve the Common Areas and Facilities, or any other portion of the Condominium Property, and if the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Association to said Owner or Owners, provided that the Association shall levy special assessments against such Owner or Owners for the cost of said maintenance or repair;

(h) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Condominium Property or any part thereof which may in the opinion of the Association constitute a lien against the entire Condominium Property rather than merely against the interests therein of particular Unit Owners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter, and where one or more Owners are responsible for the existence of

such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said Owner or Owners; and

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

Section 2. Capital Additions and Improvements. The Association's powers hereinabove numbered shall be limited in that the Association shall have no authority to acquire and pay for out of the Maintenance Fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Areas and Facilities, subject to all the provisions of the Declaration and these By-Laws), having a total cost in excess of Twenty Five Thousand Dollars (\$25,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of, the Common Areas and Facilities requiring an expenditure in excess of Ten Thousand Dollars (\$10,000.00), except additions or capital improvements resulting from the expansion of the Condominium Property, without in each case the prior approval of the Members of the Association entitled to exercise a majority of the voting power of the Association, provided that during the seven (7) year period following recording of the Declaration, if Grantor shall own any of the Units, Grantor's consent to such expenditure shall be required.

Section 3. Contracts with Developer. Anything contained in these By-Laws and the Declaration to the contrary notwithstanding, neither the Grantor nor the Developer shall enter into any contract with the Association to provide any services to the Association and/or the Condominium Property which is for a period in excess of one (1) year from and after the date the Unit Owners of the Condominium Property other than Grantor and Developer, have assumed control of the Association, unless such management contract or other agreement is renewed and continued by the Association by a majority vote of the Unit Owners, other than the Grantor and Developer, duly taken and had in accordance with the By-Laws and the Condominium Act. Any contract in violation of the foregoing prohibition shall cease to be effective one year after the date on which said Unit Owners other than Grantor assume control of the Association.

Section 4. Rules and Regulations. The Board of Managers may adopt rules and regulations and the Association, by vote of the Members entitled to exercise a majority of the voting power of the Association, may from time to time, supplement, amend, and modify such rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Owners and occupants of the Condominium Property. Written notice of such rules and regulations shall be given to all Owners and occupants and the Condominium Property shall at all times be maintained subject to such rules and regulations. In the event any such rules and regulations shall conflict with any provisions of the Declaration or of these By-Laws, the provisions of the Declaration and of these By-Laws shall govern.

Section 5. No Active Business to be Conducted for Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of any or all of the Owners.

Section 6. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Managers and officers, from delegating to persons, firms or corporations of its choice, including any Manager or Managing Agent, such duties and responsibilities of the Association as the Board of Managers of the Association shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

Section 7. Applicable Laws. The Association shall be subject to and governed by the provisions of any statutes adopted at any time and applicable to property submitted to the Condominium form of ownership (including, without limitation, Chapter 5311, Ohio Revised Code); provided, however, that all inconsistencies between or among the permissive provisions of any statute and any provisions of the Declaration and these By-Laws, shall be resolved in favor of the Declaration or these By-Laws, and any inconsistencies between any statute applicable to associations generally and to associations formed to administer property submitted to the Condominium form of ownership shall be resolved in favor of the latter statute. In the event of any conflict or inconsistency between the provisions of the Declaration and the By-Laws of the Association, the terms and provisions of the Declaration shall prevail, and the Owners and all persons claiming under them covenant to vote in favor of such amendments in the By-Laws as well remove such conflicts or inconsistencies.

ARTICLE V

DETERMINATION AND PAYMENT OF COMMON EXPENSES AND ASSESSMENTS

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

Section 2. Preparation of Estimated Budget. Each year on or before December 1st for the ensuing calendar year, the Association shall estimate the total amount necessary to pay the cost of management fees, wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all such services in connection with the Condominium Property, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and shall on or before December 15th, notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said estimated cash requirements (hereafter referred to as the "Estimated Cash Requirement"), shall be assessed to the Owners according to each Owner's percentage of Ownership in the Common Areas and Facilities as set forth in the Declaration. On or before January 1st of the ensuing year, and the first day of each and every month of said ensuing year, each Owner shall be obligated to pay to the Association, or as it may direct, the monthly amount determined to be payable

that month as the appropriate amount of the annual Common Expenses for that year as well as the amount of any other assessment made pursuant to the terms of the By-Laws and Declaration. On or before the date of the annual meeting in each calendar year, the Association shall supply to all Owners an itemized accounting of the maintenance expenses actually incurred in the preceding calendar year, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage of ownership in the Common Areas and Facilities to the next monthly installments for Common Expenses due from Owners under the then-current years estimate, until exhausted, and any net shortage shall be added accordingly to each Owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six (6) months after rendering of the accounting. The annual budget, including the initial budget of the Association, shall be established on an annual basis, but a different amount may be due for each month during the year so that the amount of the Common Expenses per month, which each Unit Owner shall be required to pay, may be increased or decreased each month based upon the annual budget and amount then required for Common Expenses. Each Unit Owner recognizes that the initial cost for the maintenance and operation of the Condominium Property shall be less during the initial period of operation due to the new condition of the Condominium Property and its partial use and that, thereafter, it is probable that the amount of the monthly Common Expense shall increase. The monthly assessments may vary from month to month.

Section 3. Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said Estimated Cash Requirement proves inadequate for any reason, including non-payment of any Owner's assessment, the amount or amounts necessary to make it adequate shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Areas and Facilities. The Association shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the first monthly maintenance payment which occurs more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount.

Section 4. Budget for First Year. The Board of Managers of the Association, when the Declaration is filed for record, shall continue to serve as and be the members of the Board of Managers of the Association until the Unit Owners of the Condominium Property have the right to elect members of the Board of Managers of the Association as set forth and provided in Article VI, Section I of the By-Laws and pursuant to the provisions of the Condominium Act. The Board of Managers of the Association, as designated by the Grantor or Developer, shall promptly prepare an Estimated Cash Requirement which will be consistent with the Projected Budget disclosed in the Disclosure Statement which will be the basis for determining the amount of the monthly Common Expenses which each Unit Owner shall be obligated to pay. Payments, if any, made by the Unit Owners prior to the filing of the deed for record pursuant to the provisions of that certain Condominium Purchase Agreement ("Agreement") shall be used by the Association, as set forth and provided in Article V

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

Section 5. Failure to Prepare Annual Budget. The failure or delay of the Association, Board of Managers, or Grantor to prepare or serve the annual or adjusted estimate on the Owners shall not constitute a waiver or release in any manner of any Owner's obligation to pay the Common Expense for maintenance costs and necessary reserves or any other charge as herein provided, whenever the same shall be determined. In the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly Common Expenses at the existing monthly rate or rates established for the previous period until the first monthly Common Expense payment date which occurs more than ten (10) days after such new annual adjusted estimate shall have been mailed or delivered.

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

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

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

Section 9. Annual Audit. The books of the Association shall be audited once a year by the Board of Managers, and such audit shall be completed prior to each annual meeting of the Members. If requested by two (2) members of the Board of Managers, such audit shall be made by a Certified Public Accountant. In addition, and at any time requested by Owners having a total more than sixty-six and two thirds percent (66 2/3%) interest in the Common Areas and facilities of the Condominium Property, or by the Grantor so long as Grantor or Developer is an Owner of a Unit, the Board of Managers shall cause an additional audit to be made by a certified public accountant.

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

Past due assessments and charges shall bear interest until paid at the rate and in the manner as set forth in the Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Grantor's Rights. As set forth in the Declaration, Grantor has the right to expand the Condominium Property so that there is a maximum total of Units which may become a part of the Condominium Property. Grantor shall have the right to manage and control the Association for a term of five (5) years from the date of the filing of the Declaration for record or until the first of the following events shall occur and, while Grantor has such right, all of the Members of the Board of Trustees may be elected and designated by the Grantor: firstly, when Units having a twenty-five percent (25%) interest in the Common Areas and Facilities have been

sold and transferred, then the Unit Owners, other than Grantor and Developer, shall have the right to elect not less than twenty-five percent (25%) of the Members of the Board of Managers; secondly, when Units having a fifty percent (50%) interest in the Common Area and Facilities have been sold and transferred, the Unit Owners, other than Grantor and Developer, shall have the right to elect thirty-three and one-third percent (33 1/3%) of the Members of the Board of Managers; and thirdly, when Units have a seventy-five percent (75%) interest in the Common Areas and Facilities have been sold and transferred, then the Unit Owners, other than the Grantor and Developer, shall have the right to elect one hundred percent (100%) of the Members of the Board of Managers. In all events, the Unit Owners, other than the Grantor and Developer, shall have the right to elect all of the Members of the Board of Managers five (5) years after the date of the filing of the Declaration for record. In determining the percentage interest in the Common Areas and Facilities, the Common Areas and Facilities of the Condominium Property shall be computed and determined based upon the maximum number of Units which may be subject to the Declaration as set forth and provided in Article XX of the Declaration.

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

Section 3. Service of Notices on the Board of Managers. Notice is required to be given to the Board of Managers or to the Association and may be delivered to any Member of the Board of Managers or officer of the Association either personally or by mail addressed to such member or officer at such person's Unit.

Section 4. Service of Notices on Devisees, Heir-at Law, and Personal Representatives. Notices required to be given to any devisee, heirs-at-law or personal representative of a deceased Owner may be delivered either personally or by mail to such person at his, her or its address appearing on the records of the Court wherein the estate of such deceased Owner is being administered.

Section 5. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 6. Agreements Binding. All Agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and By-Laws shall be deemed to be binding on all Owners, their respective successors, heirs and assigns.

Section 7. Notices of Mortgages. Any Owner who mortgages the Owner's Unit shall notify the Association, in such manner as the Association may direct, of the name and address of the Owner's mortgagee and thereafter shall notify the Association of the full payment, cancellation or any other alteration in the status of such mortgage. The Association shall maintain such information in a book entitled "Mortgages of Units."

Section 8. Enforceability of Covenants. The invalidity of any covenant, restriction, condition, limitation or any other provision of these By-Laws, or any part of the same shall not impair or affect in any manner the validity, enforceability or effectiveness of these By-Laws.

Section 9. Rule Against Perpetuities. If any of the privileges, covenants or rights established by these By-Laws shall be unlawful or void for violation of (l) the rule against perpetuities or some analogous statutory provision; (b) the rule restricting restraints or alienation; or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of Ted Kennedy, United States Senator from Massachusetts.

Section 10. Joint Management Contracts. Subject to the limitation contained in Article IV, Section 3 of the By-Laws, the Board of Managers shall have the power to enter into an agreement or agreements on behalf of the Association with Grantor and/or one or more entities associated in any manner with Grantor and relating to any other condominium properties and/or non-condominium properties for the common management, by one or more Managing Agents, of one or more of said properties and without intending hereby to limit the generality of the foregoing, such agreement or agreements may provide for the allocation of joint expenses, purchase of maintenance equipment and supplies, and the joint sharing of employees and management overhead. The Board of Managers shall have the right to enter into any agreement authorized under the Condominium Act, the Declaration and/or these By-Laws.

Section 11. Use and Occupancy Restrictions.

(a) Restrictions on Use of Units. Except as is provided in these By-Laws or in the Declaration, with respect to the use permitted by Grantor and/or his agents, no Unit shall be used for any purpose other than as a private dwelling for the Owner and the Owner's immediate family or by a person and such person's immediate family to whom the Owner shall have leased the Owner's Unit subject to all the provisions of these By-Laws and the Declaration. No Owner or lessee or any Owner shall permit or suffer anything to be done or kept upon the Condominium Property which will increase the rate of insurance on the Condominium Property, or any part thereof, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises or otherwise, nor shall any Owner commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or upon the Condominium Property.

(b) Maintenance of Unit By Owner. Each Owner shall maintain the Owner's own Unit in good condition, order and repair at the Owner's own expense. No Owner shall display, hang, store, or use any signs of articles whatsoever on the Owner's balcony or patio, if any, or outside the Owner's Unit other than such draperies, curtains or shades as may be permitted in accordance with the rules and regulations established by the Board of Managers. No Owner may paint, decorate, or otherwise alter or modify, in any way the outside of the Owner's Unit, or install outside the Owner's Unit any canopy, awning, covering, radio or television antenna or structure or addition of any kind whatsoever without prior written consent of the Board of Managers. All such landscaping, plantings, and fences shall be maintained by such Owner, and said maintenance obligation may be enforced by the Association.

(c) Disposal of Trash. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in rules and regulations established by the Board of Managers. No articles of personal property belonging to any Owner shall be stored in any portion of the Common Areas and Facilities except in the storage area specifically designated for the respective Owner by the Board of Managers or the Managing Agent as Limited Common Areas and Facilities.

(d) Restrictions on Alterations. No Owner shall overload the electrical wiring in the buildings or operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board of Managers, any unreasonable disturbance or make any alteration to or connections with the heating or air conditioning or plumbing system without the prior written consent of the Board of Managers.

(e) Insurance Coverage. Each Owner shall be required to maintain in effect a comprehensive public liability insurance policy in such limits as the Board of Managers may establish from time to time insuring the Owner and the Association, the Board of Managers, the Managers and the Managing Agent, against liability in connection with such Owner's own Unit; provided, however, that the Board of Managers shall have the authority, if it shall deem such action to be in the best interest of the Owners collectively, to obtain a comprehensive public liability insurance policy insuring all of the Owners, the Association, the Board of Managers, the Managers and The Managing Agent, from liability in connection with the individual Units, and in such latter event, each Owner may, but shall not be required to, obtain individual liability insurance. The Board of Managers shall also have the authority, if it shall deem such action to be in the best interest of the Owners collectively, to require that all such individual public liability policies be placed with the same insurer.

(f) Insurance on Contents of Units. Each Owner shall be responsible for the Owner's own insurance on the contents of the Owner's own Unit and Owner's respective Limited Common Areas and Facilities and the Owner's additions and improvements thereto and decorating and furnishing and personal property therein, and the Owner's personal property stored elsewhere on the Condominium Property, and the Owner's personal liability to the extent not covered by the liability insurance for all of the Unit Owners obtained as part of the Common Expenses as above provided. All policies maintained by the Owner under this provision shall obtain a waiver of subordination in the event of a loss for the benefit of the Association, Grantor, Developer, Manager, Managing Agent, and their respective agents.

Section 12. Governmental Requirements. If any Unit in the Condominium Property shall be encumbered by a first mortgage as to which the requirements of Federal Home Loan Mortgage Corp. or other governmental agency shall be applicable, then any provision of these By-Laws (or any provision of the Declaration to which the same are attached) to the contrary notwithstanding the following provision shall be applicable:

(a) Each holder of a first mortgage upon any of the Units, at the request of such holder thereof, shall receive written notification from the Association of any default by the Owner(s) of said Unit in the performance of said Owner's obligations under the Declaration of these By-Laws if said default is not cured within thirty (30) days.

(b) Unless at least seventy-five percent (75%) of all of the holders of the first mortgages encumbering the Units (based upon one vote for each first mortgagee) have given their prior written approval, the Association shall not be entitled to: (i) by act or omission, seek to abandon or terminate *The Retreat at River's Edge Condominiums* as a condominium under the Condominium Act; (ii) change the respective percentages of interest pertaining to each Unit as set forth in the Declaration or change in the obligation of any of the Units for the purpose of levying assessments or charges or allocating distributions of the proceeds of insurance referred to in Article XV of the Declaration or the proceeds of any award made or received in lieu of a taking in eminent domain; (iii) partition or subdivide any of the units; (iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the Common Areas and Facilities, provided, however, that within the meaning hereof the granting of easements for public utilities or other public purposes or private purposes for the benefit of the Condominium Property consistent with the intended use of said Common Areas and Facilities shall not be deemed a transfer; and (v) to use any of the proceeds of the insurance referred to in Article XV of the Declaration (whether for damage or destruction of any of the Units or to the Common Areas and Facilities) for other than the repair, replacement or reconstruction of that portion of the Condominium Property so damaged or destroyed, except as provided by the Condominium Act in case of substantial loss to said Unit and/or said Common Areas and Facilities.

(c) Each holder of a first mortgage encumbering any of the Units shall have the right to examine the books and records of the Association.

(d) The Association shall establish and maintain an adequate reserve fund for replacement of Common Areas and Facilities and the amounts required for said fund shall be provided for by regular monthly payments rather than by special assessments.

(e) No Unit Owner or any other party shall have priority over the rights of any holder of a first mortgage encumbering any Unit in the case of a distribution to Owners of any proceeds of insurance or award made in connection with any proceeding in eminent domain for losses to, or an eminent domain taking of any of the Units and/or any of the Common Areas and Facilities.

(f) Any agreement for the management of the Condominium Property shall provide that said agreement may be terminated for cause on not more than ninety (90) days written notice and the term of any such agreement shall not exceed one (1) year and shall further be subject to the limitation provided in Article IV, Section 3 of these By-Laws.

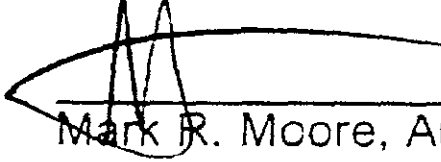
(g) Upon the request of the Federal Home Loan Mortgage Corp., or other governmental agency, the Association shall give written notice thereto to any party designated by it as to any loss to, or eminent domain taking of, the Common Areas and Facilities comprising the Condominium Property if such loss or taking exceed Ten Thousand Dollars (\$10,000.00).

Section 13. Amendment of By-Laws. These By-Laws may be amended or modified at any time, from time to time by action or approval of Owners exercising seventy-five percent (75%) or more of the voting power; except the By-Laws affecting the rights or interests of Grantor and/or his agent shall not be amended or modified

without the prior written consent of Grantor, provided further amendment may be made to these By-Laws for the reasons as provided in Article XX of the Declaration.

IN WITNESS WHEREOF, the Grantor has executed this instrument at Painesville, Ohio on the 12th day of August, 2003.

MADKATS Builders, LLC
An Ohio Limited Liability Company

BY: 
Mark R. Moore, Authorized Member

STATE OF OHIO)
) SS.
COUNTY OF LAKE)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named **MADKATS Builders, LLC**, an Limited Liability Company by **Mark R. Moore** its Authorized Member, who acknowledged that he did sign the foregoing instrument and that the same is his free and voluntary act and deed personally and as such member and the free and voluntary act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto affixed my signature and official seal at Painesville, Ohio this 12th day of August, 2003.


Notary Public

DAVID J. RICHARDS, JR., Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.03 R. C.



This Instrument Prepared By:
David J. Richards, Jr., Esq.
60 South Park Place
Painesville, Ohio 44077

CONSENT OF FIRSTMERIT BANK, N.A.

The undersigned **FIRSTMERIT BANK, N.A.** Mortgagee of the premises described in the foregoing Declaration of Condominium Ownership for The Retreat at River's Edge Phase I by virtue of the Mortgage Deeds recorded as Document Numbers 2003R016142, 2003R016143, and 2003R016146 of Lake County Records, hereby consents to the execution and delivery of said Declaration of Condominium Ownership for The Retreat at Rover's Edge Phase I and to the filing thereof in the Office of the County Recorder of Lake County, Ohio, and further subjects and subordinates said Mortgage Deed to said Declaration of Condominium Ownership and the Drawings which are Exhibits thereto.

FIRSTMERIT BAN, N.A.

BY:

JERRY L. YOUNGBERG

ITS: SENIOR VICE PRESIDENT

BY:

THOMAS J. DEIGHTON

ITS: SENIOR VICE PRESIDENT

STATE OF OHIO)
) SS.
COUNTY OF Cuyahoga)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named **FIRSTMERIT BANK, N.A.** by Jerry L. Youngberg, its Senior Vice Pres., and by Thomas J. Deighton, its Senior Vice Pres., who acknowledged that they did sign the foregoing instrument and that the same is their free and voluntary act and deed personally and as such officers and the free and voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto affixed my signature and official seal at Mayfield, Ohio this 13th day of May, 2004.

Jami M Venesky
Notary Public

JAMI M. VENESKY
Notary Public, State of Ohio
My Commission Exp. Oct. 24, 2006
Recorded in Geauga County

This instrument prepared by:
David J. Richards, Jr., Esq.
Dworken & Bernstein Co., L.P.A.
60 South Park Place
Painesville, Ohio 44077

