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2014R006123

LAKE COUNTY OHIO  
RECORDED ON  
03/12/2014 11:03:00AM

ANN M. RADCLIFFE  
LAKE COUNTY RECORDER  
REC FEE: \$564.00  
PAGES: 69

**RESTATED**  
**MASTER DECLARATION OF COVENANTS, CONDITIONS,**  
**EASEMENTS AND RESTRICTIONS**  
**OF**  
**LAKE ERIE SHORES**

PLEASE CROSS MARGINAL REFERENCE WITH THE MASTER  
DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND  
RESTRICTIONS OF LAKE ERIE SHORES RECORDED AT INSTRUMENT NO.  
2002R023781 OF THE LAKE COUNTY RECORDS.

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## INTRODUCTION

The Master Declaration of Covenants, Conditions, Easements and Restrictions of Lake Erie Shores ("Original Declaration") was recorded on May 9, 2002 at Instrument No. 2002R023781 of the Lake County Records.

This Restated Master Declaration of Covenants, Conditions, Easements and Restrictions of Lake Erie Shores ("Restated Declaration") incorporates the Original Declaration, as recorded on May 9, 2002 at Instrument No. 2002R023781 ("Declaration"), the 1<sup>st</sup> Amendment to the Original Declaration recorded on April 28, 2003 at Instrument No. 2003R024450, the 2<sup>nd</sup> Amendment to the Original Declaration recorded on October 26, 2004 at Instrument No. 2004R050271, the 3<sup>rd</sup> Amendment to the Original Declaration recorded on March 31, 2005 at Instrument No. 2005R012444, the 4<sup>th</sup> Amendment to the Original Declaration recorded on October 4, 2005 at Instrument No. 2005R043348, the 5<sup>th</sup> Amendment to the Original Declaration recorded on June 15, 2006 at Instrument No. 2006R024098, the 6<sup>th</sup> Amendment to the Original Declaration recorded on December 21, 2006 at Instrument No. 2006R051045, the 7<sup>th</sup> Amendment to the Original Declaration recorded on December 17, 2007 at Instrument No. 2007R042501, the 8<sup>th</sup> Amendment to the Original Declaration recorded on February 7, 2008 at Instrument No. 2008R003558, the 9<sup>th</sup> Amendment to the Original Declaration recorded on January 7, 2009 at Instrument No. 2009R000389, the Amendment to the Original Declaration recorded on March 19, 2009 at Instrument No. 2009R006606, and the Amendment to the Original Declaration recorded on January 24, 2011 at Instrument No. 2011R001894 (collectively the "Amendments") of the Lake County Recorder's Records. The result is a single text that is written as if the text of the above-referenced Amendments have been included in the Amended and Restated Declaration.

This Restated Declaration has been prepared at the direction of Lake Erie Shores Homeowners Association, Inc. ("Association") for the convenience of the Owners as well as for prospective purchasers of Living Units within Lake Erie Shores.

Owners and prospective Owners are reminded that this Restated Declaration does not materially amend the Original Declaration and all recorded Amendments thereto. The Original Declaration and all recorded Amendments thereto are available for review at the Lake County Recorder's Office. Any inconsistency between the Original Declaration and Amendments thereto, and this

Restated Declaration shall be resolved in favor of the Original Declaration and Amendments thereto.

IN WITNESS WHEREOF, the Lake Erie Shores Homeowners Association, Inc., an Ohio non-profit corporation, has executed this instrument by its authorized officers, on this 7<sup>th</sup> day of March, 2014.

LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC.

  
\_\_\_\_\_  
CHARLES HILLIER, its PRESIDENT

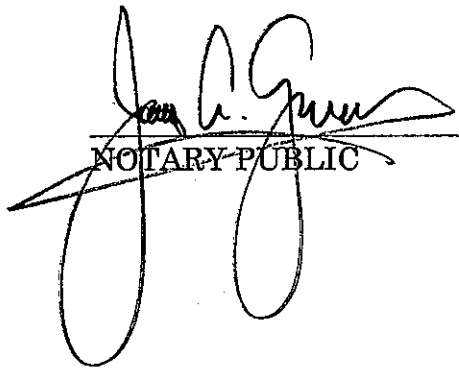
  
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DAVID SPALL, its SECRETARY

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STATE OF OHIO )  
 ) SS:  
COUNTY OF CUYAHOGA )

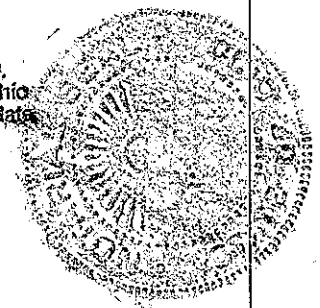
Before me, a Notary Public, in and for such County and State, personally appeared the above-named LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC., by its President and its Secretary, respectively, who acknowledged that they did sign the foregoing instrument, on Page 3 of 4, and that the same is the free act and deed of such corporation, and the free act and deed of them personally and as such officers.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at CLEVELAND, Ohio, this 7<sup>th</sup> day of MARCH, 2014.

  
NOTARY PUBLIC

Place notary stamp/seal here:

JAMES A. CRASSO, Esq.  
Notary Public, State of Ohio  
My comm. has no expir. date  
Section 147.03 P.C.



This instrument prepared by:  
KAMAN & CUSIMANO, LLC,  
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Cleveland, Ohio 44113  
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MASTER DECLARATION OF  
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**RESTATED**  
**MASTER DECLARATION OF COVENANTS, CONDITIONS,**  
**EASEMENTS AND RESTRICTIONS**  
**OF**  
**LAKE ERIE SHORES**

THIS DECLARATION (the "Master Declaration") is made this 30th day of April 2002, by and between LAKE ERIE SHORES DEVELOPMENT, LLC (hereinafter referred to as "Developer") and LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC. (hereinafter sometimes referred to as the "Master Association"), both of 32100 Solon Road, Solon, Ohio 44139.

**WITNESSETH:**

WHEREAS, Developer is the owner of the real property described in Article II, Section 1 of this Master Declaration and desires to create thereon one or more residential communities with open spaces and other Common Elements, and to this end, desires to subject said real property to the covenants, restrictions, easements, charges and liens, hereinafter set forth, for the benefit of said property and each owner thereof, the Developer, its successors and assigns, and Painesville Township (the "Township") as hereinafter set forth; and

WHEREAS, it is understood and anticipated that the Developer may assign a portion, or all, of its obligations hereunder to a nominee; and

WHEREAS, it is further understood and anticipated that there may be Subsequent Amendments made to this Master Declaration; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities in Lake Erie Shores in Painesville Township, Ohio (the "Community"), to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collection and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Master Association has been incorporated under the laws of the State of Ohio, as a non-profit corporation, for the purpose of exercising the functions aforesaid; and

WHEREAS, the Master Association joins in the Master Declaration for the purpose of accepting the duties and responsibilities imposed upon it herein;

NOW, THEREFORE, Developer declares that the real property described in Article II, Section 1 (the "Property") shall be held, transferred, sold, conveyed and occupied subject to the covenants, easements, and restrictions of record and hereinafter set forth, and further specifies that the covenants, easements, and restrictions imposed, granted and/or reserved in this Master Declaration shall constitute covenants, easements, and restrictions running with the land and shall be binding upon Developer, its successors and assigns, and all other Owners of any part of said real property, including, but not limited to, the Master Association and Owners, together with their grantees, successors, heirs, executors, administrators or assigns.

## ARTICLE I DEFINITIONS

Section 1. The following words when used in this Master Declaration shall have the following meanings (unless the context shall prohibit):

(a) "Master Association" shall mean and refer to LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC.

(b) "Common Elements" shall mean and refer to the real property in the Community devoted to the common use and enjoyment of the Owners, consisting of all of the land designated Exhibit "A" attached hereto, including, without limitation, private roads, drives, paths and walks not within the bounds of a Parcel and the entrances, exits and any other installations related thereto; the ponds or other water bodies other than those located on a Parcel; the beach and bluff areas; parking areas other than those located on a dedicated road or a Parcel; any landscaped or open areas not located within a Parcel; and those areas known or labeled as "Open Space" on those plats of the Property which appear as exhibits to the Declaration and/or as filed of record in the Lake County Recorder's



Records. The Common Elements shall be conveyed by the Developer to the Master Association as defined herein.

(c) "Master Declaration" shall mean and refer to this Master Declaration of Covenants, Conditions, Easements and Restrictions of Lake Erie Shores and any supplements or amendments thereto.

(d) "Developer" shall mean and refer to Lake Erie Shores Development, LLC, an Ohio limited liability company, its successors and assigns.

(e) "Lake" shall mean and refer to Lake Erie.

(f) "Living Unit" shall mean and refer to all units of residential housing constructed or to be constructed upon the Property, whether they are single-family residences, cluster dwelling units, residential condominium units or any other type of living unit permitted to be constructed or created upon the Property under any applicable zoning code that now exists or may hereafter be amended; provided, further, that condominium units can be a stacked unit as long as it is approved by the Township Trustees and Lake County and can only be located on the townhome section of property on the North Side of Lake Road and shall be designated on a recorded condominium declaration and drawing filed therewith.

(g) "Member" shall mean and refer to all who are members of the Master Association as provided in Article III, Section I hereunder.

(h) "Neighborhood" shall mean and refer to each separately developed and denominated residential area which is subject to this Master Declaration and which is also governed by a Neighborhood Declaration. The Developer or Master Association alone shall have the right to designate a Neighborhood.

(i) "Neighborhood Association" shall mean an association which administers a Neighborhood and of which all Owners of property in the Neighborhood shall be members.

(j) "Neighborhood Declaration" shall mean a declaration subjecting the Neighborhood to covenants and restrictions in addition to this Master Declaration and recorded with the Lake County Recorder. A Neighborhood

Declaration may be a condominium declaration as set forth in Section 5311.05 of the Ohio Revised Code.

(k) "Occupant" shall mean an Owner, lessee, land contract vendee and their family members or any other person or persons occupying a Living Unit in the Community as their residence.

(l) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Parcel and/or Living Unit situated upon the Property but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(m) "Parcel" shall mean and refer to any lot on the recorded plat of the Community upon which a Living Unit is constructed or is intended to be constructed.

(n) "Township" shall mean and refer to Painesville Township, Ohio, a municipal corporation organized and existing under the laws of the State of Ohio. It is specifically agreed and acknowledged by all parties to this Master Declaration that the Township is and shall continue to be a third party beneficiary to, and has the authority to administer and enforce these covenants, charges and liens as they relate to the Common properties and facilities located thereon to be used for permanent open spaces, recreational facilities and other common facilities.

**ARTICLE II**  
**PROPERTY SUBJECT TO THIS MASTER DECLARATION**

**Section 1 - The Property.** The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Master Declaration is located in Painesville Township, County of Lake, State of Ohio, and is more particularly described on Exhibit "B" that consists of five permanent parcels north and south of Lake Road, attached hereto and made a part hereof and includes specifically North Shore Estates at Lake Erie Shores consisting of 56 single family lots on the north side of Lake Road and part of the original 5 parcels

making up Lake Erie Shores and Lake Erie Shores – Phase IVA consisting of 50 single family lots. North Shore Estates will have all rights and privileges and responsibilities of the Master Association with the only difference being in the name, North Shore Estates. Lake Erie Shores – Phase IVA will have all of the rights and privileges and responsibilities of the Master Association.

**Section 2 - Mergers.** Upon any merger or consolidation of the Master Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association. Alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligation of the Master Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Master Declaration with the Property except as hereinafter provided.

**Section 3 - Additional Land.** Developer, its successors and assigns hereby reserves the right, but not the obligation, from time to time to add additional property (the “Additional Land”) to the Property and to subject the same to the provisions of this Master Declaration by amendment hereto duly executed and recorded with the Recorder of Lake County without any action by the Master Association or its members. With the filing of an amendment dated October 4, 2005 Lakes Erie Shores includes Phases IV A and IV B.

**ARTICLE III**  
**MEMBERSHIP AND VOTING RIGHTS IN THE MASTER ASSOCIATION**

**Section 1 - Membership.** Every Owner shall be a member of the Master Association. The membership of the Master Association shall be divided into two classes, Class A and Class B, entitled to the rights hereinafter set forth with respect to such classifications. Class A members shall be all those Owners as defined in Article I with the exception of Developer. The only Class B member shall be the Developer.

Section 2 - Voting Rights.

(a) Class A members shall be entitled to one vote for each Living Unit or Parcel in which they hold the fee simple interest or interests. When more than one person holds such interest or interests in any Living Unit or Parcel, all such persons shall be members, and the vote for such Living Unit or Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Living Unit or Parcel.

(b) The Class B member shall be entitled to three votes for each Living Unit or Parcel owned by Developer in the Property, provided that the Class B membership shall cease and become converted to Class A membership as soon as the total votes outstanding in the Class B membership equals or is less than the total votes outstanding in the Class A membership. Thereafter, the Class B member shall be deemed to be a Class A member entitled to one vote for each Parcel in the Property owned by it.

For purposes of determining the votes allowed under this Section, when Living Units are counted, the Parcel or Parcels upon which such Living Units are to be situated shall not be counted.

Section 3 - Articles and Bylaws of the Master Association. The Articles of Incorporation and Bylaws of the Master Association may contain any provisions not in conflict with this Master Declaration or any Supplemental Declaration as are permitted to be set forth in such Articles and Bylaws by the non-profit corporation law of the State of Ohio as it may be in effect from time to time.

ARTICLE IV  
COMMON ELEMENTS; NEIGHBORHOODS

Section 1 - Title to Common Elements. Every Owner shall have a right and easement in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Parcel. The Common Elements shall be conveyed to the Master Association.

Developer shall retain the legal title to the Common Elements until such time as the sale of the first Parcel to an Owner. If the Common Elements within

the Community is conveyed to the Master Association before completion of all Living Units within the Community, the Developer shall retain for itself, or the Master Association shall grant, a construction easement to Developer until such time as construction of all Living Units within the Community are complete.

Section 2 - Neighborhood. Every Living Unit shall be located within a Neighborhood. The Owners in such Neighborhood shall be members of a Neighborhood Association in accordance with a Neighborhood Declaration in addition to the Master Association. Any Neighborhood Association comprised of condominium Living Units, which is on a private street that is not dedicated, shall make payments to a Sanitary Sewer and Water line Reserve Maintenance Fund as required by Lake County for the maintenance and repair of sanitary sewers and water lines servicing such Neighborhood.

Section 3 - Use of Common Elements. Common Elements and street parking within North Shores Estates will be for exclusive use of North Shore Estates residents.

ARTICLE V  
MASTER ASSOCIATION'S AND OWNER'S MAINTENANCE  
RESPONSIBILITY

Section 1 - Master Association's Maintenance Responsibility. Developer shall maintain the Common Elements as set forth below until the Common Elements is conveyed to the Master Association. Thereafter, the Master Association shall keep the Common Elements in good condition and repair, in a clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. The Master Association is responsible to landscape and maintain (or return to their natural state as the case may be) any portions of the Common Elements which may be subjected to any environmental covenants, easements and/or restrictions granted or executed by the Master Association (or placed by operation of law) in accordance with the terms and conditions contained in such covenants, grants and/or restrictions. Without limiting the foregoing, the Master Association shall have the following responsibilities within the Community:

(a) All grassy and landscaped and other open areas, including the perimeter buffer areas, within the Common Elements of the Community (excluding areas remaining in their natural state) shall be cut, pruned, trimmed, mulched, fertilized and otherwise maintained on a regular basis, replacing any grass and landscaping as required to keep such areas neat, trimmed, and aesthetically pleasing. For purposes of this Article V, "landscaping" shall be deemed to mean all permanent plantings such as grass, trees and shrubs; provided, however, that if a shrub or tree requires replacement, the Master Association shall determine whether to substitute a new plant of like or different kind or type, or whether to replace with grass, beds or otherwise, at such discretion of the Master Association. The landscaped island at the entry to Pebble Beach Cove is included in the Common Elements which is owned and maintained by the Homeowner's Association.

(b) (i) The repair, maintenance and snow and ice removal for the private roads, parking areas and other hard surface areas within the Neighborhoods known as the Townhomes of Tradewinds located in Phase 2B, Nautica at Lake Erie Shores Condominium Units and Villa Grande shall be the responsibility of the Neighborhood Association within which such private roads, parking areas and other hard surface areas are located and shall not be the responsibility of the Master Association.

(ii) The only parking areas and other hard surface areas that are the responsibility of the Master Association to repair or maintain are the playground/pavilion parking lot and pathways and the parking lot and pathways and bridges associated with the Beach and pavilion areas. Snow and ice shall be removed from designated parking areas to keep the same reasonably free from such snow and ice as the circumstances may reasonably permit.

(c) Designated parking areas, pathways, and bridges shall be repaired and, if necessary, replaced, to keep them in good condition and repair.

(d) Utility facilities within the Community to the point where they intersect with a Parcel, including lighting installations, and water, sewer, gas, electric and cable television lines and appurtenances which are not maintained by a utility company shall be repaired and replaced, if necessary to keep the same in good working order and repair.

(e) All mailbox facilities (but not the boxes themselves) servicing more than one Living Unit and any other facilities within the Community intended for use by more than one Owner within the Community shall be repaired and replaced, if necessary, to keep the same in good working order and repair. All mailbox facilities located within the Neighborhoods known as the Townhomes of Tradewinds located in Phase 2B, Nautica at Lake Erie Shores Condominium Units and Villa Grande shall be maintained by the Neighborhood Association within which such mailbox facilities are located and not by the Master Association.

(f) The coastal area adjacent to the Lake shall be kept in a clean and safe condition and in good order and repair, and preventative measures shall be taken as is necessary to maintain the shoreline as constructed by the Developer in accordance with the Final Resolution No. 2001-64 dated July 17, 2001 adopted by the Township's Board of Trustees. The Master Association shall enter into a submerged land lease with the Ohio Department of Natural Resources and applicable county agencies and shall pay costs associated with the submerged land lease promptly as they become due. The Master Association is only responsible for the maintenance, safe upkeep and lease payment for those areas of shoreline which are associated with the common beach area of approximately 600 feet and its related submerged land lease for this specific area. Individual subplot owners of 13-22 in North Shore Estates will be responsible for the maintenance and lease payment associated with the water frontage related to each of their individual properties. Villa Grande at Lake Erie Shores will be responsible for their own maintenance and lease payment associated with the approximately 900 feet of shoreline entitled to them with its associated uplands.

(g) The beach, stairways to the beach, upper bluff and picnic areas shall be kept clean and in good condition and repair.

(h) All Common Elements, including open areas, all walks and paths shall be maintained by the Master Association.

(i) Master Associations and Owners Maintenance Responsibility. The rear yards, costal area adjacent to the Lake in the rear of and part of units 13-22 on the north side will be the total responsibility of each unit owner. Up keep, maintenance, repair and or replacement of areas directly on the beach and water

and lands above shoreline rock protection within units deeded boundaries are all part of said owners maintenance. The future townhome portion of the north side of Lake Erie Shores consisting of 900 plus lineal feet of shoreline will be the total responsibility of the Townhome Association for maintenance and repairs of the shoreline directly in the costal area adjacent to their property. Shoreline protection was installed by Developer and other than minor maintenance, no major expenses, under normal circumstances, should be experienced for many years.

(j) Cement retaining walls along roadway and at cul-de-sac on north shore drive on North Side of Lake Erie Shores will be the responsibility of the Master Association for future repairs.

The Master Association may, in its sole discretion, assume the maintenance responsibilities of a Neighborhood set out in this Master Declaration or in any Subsequent Amendment or declaration subsequently recorded which creates any Neighborhood Association upon all or any portion of the Property. In such event, all costs of such maintenance shall be assessed only against the Living Units within the Neighborhood to which the services are provided. This assumption of responsibility may take place either by contract or agreement or because, in the opinion of the Master Association, the level and quality of service then being provided is not consistent with the community-wide standard for the Property. The provision of services in accordance with this Section shall not constitute discrimination within a class.

In the event that the Master Association or Neighborhood Associations, or any successor association or associations established to own and maintain the Common Elements, shall at any time fail to maintain the Common Elements in reasonable order and condition, including but not limited to the conditions set forth in Ohio Revised Code Section 505.87, the Board of Painesville Township Trustees (the "Township Trustees") may serve written notice upon such association or associations or upon the members thereof setting forth the manner in which the association or associations have failed to maintain the Common Elements in reasonable condition, and said notice shall include a demand that such deficiencies of maintenance be corrected within 30 days thereof, and shall state the date and place of a hearing thereon which shall be held within 40 days of the notice. At such hearing, the Township Trustees may modify the terms of the original notice as to the deficiencies and may give an extension of time within



which they shall be corrected. If the deficiencies set forth in the original notice of in the modifications thereof have not been corrected within 30 days or any extension thereof, the Township Trustees, in order to preserve the taxable values of the properties within the Community and to prevent the Commons Areas from becoming a public nuisance, may enter upon said Common Elements and maintain the same as provided under 32.05(F) of the Painesville Township Zoning Resolutions. The Township Trustees may, at their option, recoup the cost of said maintenance in the manner set forth in Section 32.05(F) above, or as set forth in O.R.C. Section 505.87(D).

**Section 2 - Owner's Maintenance Responsibility.** Unless such maintenance responsibility is otherwise assumed by or assigned to the Master Association pursuant to this Master Declaration or a Neighborhood Association pursuant to a recorded declaration, each Owner shall maintain his or her Parcel, the interior and exterior of all dwellings and all other structures within his or her Parcel in good condition and repair consistent with the Master Association standards and all applicable covenants of this Master Declaration. In addition, each Owner shall keep Owner's Parcel and the adjacent Common Elements free from debris, rubbish, rubble and other conditions created by such Owners or Occupants or their guests.

Each owner shall make all repairs and replacements and shall perform such maintenance and repairs to any facility that otherwise would be maintained by the Master Association if required as the result of the tortious or negligent acts or omissions of the Owner.

If a repair or replacement required of an Owner is not promptly commenced or is not diligently and continuously completed by Owner, the Master Association shall have the right (but not the obligation) to commence or complete the repair or replacement and shall charge the Owner for the cost thereof (together with a reasonable charge for the Master Association's overhead or administrative costs). If said charge is not paid by the Owner, the Master Association shall levy a special Assessment against the Owner.

ARTICLE VI  
COVENANT FOR MAINTENANCE ASSESSMENT

Section 1 - Creation of the Lien and Personal Obligation of Assessment.

Each Owner of a Living Unit or Parcel, with the exception of the Developer, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or their conveyance, shall be deemed to covenant and agree to pay the Master Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together thereon and costs of collection thereof as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2 - Purpose of Assessments. The assessments levied by the Master Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Members and in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, materials, equipment, utilities, management and supervision thereof. Annual Assessments shall also include, but not be limited to, the maintenance of the beach, stairways to the beach, upper bluff, picnic areas and common pathway; the cost of an annual shoreline permit; general shoreline maintenance; an amount for the purpose of future shoreline protection which shall be paid by the Master Association and the amounts due under the submerged land lease by the Master Association to the Ohio Department of Natural Resources and applicable county agencies. A flat rate of \$25.00 per annum will be collected from the unit owners in the portion of the Property south of Lake Road.

Each of the three areas referred to herein are to be responsible under separate deed restrictions for the shoreline protection in their respective areas under terms and conditions set forth below.

By deed restriction, the repair and maintenance of the approximately 900 feet of shoreline protection in the area immediately adjoining the northwest portion of the Property, known as Villa Grande at Lake Erie Shores, shall be the responsibility of the association of owners of condominium units and sublots in Villa Grande at Lake Erie Shores. Said repair and maintenance shall be sufficient to provide at least as much protection to the shoreline as provided at the time of construction of the shoreline protection by the Developer. The Villa Grande at Lake Erie Shores deed restrictions shall provide for a minimum fee of \$25.00 per annum to be collected from each owner of a condominium unit in Villa Grande at Lake Erie Shores, and \$55.00 per annum to be collected from each subplot owner in Villa Grande at Lake Erie Shores. Said monies shall be deposited into an account in the name of the Villa Grade at Lake Erie Shores owners association, and shall be collected until such time as \$250,000.00 has been accumulated in said account. The funds shall be used for the repair and maintenance of the shoreline protection that is the responsibility of the Villa Grande at Lake Erie Shores owners association, and shall be used under the same terms as specified in Article V, Section 1(f) of the Master Declaration. Each condominium owner and subplot owner in Villa Grade at Lake Erie Shores shall also pay a minimum fee of \$25.00 per annum to be used for the repair and maintenance of the shoreline protection of the 600 foot beach area, as described in paragraph 4 of this Resolution.

The amount accumulated in the fund paid by the unit owners to date in the approximate amount of \$55,000.00 may be transferred to the account for the benefit of the 600 foot beach area. The collection at the rate of \$25.00 per annum per unit shall continue until said fund contains \$250,000.00. The fund may be used, at the direction of the unit owners association, for the repair and maintenance of the break wall, groins, revetment, and any improvements to the beach area such as replenishment of sand or dredging.

The covenants and deed restrictions for the 1,300 foot area of shoreline protection for the North Shore Estates area are to provide for maintenance and repair of said shoreline protection at the sole cost and expense of the individual property owners of sub-lots 13 through 22.

Section 3 - Basis of Annual Assessments. The annual assessment shall be first determined by Developer in good faith, which may be collected by the Master Association on a per month or per year basis. Notwithstanding the foregoing, the

annual assessment for the first year of ownership of a Parcel shall be collected from the Owner in advance through escrow upon closing on the purchase of the Parcel. The assessment period shall be based on the calendar year. The annual assessment for the first year shall be \$200.00 per Living Unit or Parcel. After the initial year, the Board of Directors of the Master Association or the Developer, after consideration of costs and future needs of the Master Association, may fix the assessment for any year at a greater or lesser amount.

Section 4 - Special Assessments. In addition to the annual assessments authorized by Section 1 hereof, the Developer or the Master Association may levy in any year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any improvement or unexpected repair or replacement, including repair of shoreline erosion control, which shall be maintained in the same condition as originally installed by the Developer, provided that any such special assessment levied by the Master Association shall have the assent of 2/3rds of the Board of Directors of the Master Association and be approved pursuant to the Bylaws.

The assessments set out above are enforceable under Article VI, Section 7 of this Master Declaration.

Section 5 - Date of Assessments. The budget for annual assessments shall be based on a calendar year. This budget, including the individual annual assessment cost, shall be provided to each Owner in December preceding the effective date of the budget. Each Owner shall be required to pay this annual assessment no later than February 15, after which time the annual assessment will be considered delinquent and will be subject to a late charge as established by the Board of Directors.

Section 6 - Duties of the Board of Directors. The Board of Directors of the Master Association shall fix the amount of the assessment against each Parcel for each assessment period at least 30 days in advance of such period and shall, at that time, prepare a roster of the Property and assessments applicable thereto, which shall be kept in the office of the Master Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner thereto.

The Master Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Master Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

**Section 7 - Effect of Non-Payment of Assessment; Personal Obligation of the Owner; the Lien, Remedies of the Master Association.** The association shall have a lien upon each lot owner and/or Condo owner's ownership interest for the payment of all assessments levied by the association against such owner which remains unpaid for 10 days after the same had become due and payable including the accumulation of 1 ½% interest per month thereon. Said lien shall be effective from and after the time of recording "Certificate of Lien" with the County Recorder of Lake County, Ohio. The "Certificate of Lien" shall set forth the legal description of the lot and/or Condo Unit, the names of the owner, the amount due, and date when due. Said "Certificate of Lien" shall be executed and verified by an officer of the association or by a management agent of the Association. Said lien shall remain valid for the period of 5 years from the date of filings, unless sooner released or satisfied in the same manner provided by law for the release of liens on real property; or through discharge by Final Judgment or Order of a Court. Said "Certificate of Lien" shall be subordinate to the lien of a mortgage or other liens recorded proper to the date of such Certificate. Liens for Association Dues or assessments may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real Property. In any such case, the owner shall be required to pay, as a matter of law, for a receiver to collect the same, hence the Association may also bring a suit to recover a money judgment for the unpaid assessment and all attorney fees and legal costs involved to collect such lien and or dues without waiting the lien securing the same, it being understood that the lot and/or Condo owner shall be personally liable for any unpaid and outstanding assessments and dues against their Real Property.

**Section 8 - Exempt Property.** The following property subject to this Master Declaration shall be exempted from the charges, assessments and liens created herein: (a) all Common Elements; (b) all land exempted from taxation by the laws of the State of Ohio upon the terms and to the extent of such legal exemption; and (c) Parcels, land and Living Units owned by Developer.

**ARTICLE VII**  
**ADDITIONAL COVENANTS AND RESTRICTIONS**

The intent of this Master Declaration is to cause the Community to be kept and maintained as a high quality development. Therefore, the covenants and restrictions provided in this Article shall be applicable to the Owner and Occupants of a Living Unit or Parcel. The following Covenants and Restrictions shall be broadly construed and interpreted in furtherance of this intent.

The Master Association shall have authority to make and to enforce standards and restrictions governing the use of the Property including, but not limited to, those contained herein. Such regulations and use restrictions shall be binding upon all Owners and Occupants of a Parcel or Living Unit thereon.

**Section 1 - Trailers.** No temporary buildings, trailer, recreation vehicle, garage, tent, shack barn or any similar structure shall be used, temporary or permanently, as a residence on any part of the Property at any time. Nor shall any temporary building, trailer, recreation vehicle, tent, shack, or barn be stored on the Property for more than 7 days, unless stored out-of-sight within the confines of a residence or garage.

**Section 2 - Nuisance.** No noxious or any activity constituting an unreasonable source of discomfort or annoyance shall be carried on upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance to others Owners. The Master Association shall have absolutely power to determine what is "reasonable" and what is "unreasonable" under this Section.

**Section 3 - Animals.** No animals, livestock, reptiles or poultry of any kind shall be raised, bred or kept on any portion of the Property without the approval of the Master Association, except that no more than a cumulative total of 2 dogs, cats, birds or other customary household pets approved by the Master Association may be kept, subject to Rules adopted by the Master Association, provided that they are not kept, bred or maintained for any commercial purpose and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or annoyance shall be permanently removed from the Property upon 3 days' written notice from the Master Association. Notwithstanding the foregoing, any dog identifiable, as a whole or in part of a breed commonly known

as "Pit Bull" or Rottweiler shall be not permitted on any portion of the Property. Dogs shall at all times whenever they are outside a Living Unit be confined on a leash held by a responsible person. The Rules may limit the number of pets which may be kept in any one Living Unit. The Master Association shall have absolute power to prohibit a pet from being kept on the Property or within a Living Unit if the Master Association finds a violation of this Section.

**Section 4 - Signs.** No sign or other advertising device of any nature shall be placed upon any portion of the Property except for signs and advertising devices installed by or at the direction of the Township or the Master Association, or which the Master Association approves as to color, location, size and similar characteristics. "For Rent" and "For Sale" signs shall be permitted by the Master Association, provided that such signs shall meet the requirements of all applicable governmental agencies. Notwithstanding the foregoing, the restrictions of this Section 4 shall not apply to Developer. North Shore Estates only, all builders and Real Estate signs will be same in design, color, verbiage, and size for owners of lot to install – no subplot/builder signs will vary from standard. Builder and owner to purchase signs from Developer's sign company.

**Section 5 - Storage of Material and Trash Handling.** No lumber, metals, bulk material, refuse, or trash shall be burned, whether in indoor incinerators or otherwise (excluding the burning of firewood in a fireplace), kept, stored or allowed to accumulate on any portion of the Property, except normal residential accumulation pending pick-up and except building materials during the course of construction or reconstruction of any approved building or structure, except firewood may be stored within Living Unit, on patio areas or other areas designed by the Master Association. If trash or other refuse is to be disposed of by being picked up and carried away on a regular recurring basis, containers may be placed in the open on any day that a pick-up is to be made, thereby providing access to persons making such pick-up. At all other times such containers shall be stored in such a manner so that they are not visible from the Street. The Owner may utilize decorative barriers or fencing to mask the appearance of the container. No dumping or rubbish shall be permitted on any portion of the Property. Anything herein to the contrary notwithstanding, the Master Association may adopt a rule or rules which permit burning, incineration or storage of refuse or trash if the same becomes reasonably necessary for the safety, health or welfare of the Owners and/or Occupants, and is permitted by law.

**Section 6 - Commercial or Professional Uses.** Except as expressly permitted in this Master Declaration, or by the Rules, no industry, business, trade or full-time occupation or profession of any kind, commercial, educational, or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any part of the Property; provided, however, an Owner and/or Occupant may use a portion of his or her Living Unit for his office or studio, so long as the activities therein shall not interfere with the quiet enjoyment or comfort of any other Owner and/or Occupant and that such use does not result in the Living Unit becoming principally an office, school or studio as distinct from a Living Unit. Furthermore, no trade or business may be conducted in or from any Living Unit without the written approval of the Master Association first obtained. Such approval shall be granted so long as: (a) the existence or operation of the business activity is not apparent or detectable by sign, sound or smell from outside the Living Unit; (b) the business activity conforms to all Township zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property who do not reside in a Living Unit except by appointment only; (d) the business activity does not involve door-to-door solicitation of Occupants of the Property; and (e) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Master Association. The Master Association may adopt Rules which intensify, relax or amend the prohibitions of this Article. Nothing in this Section shall preclude the leasing of the Living Unit by the Developer or an Owner, the right of the Developer or the Master Association (or firm or agent employed by the Developer or Master Association) to approve commercial activities such as charity events, temporary food and beverage operations, the right of the Developer to maintain brokerage offices for sales of Parcels and resales thereof and the right of Developer to utilize a Living Unit for office purposes.

**Section 7 - Storage of Vehicles and Machinery.** No truck (except a two-axle truck with no more than four tires), camper, camper trailer, recreation vehicle, boat trailer, all terrain vehicle, airplane, motorcycle, snowmobile, commercial vehicle, van, mobile home, tractor, bus, farm equipment, off-road vehicles or other vehicle of any kind, licensed or unlicensed, shall be stored on any driveway or other area in or upon the Property, for more than 7 days, except in the confines of garages, or parking areas approved by the Master Association. No machinery



of any kind shall be placed or operated upon any portion of the Property except such machinery which is customarily required for the maintenance of the Property, related improvements, lawns and landscaping.

Section 8 - Control of Trucks, Commercial Vehicles. No tractor trailer, commercial tractors, commercial vehicles, road machinery or excavating equipment shall be permitted to remain on any portion of the Property or on the public right-of-way adjoining any portion of the Property for any period of time whatsoever, except while making deliveries or performing services thereon and except as necessary for the construction, reconstruction or repair of buildings or structures on the Property.

Section 9 - Traffic Regulations. All vehicular traffic shall be subject to the provisions of the laws of the State of Ohio, County of Lake, and the Township concerning operation of motor vehicles on public streets. The Master Association is hereby authorized to promulgate, administer, and enforce reasonable Rules governing vehicular and pedestrian traffic on any private roads, including reasonable safety measures and speed limits. The Master Association shall be entitled to enforce the same by establishing such enforcement procedures as it deems appropriate, including levying fines for the violation thereof. In the event of a conflict between such provisions of the laws of the State of Ohio, County of Lake or the Township, and such Rules promulgated by the Master Association, the more restrictive Rules shall govern. Only drivers licensed to operate motor vehicles by the State of Ohio or by any other state in the United States may operate any type of motor vehicle within the Property. All vehicles of any kind and nature which are operated on any private road shall be operated in a careful, prudent, safe, and quiet manner.

Section 10 - Poles, Wires, Antennae and Satellite Dishes. Subject to any applicable easement rights, no facilities, including poles and wires, for the transmission of electricity, television signals, voice or data signals and the like shall be placed or maintained above the surface of the ground in any portion of the Property without the prior written approval of the Board of Directors. This provision shall not apply to temporary facilities for the construction and/or repair of any building structure. Notwithstanding the foregoing, an Owner may install a satellite dish (not to exceed one (1) meter in diameter) or television antenna so long as the following conditions are met: (i) All television antennae must be installed on the roof of a Living Unit as near as possible to the rear yard; and (ii)

all satellite dishes must be installed so that they are not visible from the street or, if visible from the street, screened by landscaping. The forgoing installation criteria for satellite dishes and television antenna shall not apply if they require the Owner to incur unreasonable installation, maintenance or usage costs, or interfere with a broadcast signal.

Section 11 - Lakes and Water Bodies. Subject to the restriction provided herein and the rules and regulations of the Master Association, as the same may from time to time be promulgated, each Owner shall be permitted to use the Lake for the swimming and recreational purposes. All ponds, streams, water courses and wetlands, other than the Lake, shall be for aesthetic purposes only, and no other use thereof, including without limitation, irrigation, swimming, boating, fishing (except as provide below), wading, ice skating, playing or use of floatation devises, shall be permitted. Fishing shall be permitted in the Lake, provided that all persons fishing in the Lake comply with the rules and regulations of the Master Association and the laws and regulations of the State of Ohio. Those persons engaging in activities, whether permitted or otherwise, upon, in, around or above the lakes, ponds, streams and water bodies of the Property, expressly assume the risk of the inherent dangers of said activities and agree that the Developer and Master Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of said lakes, ponds, streams and water bodies.

Fishing in the natural streams located within the limits of the common lands which are owned and controlled by the Lake Erie Shores Homeowners Association will now be permitted but only for the "exclusive use" of the residents of Lake Erie Shores. The residents of Lake Erie Shores south of Lake Road now have the exclusive rights for fishing in the southern Common Elements and the residents north of Lake Road have the exclusive fishing rights to their northerly Common Elements. Specific care to be taken not to enter private residential property unless it is the property of the person wishing to fish in the stream behind their own property. Other residents must enter and exit stream areas through Common Elements provided by the Association. No improper actions or loud boisterous mannerisms are permitted which could be disturbing to the nearby Lake Erie Shores residents.

Section 12 - Shoreline Protection. It is understood and agreed to by Developer that Shoreline Protection on the Lake Erie Shoreline that borders the

property on the north, for approximately 1500 lineal feet from westerly property line to east will be installed and paid for by Developer. Within this 1500 feet will be a protected beach area and stairway leading to the beach from upper area picnic or gathering area accessible for use by each homeowner in the Lake Erie Shores Subdivision. The commencement of this project will be within twelve months from the earliest of the following: 1) issuance of 35 zoning and/or building permits for new construction on any of the property described herein, (hereafter "PUD"), 2) commencement of improvements in any other phase, 3) sale and/or transfer of 100 lots in the PUD. In the event the shoreline protection is not commenced within the time set forth above, no further building or zoning permits will be issued to anyone in the PUD. REGARDLESS OF CURRENT OWNERSHIP. The completion of the shoreline protection shall be no more than five months after the required commencement date. The Township Trustees may obtain an injunction from Lake County Common Pleas Court prohibiting Developer or it's successors and assigns from further construction, sale or transfer of any property in the PUD if the Developer, or it's successors or assigns, fails to comply with the shoreline provision required herein.

Section 13 - Grading. No Person shall change the grade on any portion of the Property unless such grade change is in compliance with the Painesville Township Zoning Resolutions and unless the consent of the Master Association is first obtained.

Section 14 - Drainage Ditches. No Person shall interfere with the free flow of water through any drainage ditches or storm sewers within the Property. The Township or other governmental authority having jurisdiction shall have the right to enter upon the Common Elements of the Property to repair and maintain all storm, drainage, courses, ditches, structures and appurtenances for the purpose of relieving any flooding condition or threatened flooding condition which might be harmful to other property within the Township.

Section 15 - Township Compliance. Developer will be in compliance and agreement to adhere to all final conditions set forth in the minutes of the Director Meeting of July 17, 2001, Resolution No. 2001-64.

Section 16 - Residential Requirements

(a) Minimum Living Unit Square Footage

(i) With respect to those Parcels situated south of Lake Road only, the minimum square footage of each Living Unit to be constructed shall be as set forth in the table below.

<u>Housing Type</u>	<u>Minimum Square Footage</u>
(i) One story single-family residence	1,350
(ii) One and one half story single-family residence	1,500
(iii) Two story single family residence	1,600
(iv) Condominium unit	1,200

(ii) With respect to those Parcels situated north of Lake Road only, the minimum square footage of each Living Unit to be constructed shall be as set forth in the table below.

<u>Housing Type</u>	<u>Minimum Square Footage</u>
One story-single family residence	1,800
One and one half story single-family residence	2,200
Two story single family residence	2,400

(iii) The square footage of each Living Unit in subsections (i) and (ii) above shall be calculated from the length and width dimension shown on the proposed floor plans. Areas that shall not be included in the minimum square footage calculation are garage, enclosed basement area, sun porches not heated for year round use, breezeways, crawl spaces and attics. The foregoing minimum square footage requirements may be increased by the Developer for any Neighborhood pursuant to a Neighborhood Declaration.

(b) Garages.

(i) Each Living Unit shall have a minimum of a 2-car attached side or front entry garage.

(ii) With respect to those Parcels north of Lake Road only, in addition to the 2 car minimum set forth above, all garages must measure at least 24' by 24' in dimension as measured from outer walls.

(c) Sidewalks. With respect to the entire Property, concrete sidewalks shall be constructed in the public right of ways and shall be installed on each Parcel by each Parcel's Owner with the construction of each Living Unit located on each Parcel or within 6 months of occupancy of each Living Unit, weather permitting. Such sidewalks are required to be repaired and maintenance or replaced by the Parcel's Owner as needed throughout the life of the Unit. If a section of a sidewalk should become dangerous and unsafe and is not corrected by the Owner of said Parcel, the Master Association may, but shall not be obligated to, correct the problem and assess the Owner.

(d) Lawns. Grass lawn and shrubbery between the roadway and rear yard of each Living Unit shall be installed within 10 months after completion of the Living Unit.

(e) Roof Pitch. No Living Unit shall have a roof pitch of less than 6/12.

(f) Front Elevations.

(i) Each Living Unit shall have brick or stone to grade at all front elevations.

(ii) With respect to those Parcels situated north of Lake Road only, each Living Unit shall have brick or stone or dryvit, to grade, around the entire perimeter of its foundation. Further, 100% of the front elevation of each Living Unit shall be constructed of natural product (e.g. stone, brick, cedar, dryvit, hardie board, and vinyl shake designed horizontal siding shall be permitted). Further, the garage walls of all garages constructed on Sublots 2, 33 and 38 shall likewise be constructed of natural products on their front elevations due to their exposure to the main streets.

(g) Roof Shingles. All roof shingles must be of architectural grade design.

(h) Landscape Mounds. With respect to any Parcel which has a landscape mound on or near its rear property line, except those backing up to Lake Road, the Owner of such Parcel must maintain the grass and any trees located in such landscape mound area and in a manner in accordance with any restrictions or regulations placed by the Master Association. Notwithstanding the foregoing, the Owner maintenance responsibility set forth in this subsection shall not apply to (and shall be expressly prohibited with respect thereto) any landscape mounds which are not required by any environmental covenants, easements and/or other restrictions to be maintained in their natural state as provided therein.

(i) Maintenance of Certain Areas. The Owner of any Parcel which lies adjacent to a portion of the Common Elements, which portion is identified and intended by the Master Association to be maintained as grassy area and which is identified by the Master Association as an area which cannot be accessed by the Master Association for maintenance, shall maintain such portion subject to the Master Association's prior approval. Such Owner's maintenance of such portion shall be performed in a manner consistent with the overall appearance of the surrounding area and shall be performed in accordance with this Declaration and any rules and guidelines as may be issued by the Master Association. Notwithstanding the foregoing, the Owner maintenance responsibility set forth in this subsection shall not apply to (and shall be expressly prohibited with respect thereto) any portion of such Common Elements or Parcels which are required by any environmental covenants, easements and/or other restrictions to be maintained in their natural state as provided therein.

(j) Protected Wetland Areas; Common Open Space. Any Parcel Owner which may have protected wetland areas, Common Elements (or open space), or environmental covenant areas behind their rear property line or beyond their side property line(s) can not destroy or alter these areas in any way.

(k) Playground Equipment and Storage Sheds.

(i) All playground equipment and storage sheds shall be kept in rear yards at least 5' from neighboring property lines and shall conform to all other requirements of Painesville Township Zoning Codes.

(ii) With respect to those Parcels situated south of Lake Road only, out-buildings or exterior storage sheds are to be of the same materials, color and overall appearance of the main Living Unit. No aluminum, PVC, plastic, Rubbermaid™ (or other similar kind), or any other foreign type material shed is permitted.

(iii) With respect to all those Parcels situated north of Lake Road only, no out-buildings or other exterior storage sheds are allowed on any Parcel. All storage shall be contained within the structure of any Living Unit located on such Parcels. Notwithstanding the foregoing, small patio-style storage containers placed within patio areas are permitted on such Parcels.

(iv) Each Living Unit will be limited to one free-standing unit or shed per Parcel with a maximum square footage of 200 square feet. All free standing storage units or sheds must (1) contain four walls and a roof, not exceed 96" from the ground to its highest point, and (2) be of the same materials, color and overall appearance of the main Living Unit with matching roof shingles and siding. Sheds or storage units made of aluminum, PVC, plastic, Rubbermaid™ (or similar) type material shall not be permitted. All sheds and storage units are also subject to architectural review as provided in Article X, Section 1 of this Declaration. No storage units or sheds of any type are permitted on Lots containing townhomes or condominiums or Lots 13 through 22 in North Shore Estates.

(1) Streets. No Owner shall damage any streets within the Property nor permit any of Owner's contractors, builders or materialmen to damage said streets during the period of any construction for Owner. In the event of any damage to any streets within the Property caused by Owner or Owner's contractors, builders or materialmen, the Owner shall be personally liable for any cost of repairing such street, including any damage to the street curbs, and shall hold the Developer, its successors and assigns harmless from any liability to any governmental entity for the cost of repairing such street, curbs, etc. In the event that Owner or Owner's contractors, builders or materialmen damage the street or curb area, and such damage is repaired by the Developer, Owner shall promptly reimburse Developer upon receipt of an invoice for the reasonable cost of the same.

(m) No Direct Access to Lake Road. There shall be no direct vehicular ingress or egress access permitted over, across or through any Parcel or Common Elements to Lake Road.

(n) Building Areas. All Parcels have specified building areas identified on the Plats creating such Parcels (or such sublots as the Parcel may otherwise be know) which Plats show the overall building areas and limits as well as designated garage locations for each Parcel. The Owners and Owner's contractors, builders or materialmen are bound and restricted to build Living Units and all other improvements on each Parcel only within such building areas and in accordance with such Plats.

(o) Mailboxes.

(i) With respect to those Parcels situated south of Lake Road only, all mailboxes shall be installed by the Owner and/or their Builder and shall conform to the approved style and design as determined by the Developer and/or Master Association. No additional newspaper boxes and/or posts are permitted along side of the approved mailboxes.

(ii) With respect to those Parcels situated north of Lake Road only, all mailboxes shall be installed by the Owner and/or their Builder and shall conform to the approved style and design as determined by the Developer and/or Master Association. No additional newspaper boxes and/or posts are permitted along side of the approved mailboxes.

(p) Fencing.

(i) With respect to those Parcels situated south of Lake Road only, fences will be permitted around the side and rear yards of each Parcel provided they adhere to the zoning codes of Painesville Township. Galvanized or vinyl fencing will be permitted provided that the posts and fencing are of acceptable color (i.e. white, black, green or brown) and are not of the natural aluminum or galvanized color. Cedar, vinyl or wood products and other decorative fences will also be permitted. The Developer and/or the Master Association shall retain the right to approve or otherwise regulate any design of such fencing.



(ii) With respect to those Parcels situated north of Lake Road only, all side and rear yard fences must be of a uniform style and color as determined by Developer and/or Master Association, as currently described as "Classic Style Black Aluminum", and shall be the same style and color as that fencing installed at the entryway to North Shore Estates. No fencing along any side or rear yard shall exceed 48" in height, provided, however, that fencing installed around in-ground swimming pools shall be a minimum of 60" and a maximum of 72" in height.

(q) Local Service Drainage Easements. Local service drainage easements at the rear of the following sublots, excluding the basin areas which are to be maintained by the Master Association, must be maintained by the Owners in accordance with the terms of the Declaration: 105 through 125, 131, 132, 133, 134, 139, 140, 141, 142 and 157 through 161.

(r) Swimming Pools.

(i) With respect to those Parcels situated north of Lake Road only, no above ground swimming pools are permitted. Any and all swimming pools must be installed in-ground and must be enclosed with fencing a minimum of 60" and a maximum of 72" in height. Such enclosure fencing shall be in the style and color as further described in Section 16(p) above.

(ii) With respect to those Parcels situated south of Lake Road only, above ground and in-ground swimming pools are permitted. Any and all in-ground swimming pools must be enclosed with fencing a minimum of 60" and a maximum of 72" in height. Such enclosure fencing shall be in the style and color as further described in Section 16(p) above.

(s) Temporary Electric Power. With respect to those Parcels situated north of Lake Road only, all Owners shall provide their own temporary electric power to their Parcel prior to the commencement of any construction of any Living Unit on such Parcel.

(t) Temporary Facilities. With respect to those Parcels situated north of Lake Road only, all Owners and/or Builders shall provide temporary portable toilet facilities and trash dumpsters during the construction of any Living Unit

on such Parcel, provided, however, such requirements may be met if such Owner or Builder has access to such facilities and/or dumpsters situated on an immediately adjacent lot which it owns or controls.

(u) Trash Removal. With respect to those Parcels situated north of Lake Road only, all rubbish hauling for all Living Units shall be arranged through one company as may be selected by the Master Association, the cost of which shall be proportionately charged to each Owner served.

(v) Preservation Easements. Notwithstanding subsections (i) and (j) above, certain preservation easements have been or may be granted by Developer and/or Master Association and certain wetlands have been or may be designated by Developer and/or Master Association across portions of certain Parcels, including, but not limited to the following: 45' easement exists at the rear of Sublots 151 through 156; and certain lots in Phase III on the westerly section of Outrigger Cove will have similar easements and restrictions. The Owner of any Parcel subject to any such preservation easements or otherwise designated as a protected wetland area shall abide by the terms and conditions of any such preservation easements or restrictions governing such protected wetlands and shall maintain such preservation easement areas or wetland areas in their natural state and shall not cut or otherwise remove any trees or other vegetation from such areas unless the same are dying or otherwise diseased and the Owner has obtained the prior approval of the Master Association for such cutting or removal.

Section 17 - Compliance with Township Codes. Each Owner and/or Occupant shall comply with applicable sections of Painesville Township Housing Code. It is agreed that a violation of any such requirements or any restriction, condition, covenant or restriction imposed now or hereafter by the provisions of this Master Declaration is a nuisance per se that can be abated by the Master Association or such governmental authority.

Section 18 - Use of the Name "Lake Erie Shores". No Person shall use the name "Lake Erie Shores" or any derivative thereof in any printed or promotional material without the prior written consent of Developer. However, Owners may use the name "Lake Erie Shores" in printed and promotional material where such words are used solely to specify that particular property is located within Lake Erie Shores.

Section 19 – Sale, Leasing or Other Alienation of Living Unit.

(a) Owner's Right of Transfer. The Master Association shall have no right of first refusal with respect to the purchase or lease of a Parcel, and an Owner shall be able to transfer his Parcel freely by sale, gift, devise, lease or otherwise without restriction except as provided in subsection (b) below.

(b) Owner's Right to Lease Living Unit. An Owner shall have the right to lease all (but not less than all) of his Living Unit upon such terms and conditions as the Owner may deem advisable, except that no Living Unit shall be leased or sub-leased for transient or hotel purposes. Any lease or sublease of a Living Unit for a period of less than six months shall be deemed to be a lease or sublease for transient or hotel purposes. Any lease or sublease of a Living Unit shall be in writing and shall provide: (1) that the lease or sublease shall be subject to the terms of this Master Declaration, the Bylaws and Rules and that failure of a lessee to comply with the terms of this Master Declaration, the Bylaws and Rules shall be a default under the lease or sublease; (2) that the Master Association shall have the right to require the Owner to deposit with the Master Association such amount as the Master Association shall consider appropriate as security to provide funds for repairs and to assure compliance with this Master Declaration, the Bylaws and Rules. The limitations with respect to the leasing of Living Unit shall not apply to the Developer or a first mortgagee of a Living Unit.

(c) Names of Owners and Occupants of Living Unit and Parcels. To enable the Master Association to maintain accurate records of the names, addresses and phone numbers of Owners and other Occupants of a Living Unit or Parcel, each Owner shall notify the Master Association in writing of the same, within 5 days after such Owner's Parcel Living Unit has been transferred or leased to another person. In addition, each Owner, including any Owner who is building a residence on a Parcel primarily for resale, shall provide to a purchaser or lessee of such Owner's Parcel or Living Unit a copy of this Master Declaration, the Bylaws, the Rules and other relevant documents.

Section 20 - Waiver of Subrogation. Each Person as a condition of accepting title and/or possession of a Living Unit and the Master Association agree for themselves, and their respective successors, heirs, executors, administrators, personal representatives, assigns, and lessees, provided said

agreement does not invalidate or prejudice any policy of insurance, that in the event that any building, structure or improvement within the Property or the fixtures or personal property of anyone located therein or thereon are damaged or destroyed by fire or other casualty that is covered by insurance, the rights, if any, of any of them against the other, or against the employees, agents, licensees or invitees of any of them with respect to such damage or destruction and with respect to any loss resulting therefrom are hereby waived.

**Section 21 - Violation of this Article.** If any Person required to comply with the foregoing Covenants and Restrictions is in violation of any one of the same, including, but not by way of limitation, design review criteria or standards established by the Master Association or the Developer (as long as the Developer is a Class "B" Member of the Master Association), the Master Association shall have the right to give written notice to such Person to terminate, remove or extinguish such violation. Such notice shall expressly set forth the facts constituting such violation.

Except in the case of an emergency situation, the violating party shall have 15 days after written notice of the violation to take reasonable action to cause the removal, alleviation or termination of same. In the case of an emergency situation, or in the case of the failure of the violating party to comply with the provisions hereof after notice, the Developer and/or the Master Association shall have the right, through their respective agents and employees, to enter upon the land where the violation exists and to summarily terminate, remove or extinguish the violation. In addition to the foregoing, the Developer and/or the Master Association shall have the right to obtain an injunction from any court having jurisdiction for the cessation of such violation or attempted violation of this Article. The rights and remedies of the Master Association and the Developer contained in this Article shall be nonexclusive and in addition to any other right or remedy available at law or in equity, including a claim or action for specific performance and/or money damages (including punitive damages), and attorneys' fees and paralegals' fees. Furthermore, the failure or neglect to enforce any term, covenant, condition, restriction, right or procedure herein shall in no event and under no circumstances be construed, deemed or held to be a waiver with respect to any subsequent breach or violation thereof. Subject to the provisions of the Master Declaration and the Bylaws, a Person in violation of this Article shall be obligated to the Master Association and/or Developer for money damages and for the full amount of all costs and expenses,

including attorneys' fees and paralegals' fees, incurred to remedy such violation. If said amounts are not paid within 10 calendar days following said notification, then said amount shall be deemed "delinquent," and shall, as provided in this Master Declaration, become a continuing lien upon the portion of the Property owned or occupied by such Person(s) and a personal obligation of the Person(s) violating this Article. In addition, the Owner of any portion of the Property shall be liable jointly and severally for any obligations of any Occupant of such Owner's property.

Section 22 - Restrictions of Other Documents. Nothing contained in this Article shall preclude the imposition of more stringent restrictions imposed elsewhere in this Master Declaration, restrictions imposed in deeds conveying the Property or portions thereof and restrictions imposed by the Master Association so long as such restrictions are not inconsistent with restrictions imposed by this Master Declaration, or adopted by the Board. The Township is a third party beneficiary of these covenants and restrictions; provided, however, if the Township's zoning, building or other requirements of ordinances and general law are more restrictive than these covenants and restrictions, the Township's requirements shall prevail.

Section 23 - Certificate of Compliance with Restrictions. Upon the conveyance of a Parcel or an interest therein, the grantor shall have the right to request the Master Association to issue a Certificate of Compliance stating that it has no record of a violation of this Article. A Certificate of Compliance may be relied upon by all persons for all purposes. Neither the Master Association, nor any trustee, officer or agent shall have any liability to the grantor, grantee or mortgagee of a Parcel or to others if the Certificate of Compliance issued hereunder is not correct. The Master Association may require the advance payment of a processing fee not to exceed \$50.00 for the issuance of the Certificate of Compliance.

Section 24 - Occupancy Restriction. A person who is classified a Tier III or Tier II sexual offender/child-victim offender, or any future equivalent classification, and for whom the County Sheriff or other government entity must provide community notification of the sex offender's residence is prohibited from residing in or occupying a Living Unit or remaining in or on the property for any length of time. The classification of a sexual offender/child-victim offender and determination of whether notice is required is made by a court of law pursuant to

the Ohio Sex Offenders Act, as may be amended and/or renamed from time to time, or similar statute from another jurisdiction. The Association shall not, however, be liable to any Owner or Occupant, or anyone visiting any Owner or the Association, as a result of the Association's alleged failure, whether negligent, intentional, or otherwise, to enforce the provisions of this restriction.

## ARTICLE VIII EASEMENTS

Section 1 - Parking Easement. There is hereby reserved an easement upon portions of the Property, as determined by Developer and/or the Master Association, in favor of the Developer, the Master Association, any Neighborhood Association hereafter created, all Owners, Occupants, and their respective guests, licensees and invitees for the construction, alteration, rebuilding, restoration, maintenance, repair and use of designated parking areas within the Community. Notwithstanding anything set forth above to the contrary, parking in such designated parking areas is solely for the guests, licensees and invitees of the Owners and Occupants, emergency and service personnel, and such needs of Owners and Occupants as approved by the Master Association.

Section 2 - Landscaping Easement. There is hereby reserved in favor of Developer and granted to the Master Association, its successors and assigns, an easement upon, over, through and under the Property for ingress, egress, installation, replacement, repair and maintenance of all landscaping installed or determined to be installed by Developer and/or the Master Association.

Section 3 - Utility Easements. There is hereby reserved in favor of Developer and granted to the Master Association, its successors and assigns, an easement upon, over, through and under the Property for ingress, egress, installation, replacement, repair and maintenance of all utilities and service lines and systems including, but not limited to, water, sewer, drainage, gas, telephone, electricity, television, cable and communication lines and systems as shown on the final plat of the Community, recorded with the Lake County Recorder. By virtue of this easement, it shall be expressly permissible for Developer and the Master Association and their successors and assigns, the Township or the providing utility or service company, to install and maintain facilities and equipment on the Property provided that such facilities shall not materially

impair or interfere with any Living Unit and provided further that any areas disturbed by such installation and maintenance are restored to substantially the condition in which they were found. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utility service lines or facilities for such utilities may be installed or located except as approved by the Developer, the Master Association or unless the same are shown on a recorded plat. There is hereby reserved in favor of the Developer and the Master Association the right (but not the obligation) to grant neighboring property owners easements for utility purposes so long as the granting of such easements does not overburden the utilities serving the Property and provided that such easements are approved by the utility owner.

**Section 4 - Easement for Ingress and Egress.** There is hereby reserved an access easement upon, across, over and through the private streets and any sidewalks, walkways, and parking areas in favor of the Developer, the Master Association, all Owners, Occupants, and their respective guests, licenses and invitees, emergency and service personnel for pedestrian and vehicular ingress and egress, as the case may be, to and from all of the various portions of the Property. Notwithstanding the foregoing, the Developer and/or the Master Association may limit this right of ingress and egress by a Subsequent Amendment.

**Section 5 - Easements for Construction, Alteration, etc.** There is hereby reserved in favor of Developer and the Master Association an easement upon portions of the Property necessary in connection with the construction, alteration, rebuilding, restoration, maintenance and repair of any Living Unit or other structures and improvements within the Property or serving the Property; provided, however, that in the exercise of any rights under this easement, there shall be no unreasonable interference with the use of any Living Unit or other structure or improvement on the Property.

**Section 6 - Maintenance Easement.** There is hereby reserved to Developer and for the benefit of the Master Association and its agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement to enter upon any Property for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash and debris in order to maintain reasonable standards of health, fire safety, and appearance within the Property, provided that such

easements shall not impose any duty or obligation upon Developer or the Master Association to perform any such action, unless otherwise provided herein; and provided, further, that the exercise of its rights hereunder the Master Association shall be entitled to be reimbursed by such Owner pursuant to the provisions of this Master Declaration. Furthermore, the Master Association is granted easement rights to enter upon the Property for the purpose of maintaining the Common Elements as provided in this Master Declaration.

Section 6A - Environmental Covenants, Easements and Restrictions.

There is hereby reserved in favor of Developer and granted to the Master Association, its successors and assigns, an easement upon, over, through and under all of the Common Elements for ingress, egress, installation, replacement, demolition, repair and maintenance of all portions of the Common Elements, as the Master Association may determine necessary in order to comply with any environmental covenants, easements and restrictions placed on the Common Elements, whether by grant by the Master Association or by operation of law. There is hereby reserved in favor of the Master Association the right (but not the obligation) to grant and execute any environmental covenants, easements and restrictions over the Common Elements at it may determine necessary or appropriate in its sole discretion without obtaining the consent or approval of Owners and/or any other Persons.

All rights, powers and duties conferred on the Master Association in Sections 7 and 8 of this Article VIII shall hereby be extended to include any rights, powers and duties which may arise with respect to such environmental covenants, easements and/or restrictions including those environmental covenants, easements and/or restrictions that may be granted or executed by the Master Association in accordance with this Section 6A of Article VIII.

Section 7- Scope of Easements and Dedication of Roadways and Utilities.

To the extent the easement rights granted or reserved hereunder are definable within specific areas, the Developer or the Master Association (with the Developer's prior written consent so long as Developer is a Class "B" Member) shall have the right (but not the obligation) to: (a) limit such easements to specific areas and purposes, and record a document or, documents releasing the balance of the lands from the burden of such easements; and/or (b) record a plat or other document or documents setting forth the specific areas subjected to such easements; and/or (c) dedicate to public or private use specific areas (and the



improvements contained therein) within the Property to meet the requirements of the County, Township and other public authorities having jurisdiction over the same. The Developer or the Master Association may exercise any of such rights without the necessity of obtaining the consent or approval of Owners and other Persons for whose benefit the easement rights are granted or served.

All rights, powers and duties conferred on the Master Association in Section 7 of this Article VIII shall hereby be extended to include any rights, powers and duties which may arise with respect to such environmental covenants, easements and/or restrictions including those environmental covenants, easements and/or restrictions that may be granted or executed by the Master Association in accordance with this Section 6A of Article VIII.

**Section 8 - Easements to Run with Lands.** All easements and rights described herein are easements appurtenant to the Property and the Common Elements, shall run with said lands, perpetually and at all times shall inure to the benefit of and be binding upon the Developer, its successors and assigns, and any Owner, Tenant, Occupant, purchaser, mortgagee, the Township or other Person having an interest in the Property, or any part or portion thereof. Reference to the easements and rights described in any part of this Master Declaration, in any deed of conveyance, lease, mortgage, trust deed, declaration for another type of residential association, or other evidence of obligation, shall be sufficient to grant such easements and rights to the respective grantees, lessees, mortgagees or trustees of such property, or any portion thereof, and to reserve to the grantor or lessor their successors and assigns, as easements appurtenant to the remainder of such properties, easements created by this Master Declaration for the benefit of the Master Association, any Owner, Tenant, Occupant, purchaser, mortgagee, the Township or other Person in respect to any portion of the Property as fully and completely as though such easements and rights were recited fully as set forth in their entirety in such document. A conservation/environmental easement has now been placed at the rear section of North Shore Estates sublots 24, 25 and 30. These areas are protected and under the jurisdiction of the Army Corps of Engineers and/or the Ohio Environmental Protection Agency. These areas are to be kept in natural condition. These areas are to be protected and maintained by the individual owners of each of these lots and can be entered into and walked through but not destroyed or disturbed in any way. No placement of any structure to be placed in these areas and trees are not to be cut unless they pose a potential hazard to life and property.

Developer and (after transfer of the Common Elements) the Master Association shall have the right to grant easements for the installation and maintenance of street and traffic signs, sanitary sewers, storm sewers, drainage and swales to the Township, County or agency having jurisdiction. No Owner or Occupant shall in any way hinder or obstruct the operation or flow of the drainage system, sanitary sewers and other utilities. The easement areas and all improvements therein shall be maintained continuously by the Master Association unless those easement areas are accepted by the Township, County or other agency by formal action.

All rights, powers and duties conferred on the Master Association in Section 8 of this Article VIII shall hereby be extended to include any rights, powers and duties which may arise with respect to such environmental covenants, easements and/or restrictions including those environmental covenants, easements and/or restrictions that may be granted or executed by the Master Association in accordance with this Section 6A of Article VIII.

**ARTICLE IX**  
**LOCAL SERVICE DRAINAGE EASEMENTS WITH THE HOMEOWNERS'**  
**ASSOCIATION**

**Section 1 - Declaration of Easements and Rights.** Declarant hereby declares non-exclusive perpetual easements for storm drainage purposes within the Local Service Drainage Easement areas shown on the Subdivision Plat, for the mutual benefit of the owners of the sublots upon which such easements are located, to utilize the storm drainage facilities within said easements. For purposes of this Declaration, these easements may be utilized by any owner of a subplot within the Subdivision for the purposes described herein. The owner of the subplot upon which the Local Service Drainage Easement is located is enjoined not to commit any act, nor to allow or suffer any person to commit any act, which impedes the purpose of the Easement.

**Section 2 - Mutual Maintenance and Repair Responsibilities.** The Homeowners' Association shall have equal rights and responsibilities to access, lay, maintain, repair, replace and remove pavements, storm sewer pipe, manholes, culverts, drains, ditches, swales, plantings, and/or appurtenances within such Local Service Drainage Easement areas, the ("Maintenance Work").

In addition, the Association shall have the rights and responsibilities for removing, clearing, cutting and pruning of underbrush, weeds, stumps, and other growth that impairs the flow of storm drainage through the Local Service Drainage Easement areas, and shall keep the same in a clean and sanitary condition (the "Additional Work").

The owner of any subplot within the Subdivision may perform any Maintenance Work and/or Additional work as described herein and may obtain recompense as described in Section 3, hereunder.

Owners of Parcels containing Local Service Drainage Easement areas shall not install obstructions (including without limitation, fences, sheds, trees, shrubs, retaining walls) that prohibit access to or the free flow of water to any drainage area (e.g. basins, swales, streams, etc.) or support systems buried underground. The foregoing notwithstanding, an Owner may install a fence so long as sufficient elevation is provided for storm water to flow underneath and access through an opening or gate is provided to all drainage areas. Fences are also subject to architectural review as provided in Article X, Section 1 of this Declaration. In the event an obstruction is placed on a Local Service Drainage Easement area and must be removed or otherwise altered, the expense for such replacement or alteration will be the Owner's responsibility.

**Section 3 - Right of Non-Defaulting Owner/Owners.** If the Association fails to perform the Maintenance Work and/or the Additional Work (the "Defaulting Owner"), the non-defaulting owner or owners shall have the right to perform the Maintenance Work and/or the Additional Work and charge the Defaulting Owner for maintenance costs, together with interest thereon and costs and expenses, including reasonable attorney's fees.

**Section 4 - Ultimate Responsibility.** Neither any Instrumentality of Lake County, Ohio, nor of Painesville Township, Ohio shall be responsible for any work or maintenance upon the Local Service Drainage areas, nor for any liability which arises from the design, use, maintenance, or any injury occurring upon the Local Service Drainage areas. This responsibility shall rest entirely with all of the owners of each lot in the subdivision as identified on the plat of this subdivision and the Association and in future phases being the same.

The Lake County Engineer, the Lake County Board of Commissioners, and/or Commissioners, and/or the Painesville Board of Township Trustees (individually known as "Entity"), may, in their sole discretion, order the Association of this Subdivision, to make repairs, maintenance, or improvement as directed by said Entity to ensure that the easement area continues to function properly as a drainage area. In the event the Association fails to perform the work required by the Entity, the Entity may, in its sole discretion, file suit to enjoin the Association to perform the work. Said suit shall not be filed unless and until the Entity gives the Association being sued 30 days written notice to perform the required work.

There shall be a corresponding right on the part of the owner of any subplot located within the Subdivision to file suit to enjoin the Association or other person with a possessory interest in a subplot in this Subdivision, upon which a Local Service Drainage Easement is located, to make repairs, maintenance, or improvement to ensure that the easement area continues to function properly as a drainage area. Said suit shall not be filed unless and until said person filing suit gives the person being sued 30 days written notice to perform the required work.

Section 5 – Taxation. The open spaces are meant to be taxed as separate parcels. The Homeowners' Association shall be responsible for payment thereof. In the event such payment is not made, the owner of any sublots may make such tax payment and recover any such tax payments, plus interest, from the Homeowners' Association. Non-Payment will result in tax foreclosure.

Section 6 - Binding Effect. The terms, covenants, condition and agreements herein shall run with the land and inure to the benefit of and binding upon the Declarant and all present and future owners of the sublots in the Subdivision and their respective heirs, executors, administrator, successors and assigns.

ARTICLE X  
ARCHITECTURAL CONTROL

Section 1 - Architectural Control. No building, fence, wall or other structure shall be erected, placed, or altered within the Property, until the plans

and specifications showing the nature, kind, shape, heights, materials, colors and location of the same shall have been submitted to and approved by the Developer or its designated architect in writing and all necessary Township zoning permits have been obtained. Payment for the cost of architectural review fees shall be the responsibility of the applicant. Responsibility for Architectural Control as described above will transfer from the Developer to the Board of Directors of the Master Association upon completion of the construction of all Living Units within the Property, or such time as Developer determines in its sole discretion.

**ARTICLE XI**  
**GENERAL PROVISIONS**

**Section 1 - Duration.** This Master Declaration shall run with the land and bind the land, and shall inure to the benefit of and be enforceable by the Master Association, or the Owner of any land subject to this Master Declaration, their respective legal representatives, heirs, successors and assigns for a term of 25 years from date of recording of this Master Declaration, after which time said Covenants and Restrictions shall be automatically extended for successive periods of 10 years unless an instrument signed by the then Owners of 2/3rds of the Lots and Living Units has been recorded, agreeing to terminate said Covenants and Restrictions.

For purposes of meeting the 2/3rds requirement, when Living Units are counted, the Parcel or Parcels upon which such Living Units are situated shall not be counted. Provided, however, that no such agreement to terminate shall be effective unless made and recorded 3 years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least 90 days in advance of any action taken.

**Section 2 - Notices.** Any notice required to be sent to any Member or Owner under the provisions of this Master Declaration shall be deemed to have been properly sent when mailed, prepaid, to the last known address of the person who appears as Member or Owner of the records of the Master Association at the time of such mailing.

**Section 3 - Enforcement.** Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons

violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Master Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**Section 4 - Binding Effect.** Each Grantee accepting a deed, lease or other instrument conveying any interest in a Lot, Proposed Living Unit, or Living Unit, whether or not the same incorporates or refers to this Master Declaration, covenants for himself, his heirs, personal representatives, successors and assigns to observe, perform and be bound by this Master Declaration.

**Section 5 - Assignability.** The Developer, its successors and assigns, notwithstanding any other provision herein to the contrary, shall at all times have the right to fully transfer, convey and assign all or part of its rights, title and interest under this Master Declaration, provided that such transferee, grantee or assignee shall take such rights subject to all obligations also contained herein.

**Section 6 - Amendments.** The terms and conditions of this Master Declaration may be amended, annulled or waived by an instrument in writing recorded in the public records of Lake County, Ohio, in the following manner and subject to the following conditions:

(a) Until such time as the Developer, or Developer's designated successors or assigns has completed the sale of all Parcels, Developer, or Developer's designated successors or assigns, shall have the sole right and power of granting waivers to provisions of this Master Declaration and amending this Master Declaration provided no such amendment shall materially and adversely affect the value of existing Living Units or shall prevent a Living Unit from being used by the Owner in the same manner that it was being used prior to the adoption of such amendment, and the Township shall not unreasonably withhold its consent to such an amendment.

(b) After the sale of all of the Parcels of the Property by the Developer to Owners, an amendment, annulment or waiver of any provision hereof shall have been approved at duly called and held meetings by not less than 66-2/3% of the membership.

(c) In addition to the above, Developer and/or the Master Association shall have the right to amend this Master Declaration without the consent of any person to correct errors of omission or commission or as required to comply with requirements of any governmental agency or public, quasi-public or private entity, or to bring the Master Declaration in compliance with the applicable laws, statutes and ordinances.

**Section 7 - Special Amendment.** Either Developer or the Master Association shall have the right and power to authorize and record a special amendment to this Master Declaration at any time and from time to time, which amends this Master Declaration to correct clerical or typographical errors in this Master Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Developer and to the Master Association to make a special amendment on behalf of each Owner, as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, other evidence of obligation, or other instrument affecting the Property and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to Developer and to the Master Association to vote in favor or make and record special amendments.

**Section 8 - Severability.** Invalidation of any one of these Covenants or Restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

EXHIBIT A

DRAWINGS

SEE THE DRAWING ATTACHED TO THE DECLARATION AS EXHIBIT A  
RECORDED AT LAKE COUNTY RECORDS INSTRUMENT NO. 2002R023781  
ON MAY 9, 2002.



EXHIBIT B

THE PROPERTY

SEE THE PROPERTY ATTACHED TO THE DECLARATION AT EXHIBIT B  
RECORDED AT LAKE COUNTY RECORDS INSTRUMENT NO. 2002R023781  
ON MAY 9, 2002.

EXHIBIT C

RESTATED BYLAWS  
OF  
LAKE ERIE SHORES HOMEOWNERS  
ASSOCIATION, INC.

006123

RESTATED BYLAWS

OF

LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC.

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RESTATED BYLAWS  
OF  
LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC.

I. Name, Principal Office and Definitions

A. Name. The name of the Association shall be LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, Inc. an Ohio non-profit corporation (hereinafter referred to as the "Association" or the "Corporation").

B. Principal Office. The principal office of the Corporation in the State of Ohio shall be located at 32100 Solon Road, Suite 202, Solon, Ohio 44139, County of Cuyahoga. The Corporation may have such other offices, either within or without the State of Ohio, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

C. Developer. As used herein, "Developer" shall mean the duly authorized representative or agent of Lake Erie Shores Development, LLC, an Ohio limited liability company, or its successors or assigns engaged in the construction and development of Lake Erie Shores Subdivision in Painesville Township, Lake County, Ohio.

D. Definitions. Terms used in these Bylaws shall have the same meaning as defined in that Declaration of Covenants, Conditions, Easements and Restrictions for Lake Erie Shores Homeowners Association, Inc., of even or approximately even date herewith (said declaration, as amended, restated, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"). In the event of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall govern and be deemed controlling.

II. Members

A. Membership. Pursuant to the provisions of the Declaration, every person or entity who is a record owner of the fee or undivided fee interest in any lot or parcel in Lake Erie Shores Subdivision shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of any obligation shall not be a Member. The membership of the Association shall be divided into two classes, Class "A"

and Class "B", entitled to the rights set forth in the Declaration and as hereinafter set forth with respect to such classifications. Class "A" Members shall be all Owners with the exception of Developer. The only Class "B" member shall be the Developer.

B. Annual Meetings. The first annual meeting of the Members shall be held within 30 days after the conversion of the Class "B" membership as provided in the Declaration. Each subsequent annual meeting shall be set by the Board of Directors of the Association (the "Board") so as to occur within 90 days after the close of the Corporation's fiscal year. Subject to the foregoing, the annual meeting of the Members shall be held at a date and time as set by the Board. Announcement of such meetings shall be issued by the Secretary upon not less than 7 days notice.

C. Special Meetings. The Developer or the President of the Corporation may call special meetings. In addition, after the Developer is no longer a Class "B" Member, it shall be the duty of the President of the Corporation to call a special meeting of the Corporation if so directed by resolution of a majority of a quorum of the Board or upon a petition signed by holders of at least 66 2/3% of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

D. Notice of Meetings. A written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than 7 nor more than 60 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

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

F. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of at least 1/2 of the voting power of the Members of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

G. Proxy. Any Member may, by letter, telegram, cable, facsimile, e-mail, or other written instrument, appoint a proxy to act or consent at any meeting. Designation by a Member of a proxy to vote or act on his or her behalf shall be made in writing to the Secretary (or other person conducting the meeting for which the proxy is given) at or before the meeting and shall be revocable at any time by actual notice to the Secretary. The presence at a meeting of the person appointing a proxy does not revoke the appointment.

### III. Board of Directors

A. General Powers. The affairs of the Association shall be governed and managed by its Board of Directors, each of whom shall have one vote. Except with respect to Directors appointed by the Developer, all Directors shall be Members or spouses of Members; provided, however, no person and his or her spouse may serve on the Board at the same time.

B. Number. The number of Directors shall be no less and no more than 3. The initial Board shall consist of the 3 members as identified in the Articles of Incorporation.

C. Election of Directors and Term of Office. Each Director shall be elected for a 3-year term to be elected annually by majority vote at the annual meeting of the Association. When 33% of the Units are sold, the Class "A" Members shall elect 1 Director to serve a term which shall terminate on the first annual or special meeting after which the Developer is no longer a Class "B" Member. At such first annual or special meeting after which the Developer is no longer a Class "B" Member, the Class "A" Members shall elect the 3 Directors. One Director shall be elected to serve a term of three years, one Director shall be elected for a term of two years, and one Director shall be elected to serve a term of one year. Upon the expiration of the initial term of office of each such Director, a successor shall be elected to serve a term of three years. Thereafter, all Directors shall be elected to serve three year terms.

D. Regular Meetings. The Board shall meet as often of the Board deems appropriate, but not less than once per calendar quarter.

E. Special Meetings. Special meetings of the Board shall be called by the Secretary upon request by any officer of the Corporation or by any two Directors. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members of the Board.

F. Notice. Notice of any special meeting of the Board shall be given at least 7 days previously thereto by written notice delivered personally or sent by regular U.S. mail or telegram to each Director at his/her address as shown by the records of the Association. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Regulations.

G. Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting.

H. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act by the Board, unless the act of a greater number is required by law or by these Bylaws.

I. Removal of Directors and Vacancies. Any Director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such Director. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. A Director who was elected solely by the votes of Class "A" Members may be removed from office prior to the expiration of his or her term only by the votes of a majority of Class "A" Members. Upon removal of a Director, a successor shall then and there be elected by the Class "A" Members entitled to elect the Director so removed to fill the vacancy for the remainder of the term of such Director. Upon the resignation of a Director, a successor shall then and there be appointed by the Board to fill the vacancy of the remainder of the term

of such Director. A Director designated to fill a vacancy shall be elected or appointed (in accordance with the preceding provisions hereof) for the unexpired terms of his/her predecessor in office.

J. Compensation. Directors, as such, shall not receive any stated salaries for their services.

K. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors. Such consent shall have the same force and effect as a unanimous vote.

L. Proxy. Any Director may, by letter, telegram, cable, e-mail, or other written instrument, appoint a proxy to act or consent at any meeting.

M. Powers and Duties. Except as set forth in the Declaration and in these Bylaws, the Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the Members.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board shall have the power to and be responsible for, but not limited to, the following:

(1) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses associated with the maintenance of the Common Elements of Lake Erie Shores Subdivision ("Common Expenses");

(2) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessments; provided, however, that unless otherwise determined by the Board, the annual assessment against the proportionate share of the Common Expenses shall be payable in equal monthly installments, each



such installment to be due and payable in advance on the first day of each month for said month;

(3) providing for the operation, care, upkeep, and maintenance of the Common Elements;

(4) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Elements and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(5) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, however, that any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

(6) making and amending rules and regulations;

(7) opening of bank accounts on behalf of the Association and designating the signatories required;

(8) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Elements in accordance with the provisions of the Declaration and these Bylaws after damage by fire or other casualty;

(9) enforcing by legal means the provisions of the Declaration, these Bylaws and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(10) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(11) paying the cost of all services rendered to the Association or its Members and not chargeable directly to individual Owners;

(12) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. These books and vouchers shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours to be established by the Directors. All books and records shall be kept in accordance with generally accepted accounting practices;

(13) make available to any prospective purchaser of any Parcel, any Owner, or any first mortgagee, current copies of the Declaration, the Articles, these Bylaws, rules and regulations governing the Association, and all other books, records, and financial statements of the Association. The Association may impose a reasonable charge for the foregoing in order to defray duplication costs.

(14) permit utility suppliers to use portions of the Common Elements reasonably necessary to the ongoing development and/or operation of the property; and

(15) enter into easement agreements, license agreements and other agreements with utility companies (both private and public), with Owners within the property, and with the owners of neighboring properties.

#### IV. Officers

A. Officers. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article.

B. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board after the annual meeting of Members as set forth

in Article II (B). If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly nominated and elected by the membership of the Corporation.

C. Vacancies. A vacancy in any office because of death, resignation, disqualification, or otherwise, may be filled by the Board for the unexpired portion of the term.

D. President. The President shall preside at all meetings of the Board. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Association. He/she may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Regulations or by statute to some other officer or agent of the Corporation; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

E. Vice President. In the absence of the President or in the event of his/her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice President in the order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or the Board.

F. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Regulations; he/she shall keep proper books of account and other books showing at all times the amount of funds and other property belonging to the Corporation, all of which books shall be open at all time

to the inspection of the Board; he/she shall also submit a report of the accounts and financial condition of the Corporation at each meeting of the Board, and at the annual meeting of the Corporation, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board.

G. Secretary. The Secretary shall keep the minutes of the meetings of the Board and of meetings of the Corporation in one or more books provided for that purpose; give all notices in accordance with the provisions of these Regulations or as required by law; be custodian of the corporate records and of the seal of the Corporation, and affix the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Regulations; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board.

## V. Committees

A. Committees. The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more persons, a majority of whom shall be Directors. The Committees shall be advisory in role only, and no such committee shall have the authority of the Board in reference to amending the Bylaws or the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another Corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; amending, altering, or repealing any resolution of the Board; or otherwise exercise any authority on behalf of the Association.

B. Meetings of Committees. Each committee created by the Board shall meet as often as the Board deems appropriate. The Board alone has the authority to declare a Committee meeting.

C. Term of Office. Each member of a committee shall continue as such until his/her successor is appointed, unless the committee shall be sooner

terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

D. Chairperson. One member of each committee shall be appointed Chairperson by the Board.

E. Membership in Committees. Any Committee shall be composed of 3 to 10 members. Members shall be nominated by the Chairperson of each Committee subject to election by a majority of the Board of Directors. All members of Committees must be Members of the Corporation.

F. Vacancies. Vacancies in the membership of any Committee may be filled by the Board.

G. Quorum. Unless otherwise provided in the resolution of the Board designating a Committee, a majority of the Committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee.

H. Rules. Each Committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

## VI. Hearing Procedure

A. Enforcement. In the event of a violation by any Member or any Occupant (other than the nonpayment of Assessments or charges, which is governed by the Declaration) of any of the provisions of the Declaration, these Bylaws, or the rules of the Association, the Board shall notify the Member and any Occupant of the violation, by written notice. If such violation is not cured as soon as is reasonably practical and in any event within 15 days after such written notice, or if the violation is not capable of being cured within such fifteen day period, if the Member or Occupant fails to commence and diligently proceed to completely cure such violation as soon as is reasonably practical within 15 days after written demand by the Association or such committee, or if any similar violation is thereafter repeated, the Association or such committee may, at its option:

(1) impose an enforcement assessment against the Member or Occupant as provided in Subsection (B) of this Section; and/or

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

(3) the Association may itself perform any act or work required to correct such failure and, either prior to or after doing so, may charge the Member with all reasonable costs incurred or to be incurred by the Association in connection therewith, plus a service fee equal to 15% of such costs. In connection with the foregoing, the Association may perform any maintenance or repairs required to be performed, may remove any change, alteration, addition or improvement which is unauthorized or not maintained in accordance with the provisions of the Declaration, and may take any and all other action reasonably necessary to correct the applicable failure; and/or

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

**B. Enforcement Assessments.** The amount of any enforcement assessment shall be a reasonable amount as determined by the Board. Prior to imposing any enforcement assessment, the Member or Occupant shall be afforded an opportunity for a hearing after reasonable notice to the Member or Occupant of not less than 10 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, the Bylaws or other adopted rules which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the officer, Board member or agent who delivers such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the hearing. The minutes of the hearing shall contain a written statement of the hearing and the sanction, if any, imposed. The Member or Occupant shall have an opportunity to respond, to present evidence, and to provide written and oral arguments on all issues involved and shall have

an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Board shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Board so determines, it may impose such enforcement assessment as it deems appropriate by written notice to the Member or Occupant. If the Member or Occupant fails to attend the hearing as set by the Board or committee, the Member or Occupant shall be deemed to have admitted the allegations contained in the notice to the Member or Occupant. Any enforcement assessment imposed by the Board shall be due and payable within 10 days after written notice of the imposition of the enforcement assessment, or if a hearing is timely requested, within 10 days after written notice of the Board's decision at the hearing. Any enforcement assessment levied against a Member or Occupant shall be deemed an Assessment against Owner, and if not paid when due all of the provisions of the Declaration relating to the late payment of Assessments shall be applicable. If any enforcement assessment is levied against an Occupant and is not paid within 10 days after same is due, the Association shall have the right to evict the Occupant as hereinafter provided.

C. Responsibility of Members for Occupants. Each Member shall be responsible for the acts and omissions, whether negligent or willful, of any Occupant, and for all employees, agents and invitees of the Member or any such Occupant, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Common Elements, or any liability to the Association, the Member shall be charged for same, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the Association. Furthermore, any violation of any of the provisions of the Declaration, these Bylaws or any rule, by any Occupant, or any employees, agents or invitees of a Member or any Occupant of a Parcel, shall also be deemed a violation by the Member, and shall subject the Member to the same liability as if such violation was that of the Member.

D. Costs and Attorney's Fees. In any legal proceedings commenced by the Association to enforce the Declaration, these Bylaws and or any other rules later adopted by the Association, as said documents may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' and paralegal fees. Any such costs or attorneys' or paralegals' fees awarded to the Association in connection with any action against any Member or Occupant shall be charged to the Member.

## VII. Finances of Association and Assessments

A. Preparation of Annual Budget. On or before the filing with the Lake County Recorder of the Declaration, and on or before December 14th of each year thereafter, the Association shall estimate the total amount necessary to pay the Assessments referred to in the Declaration for the balance of the calendar year in which the Declaration is filed and, thereafter, for each succeeding calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and the amounts, if any, which may be received from special assessments, concessions, contracts for special services and facilities, and other sources. On or about December 21st, the Association shall notify each Member in writing as to the amount of such estimates, and shall send a copy of such notice to each holder of a first mortgage upon the ownership interest of a Member who has made a request in writing for such notification. The failure of the Association to comply strictly with the above time requirements shall not be deemed to be a waiver and shall not prevent the Association from collecting Assessments. The net of the aggregate amounts of such estimates (herein called the "Estimated Cash Requirements") of the next calendar year shall be assessed to those Members required to pay the Assessments according to and as specifically set forth in the Declaration. Each Member required to pay Assessments shall pay to the Association or as it may direct, the Assessment made pursuant to this Section on or before the first day of each calendar year. On or before the date of each annual meeting, the Association shall furnish to all Members an itemized accounting of the expenditures for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, by special Assessments, or otherwise, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited to the last maturing monthly installments due from the Members under the current year's estimate, pro rata. Any net shortage shall be added pro rata to the next installment due after the rendering of the accounting.

B. Initial Capital Contribution. In addition to such regular monthly assessments, each Class "A" Member shall be required to make, at the time such Member acquires title to a Parcel, an initial capital contribution to the Association equal to two times the estimated monthly Assessment for common expenses for each Parcel purchased. The general purpose of this contribution is to provide the Association with a portion of the necessary initial working capital



and/or a contingency reserve. Such funds may be used for certain prepaid items (e.g., insurance premiums, utility deposits and organization, equipment and supply costs) and for such other purposes as the Board may determine. This initial capital contribution is not an escrow or advance, is not refundable and shall not be required of the Developer, but only from those persons who or which purchase a Parcel or Parcels from Developer.

C. Reserve for Contingencies and Replacements; Special Assessments.

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 the "Estimated Cash Requirements" prove inadequate for any reason, including nonpayment of any Member's Assessment, the deficiency and any extraordinary expenditures in excess of the reserves therefor shall be assessed to the Members required to pay assessments, pro rata. The Association shall also make any necessary or desirable special Assessments, from time to time which shall be payable at the time or times the Board deems necessary or desirable. The Association shall serve notice of such further Assessments on Members required to pay Assessments, by a statement in writing giving the exact amount and reasons therefor, and such further Assessment shall be payable with the next regular monthly payment becoming due to the Association but not less than 10 days after the delivery or mailing of such notice of further Assessment.

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

E. Status of Funds Collected. All funds collected hereunder shall be held and expended solely for the purposes designated herein and (except for such special Assessments as may be levied hereunder against less than all of the Members and for such adjustments as may be required to reflect delinquent or

prepaid Assessments) shall be deemed to be held for the use, benefit, and account of all Members required to pay Assessments pursuant to the terms of the Declaration.

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

G. Remedies for Failure to Pay Assessments. If a Member or Owner of a Parcel shall be in default in the payment of any of the aforesaid Assessments, the Association (or Developer if such Assessment was to be paid directly to Developer) shall have all of the remedies set forth anywhere in the Declaration, in these Bylaws or at law or equity to collect such Assessments and all costs associated therewith. The exercise by the Association or Developer of any right or remedy hereunder shall not be deemed to be exclusive of any of its other or additional rights or remedies hereunder or at law.

## VIII. Indemnification and Insurance

A. Authorization. In the event that any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, seeks indemnification from the Corporation against expenses (including attorneys' fees), and in the case of actions other than those by or in the right of the Corporation, judgments, fines and amounts paid in settlement, incurred by such person in connection with such action, suit or proceeding by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a trustee, director, officer, employee or agent of another Corporation (domestic or foreign, non-profit or for profit), partnership, joint venture, trust, or other enterprise, then, unless such indemnification is ordered by a court, the Corporation shall determine or cause to be determined in the manner provided in Section 1702.12(E) of the Ohio Revised Code whether or not indemnification is

proper in the circumstances because the person claiming such indemnification has met the applicable standards of conduct set forth in Section 1702. 12(E)(2) of the Ohio Revised Code and, to the extent that it is determined that such indemnification is proper, the person claiming indemnification shall be indemnified.

B. Expenses. All expenses, including attorneys' fees, incurred in defending any action, suit or proceeding referred to in Paragraph A of this Section may be paid by the Corporation in advance of the final disposition of such action, suit or proceedings, as authorized by the Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, in the event it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VIII.

C. Scope of Indemnification. The indemnification provided by Paragraph A of this Section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the law or any agreement, vote of members or of disinterested Directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

D. Insurance. The Corporation, to the extent permitted by Section 1702.12(E) of the Ohio Revised Code, may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, director, officer, employee or agent of another Corporation (domestic or foreign, non-profit or for profit), partnership, joint venture, trust or other enterprise.

## IX. Contracts and Administration of Funds

A. Contracts. The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. In the absence of a separate determination,

authorization is generally granted to the President to enter into negotiations with a third party, however, no contract shall be binding unless signed by no less than 2 officers of the Corporation, one of whom shall be the President.

B. Checks and Drafts. All checks, drafts, loan agreements, bonds, leases or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such separate determination by the Board, all such instruments shall be signed by no less than 2 officers of the Corporation, one of whom shall be the President.

C. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

D. Investments. The Board may retain and hold property of any kind or nature without incurring any liability to any person for any subsequent depreciation thereof and may manage and control any funds, money, property, or proceeds of property or proceeds of the sale of property coming into the hands of the Corporation from any source and may invest and reinvest the same in such loans, stocks, bonds, securities, or other property of any character or kind as the Board may from time to time determine, notwithstanding any rule of court or statute now or hereafter in force to the contrary, and in so doing shall incur no liability to any person for any act taken or omitted in good faith.

E. Management of Assets. The Board may compromise, settle, and adjust any claims on behalf of or against the Corporation on such terms and conditions and at such time or times as it may decide, without liability to any person or persons whomsoever for any such compromise, settlement, or adjustment of any claim made by the Board in good faith. No person or organization, being or claiming to be a beneficiary of any of the purposes of the Corporation, shall, as such, have or be given any claim or right of action against the Corporation by reason thereof.

F. Accounts. The Board shall cause to be kept adequate and correct accounts and records of its assets, liabilities, receipts, disbursements, gifts, and donations.

X. Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees and meetings of the Corporation. All books and records of the Corporation may be inspected during regular business hours by any Director or member of the Corporation for any purpose upon reasonable notice.

XI. Fiscal Year

The fiscal year of the Corporation shall be determined by the Board.

XII. Dissolution and Liquidation

The Corporation may be dissolved, upon the affirmative vote of a majority of Members present at any meeting of the Members at which a quorum is present and acting, or upon the written consent of all Members. The Board shall thereupon take such actions as may be necessary to wind up the affairs of the Corporation and to effect the termination of its corporate existence, and shall distribute the property of the Corporation to such one or more corporations, trusts, community chests, funds, or foundations, organized and operated exclusively as charitable, educational, and scientific instrumentalities conducive to public welfare, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence the legislation, or participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office (except to the extent an organization is permitted to do so under Section 501(h) of the Internal Revenue Code of 1954, as amended, without jeopardizing the tax-exempt status of such organization under Section 501(a) of such Code), and which the Corporation is empowered to do in accordance with the purposes set forth in the Articles of Incorporation, as the Board may elect.