

**CODE OF REGULATIONS
OF THE HOMEOWNERS' ASSOCIATION
OF PHASE 3,
HIGHLAND PARK SUBDIVISION, INC.**

The within Code of Regulations are hereby attached to the Declaration of Covenants and Restrictions for Phase 3, Highland Park Subdivision and are executed by each of the owners of the sublots located within that Phase and by the developer of said subdivision, Central South LTD., an Ohio limited liability company (the "Grantor"). This Code of Regulations shall also bind the owners of up to five hundred fifty (550) additional sublots of future phases of the Highland Park Subdivision, the exact number, location and size of which shall hereafter be determined by Central South, Ltd. For purposes of this Code of Regulations, the term "Sublots" shall mean both the sublots located within Phase 3 and the additional sublots identified in the preceding sentence. This Code of Regulations shall bind said owners and their respective successors and assigns for a period of ninety-nine (99) years and shall be renewed for successive ninety-nine (99) year periods, unless earlier terminated by a vote of 3/4 of the owners of the Sublots.

The purpose of this Code of Regulations is to provide for the establishment of a homeowners' association (the "Homeowners' Association") which shall be managed by the owners of the Sublots, under which the Homeowners' Association shall administer and enforce the restrictive covenants applicable to the Sublots and manage, maintain repair and replace the common areas and common area improvements hereinafter identified (the "Common Areas").

This Code of Regulations shall be enforceable against and binding upon each owner and/or occupant of any such Sublot and the mere acquisition or occupancy of same shall constitute acceptance and ratification of this Code of Regulations.

ARTICLE 1. THE HOMEOWNERS' ASSOCIATION

1.1 Name and Nature of Association: The Homeowners' Association shall be incorporated as a not-for-profit Ohio corporation, shall be governed by this Code of Regulations and Chapter 1702 Ohio Revised Code, and shall hold title to the Common Areas.

1.2 Membership: Each owner, upon acquisition of title to a Sublot, shall automatically become a Member of the Homeowners' Association. Such membership shall terminate upon the sale or other disposition by such Member of his Sublot, at which time the new owner of such Sublot shall automatically become a Member of the Homeowners' Association.

1.3 Voting Rights: Each owner of a Sublot shall be entitled to one (1) vote upon all matters properly brought before the Homeowners' Association.

1.4 Proxies: Members may vote or act in person or by proxy. The person appointed as proxy need not be a Member of the Homeowners' Association. Designation by a Member or Members of a proxy to vote or act on his or their behalf shall be made in writing to the President of the Homeowners' Association and shall be revocable at any time by actual notice to the President by the Member(s) making such designation. Notice of the revocation of the designation of a proxy shall not affect any vote or act previously taken and authorized.

1.5 Meetings of Members:

a.) Annual Meetings: The annual meetings of Members of the Homeowners' Association, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Homeowners' Association, or at such other place in Avon, Ohio as may be designated by the Board of Managers and specified in the notice of such meeting, at 8:00 p.m., or such other time as may be designated by the Board of Managers and specified in the notice of the meeting. The first annual meeting of Members of the Homeowners' Association shall be held when at least one hundred seventy-five (175) of the Sublots are sold to homeowners (not including builders). Until such time, the Homeowners' Association shall be managed by the Grantor. Thereafter, the annual meeting of Members of the Homeowners' Association shall be held on the first Tuesday of March in each succeeding year, if not a legal holiday, or, if a legal holiday, then on the next succeeding business day.

b.) Special Meetings: Special meetings of the Members of the Homeowners' Association may be held on any business day when called by the President of the Homeowners' Association or by the Board of Managers of the Homeowners' Association or by the Members entitled to exercise at least twenty-five percent (25%) of the voting power of the Homeowners' Association. Upon request in writing delivered either in person or by certified mail to the President or the Secretary of the Homeowners' Association by any person entitled to call a meeting of Members, such officer shall forthwith cause to be given to the Members notice of a meeting to be held on a date not less

than seven (7) nor more than sixty (60) days after receipt of such request, as such officer may fix. If such notice is not given within (30) days after the delivery or mailing of such request, the person calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be called to convene at 8:00 p.m. and shall be held at the office of the Homeowners' Association or at such other place in Avon, Ohio as shall be specified in the notice of meeting.

c.) Notice of Meeting: Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the Members of the Homeowners' Association, written notice stating the time place and purpose of such meeting shall be given by or at the direction of the Secretary of the Homeowners' Association or any other person or persons required or permitted by this Code of Regulations to give such notice. The notice shall be given by personal delivery or by mail to each Member of the Homeowners' Association. If mailed, the notice shall be addressed to the Members of the Homeowners' Association at their respective addresses as they appear on the records of the Homeowners' Association. Notice of the time, place and purpose of any meeting of members of the Homeowners' Association may be waived in writing, either before or after the holding of such meeting, by any Member of the Homeowners' Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member of the Homeowners' Association at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a waiver by him of notice of such meeting.

d.) Quorum: Adjournment: At any meeting of the Members of the Homeowners' Association, the Members of the Homeowners' Association present in person or by proxy shall constitute a quorum for such meeting provided, however, that no action required by law, or by this Code of Regulations to be authorized or taken by a certain percentage or number of Members may be taken by a lesser percentage or number of Members; and provided, further, that the Members of the Homeowners' Association entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

1.6 Order of Business: The order of business at all meetings of Members of the Homeowners' Association shall be as follows:

- A. Calling of meeting order;
- B. Proof of Notice of meeting or waiver of notice;
- C. Reading of minutes of preceding meeting;
- D. Reports of Officers;

- E. Reports of committees;
- F. Election of Managers;
- G. Unfinished and/or old business;
- H. New business; and
- I. Adjournment.

ARTICLE II. BOARD OF MANAGERS

2.1 Number and Qualification: The Board of Managers shall consist of five (5) persons, each of whom must be an owner and occupier of a Sublot, except that the Board of Managers shall consist of only three managers while within the Central South, Ltd. control.

2.2 Elections of Managers; Vacancies: The Managers shall be elected at the annual meetings of Members of the Homeowners' Association or at a special meeting called for the purpose of electing Managers. Only persons nominated as candidates at any such meeting shall be eligible for election as Managers and the candidates receiving the greatest number of votes shall be elected with a tie decided by a flip of a coin. In the event of the occurrence of any vacancy or vacancies in the Board of Managers, however caused, the remaining Managers may, by vote of a majority of their number, fill any such vacancy for the unexpired term and in case of a tie, selection shall be by flip of a coin.

2.3 Term of Office; Resignations: Each Manager shall hold office until his successor is elected, or until his earlier resignation, removal from office or death. Any Manager may resign at any time by oral statement to that effect made at a meeting of the Board of Managers, or in writing to that effect delivered to the Secretary of the Homeowners' Association, such resignation to take effect immediately or at such other time as the Manager may specify. Members of the Board of Managers shall serve without compensation. At the first annual meeting of the Members of the Homeowners' Association, the term of office of the two (2) Managers receiving the least number of votes shall be fixed so that such term will expire one year after the date of that meeting. The term of office of the three (3) Managers receiving the most votes shall be fixed so that their terms will expire two (2) years after the date of that meeting. At the expiration of such initial terms of office of each respective Manager, their successors shall be elected to serve for terms of two (2) years.

2.4 Organization Meetings: Immediately after each annual meeting of Members of the Homeowners' Association, newly elected Managers and those whose terms hold over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

2.5 Regular Meetings: Regular meetings of the Board of Managers may be held at such times and places as shall be determined by a majority of the Managers, but at least one such meeting shall be held each year.

2.6 Special Meetings: Special meetings of the Board of Managers may be held at any time upon call of the President or any three (3) Managers. Written notice of the time and place of such meeting shall be given to each Manager either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice must specify the purposes of the meeting; provided, however, that attendance of any Manager at any such meeting without protesting prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting, and such notice may be waived, in writing, before or after the holding of such meeting, by any Manager, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

2.7 Quorum: Adjournment: A quorum of the Board of Managers shall consist of a majority of the Managers then in office; provided that a majority of the Managers present at the meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given. In any meeting of the Board of Managers at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in this Code of Regulations.

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

2.9 Fidelity Bonds: The Board of Managers may require that all officers and employees of the Homeowners' Association handling or responsible for Homeowners' Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Homeowners' Association out of the Operating Reserve Fund as provided by Article IV herein.

2.10 Action without Meeting: Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing setting forth the action

so take shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of Members.

ARTICLES III. OFFICERS

3.1 Election and Designation of Officers: The Board of Managers shall elect a President, Vice President, a Secretary and a Treasurer, each of whom shall be a member of the Board of Managers. The Board of Managers may also appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary who are not members of the Board of Managers but who are Members of the Homeowners' Association.

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

3.3 President: The President shall be chief executive officer of the Homeowners' Association. He shall preside at all meetings of Members of the Homeowners' Association and shall preside at all meetings of the Board of Managers. Subject to directions of the Board of Managers, the President shall have general executive supervision over the business and affairs of the Homeowners' Association. He may execute all authorized deeds, contracts and other obligations of the Homeowners' Association, and shall have such other authority and shall perform such other duties as may be determined by the Board of Managers or otherwise provided for in this Code of Regulations.

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

3.5 Secretary: The Secretary shall keep the minutes of meetings of the Members of the Homeowners' Association and the Board of Managers. He shall keep such books as may be required by the Board of Managers, shall give notices of meetings of Members of the Homeowners' Association and of the Board of Managers required by law, or by this Code of Regulations or otherwise, and shall have such authority and shall perform such other duties as may be determined by the Board of Managers.

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

3.7 Other Officers: The Assistant Secretary and Assistant Treasurer, if any, and any other officers whom the Board of Managers may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board of Managers.

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

ARTICLE IV. GENERAL POWERS OF THE HOMEOWNERS' ASSOCIATION

4.1 Payment from Operating Reserve Fund: Each Sublot owner, other than Grantor, shall pay an annual membership fee and assessment, as provided herein, to the Homeowners' Association for the benefit of all of the Sublot owners and said funds so collected shall be placed in one or more accounts of the Homeowners' Association (said account or accounts being hereinafter referred to as the "Operating Reserve Fund"), and out of the Operating Reserve Fund the Homeowners' Association shall arrange to pay for the following:

a.) Wages and Fees for Services: The fees for services of any person or firm employed by the Homeowners' Association, including, without limitation, legal and/or accounting services necessary for proper operation of the Homeowners' Association, or the enforcement of this Code of Regulations and for the organization, operation and enforcement of the Homeowners' Association, provided, however, that any owner of a Sublot who violates these covenants shall be personally responsible for all costs of enforcement of this Code of Regulations and the Homeowners' Association shall levy a special assessment against said owner(s) for said sum.

b.) Certain Maintenance: The costs to maintain, repair and replace any of the Common Areas or Common Area Improvements. For purposes of this Code of Regulations, the Common Areas and Common Area Improvements as currently contemplated mean those areas and improvements identified in Exhibit A to this Code of Regulations, attached hereto and made a part hereof, but may include other similar areas

within future phases of Highland Park Subdivision to be utilized and maintained as common entranceways, green areas, recreational facilities, park areas and other improvements and appurtenances deemed necessary and advisable by the Central South, Ltd. for inclusion therein.

c.) *Additional Expenses*: The cost of any other materials, supplies, labor, services, maintenance, or insurance which is, in the opinion of the Association, necessary or proper for the administration of the Homeowners' Association, the maintenance and operation of the Common Areas and Common Area Improvements and/or for the enforcement of this Code of Regulations.

4.2 *Rules and Regulations*: The Homeowners' Association, by vote of the Members entitled to exercise a majority of the voting power of the Homeowners' Association, may adopt such reasonable rules and regulations and from time to time amend the same, supplementing the rules and regulations set forth in this Code of Regulations, as it may deem advisable for the maintenance, conservation and beautification of the Common Areas and Common Area Improvements. Written notice of such rules and regulation shall be given to all Sublot owners, and the Common Areas and Common Area Improvements shall at all times be maintained subject to such rules and regulations. In the event such supplemental rules and regulations shall conflict with any provisions of this Code of Regulations, this Code of Regulations shall govern.

4.3 *No Active Business to be Conducted for Profit*: Nothing herein contained shall be construed to give the Homeowners' Association authority to conduct an active business for profit on behalf of the Sublot owners or any of them.

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

4.5 *Make Available*: The Homeowners' Association will make available to any prospective purchaser of a Sublot, any owner of any Sublot, any first mortgage, and the holders, insurers and guarantors of a first mortgage on any Sublot, current copies of the Code of Regulations and Restrictive Covenants to which this Code of Regulations are attached and the rules governing the Sublot.

4.6 *Applicable Laws*: The Association shall be subject to and governed by the provisions of R.C. Chapter 1702, as amended from time to time. In the event of any conflict

or inconsistency between the provisions of this Code of Regulations and said Chapter 1702, the provisions of this Code of Regulations shall govern, unless otherwise prohibited by law.

4.7 Sale of Common Areas: The Association may not sell the Common Areas, or any part hereof, unless, at any regular or duly-called special meeting of the Members of the Homeowners' Association, one hundred percent (100%) of the voting power of the Homeowners' Association, acting in person or by proxy, elect to sell the same upon the terms and conditions proposed at such meeting. An Affidavit of the President of the Homeowners' Association affirming that such vote and action was duly taken shall, when recorded, serve as notice to all persons that such vote and action was taken.

4.8 Easement to Members: Grantor hereby creates by grant or reservation, as the case may be, in perpetuity, for its benefit and for the benefit of each Member, and the respective Members' guests and family, a non-exclusive easement for ingress and egress in and to the Common Areas and for the proper use of the Common Areas. Such easement shall continue only so long as the Member remains a Member.

4.9 Future Easements to Others: The Association, by vote of the Board of Managers, may from time to time hereafter grant to others such access and utility easements in and to the Common Areas as it deems necessary or advisable.

ARTICLE V. ANNUAL MEMBERSHIP FEE AND ASSESSMENT

5.1 Annual Membership Fee and Assessment: An annual membership fee and assessment shall be levied annually by the Board of Managers prior to the date of the annual meeting of the Members, in such amount as in their discretion shall be reasonably necessary to meet expenses anticipated during the ensuing year and to accumulate reasonable reserves for anticipated future operating and capital expenditures. At the annual meeting of the Members, the amount of the annual assessment as levied by the Board of Managers may be increased or decreased by the affirmative vote of Members entitled to exercise a majority of the voting power of the Homeowners' Association. The membership fee for 1999 and 2000 shall be two hundred dollars (\$200.00). The membership fee is due and payable at the time a Member becomes a Member. If a Member became a Member after June 30 of any year, the membership fee shall apply to the next calendar year.

5.2 Special Assessment: Special assessments may be levied by the Homeowners' Association from time to time at a meeting of the Members by the affirmative majority vote of the Members, provided that written notice shall be given to each Member at least thirty (30) days in advance of the date of such meeting stating that a special assessment will be considered at and discussed at such meeting. Special assessments may, if so stated in

the resolution authorizing such assessment, be payable in installments over a period of years.

5.3 Due Dates of Assessments: Defaults: The due date of the annual assessment shall be April 1 in each year. The due date of any special assessments or installment thereof shall be fixed in the resolution of the Members authorizing such assessment, and written notice of such special assessment or installments thereof shall be given to each Sublot owner at least sixty (60) days in advance of such due date.

If an annual or special assessment, or installment of a special assessment, is not paid within thirty (30) days after the due date, such delinquent assessment or installment shall bear interest from the due date at the rate of twelve percent (12%) per annum, and the Homeowners' Association may file a Notice of Lien in the office of the County Recorder to evidence any delinquent assessment or installment, but the Homeowners' Association shall not be under any duty to file such Notice of Lien, and its failure or omission to do so shall not in any way impair or affect the Homeowners' Association's lien and other rights in and against the Sublot and against the owner of such Sublot. The Homeowners' Association may thereafter bring an action at law against the Sublot owner responsible for the payment of such delinquent amount and (additionally or alternatively) may foreclose the lien against the Sublot; and in the event a judgment is obtained, such judgment shall include interest on the delinquent amount as above provided, together with the costs of the action.

Any Member who believes that the filing of any such lien is improper may commence an action for the discharge of the lien in the Lorain County Court of Common Pleas.

5.4 Statement of Unpaid Assessments or Charges: Any prospective grantee or mortgagee of a Sublot may rely upon a written statement from the President or Treasurer of the Homeowners' Association setting forth the amount of unpaid assessments or charges with respect to such Sublot. In the case of a sale of any such Sublot, no grantee shall be liable for, nor shall the Sublot purchased be subject to a lien for, any unpaid assessments which became due prior to the date of such statement and which are not set forth in such statement; nor shall the membership privileges of such grantee be suspended by reason of any such unpaid assessment. In the case of the creation of any mortgage, any unrecorded lien of the Homeowners' Association for unpaid assessments which are not set forth in such statement shall be subordinate to such mortgage.

5.5 Books and Records of Homeowners' Association: The Homeowners' Association shall keep full and correct books of account and the same shall be open for inspection by any Sublot owner or any duly authorized representative of a Sublot owner, at a reasonable

time or times during normal business hours as may be requested by the Sublot owner. Upon ten (10) days' notice to the Board of Managers, any Sublot owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Sublot owner.

5.6 Status of Funds Collected by Association: All funds collected hereunder shall be held and expended solely for the purposes designated herein and shall be deemed to be held for the use, benefit and account of all of the Sublot owners.

5.7 Annual Audit: The books of the Association shall be audited once a year by the Board of Managers, and such audit shall be completed prior to each annual meeting. If requested by three (3) four (4) members of the Board of Managers, such audit shall be made by a certified public accountant. In addition, and at any time requested by the owners of seventy-five percent (75%) or more Sublots, the Board of Managers shall cause an additional audit to be made.

5.8 Reserve for Contingencies and Replacement. Special Assessment: The Homeowners' Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extra-ordinary 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 non-payment of any owner's dues or assessment, the deficiency and any extra-ordinary expenditures in excess of the reserves therefore shall be assessed to the owner's required to pay dues and assessments.

ARTICLE VI. GENERAL PROVISIONS

6.1 Rights Pending Sale of Seventy-Five Percent of Sublots: Until such time as the Homeowners' Association is formed, and until such time thereafter as the Grantor and builders shall have consummated the sale of one hundred seventy-five (175) of the sublots to owners of completed residences, the powers, rights, duties and functions of the Homeowners' Association and its Board of Managers shall be exercised by two (2) persons who shall be selected by the Grantor. Such persons need not be Sublot owners.

6.2 Service of Notices on the Board of Managers: Notices required to be given to any devisee or personal representative of a deceased owner of a Sublot may be delivered either personally or to the President at his home address.

6.3 Services of Notices on Devisees and Personal Representatives: Notices required to be given to any devisee or personal representative of a deceased owner of a Sublot may be delivered either personally or by mail to such party at his, her or its address appearing

on the records of the court wherein the estate of such deceased Sublot owner is being administered.

6.4 Non-waiver of Covenants: No covenant, restriction, condition, obligation or provision contained in this Code of Regulations or the Restrictive Covenants to which they are attached, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

6.5 Agreement Binding: All agreements and determinations lawfully made by the Homeowners' Association in accordance with the procedures established herein shall be deemed to be binding on all Sublot owners, their successors and assigns.

6.6 Notice of Mortgages: Any Sublot owner who mortgages his Sublot shall notify the Homeowners' Association, in such manner as the Homeowners' Association may direct, of the name and address of his mortgagee and thereafter shall notify the Homeowners' Association of the payment, cancellation or other alteration in the status of such mortgage. The Homeowners' Association shall maintain such information in a book entitled "Mortgages of Sublots."

6.7 Severability: The invalidity of any covenant, restriction, condition, limitation or any other provision of this Code of Regulations, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect or the rest of this Code of Regulations.

6.8 Perpetuities and Restraints on Alienation: If any of the provisions, covenants or rights created by this Code of Regulations shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of George Bush, former President of the United States of America, and George Voinovich, United States Senator and William J. Clinton, current President of the United States of America.

6.9 Management Agent:

a.) The Board of Managers may employ for the Homeowners' Association a professional management agent or agents at a compensation established by the Board of Managers to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by this Code of Regulations.

b.) No management contract may have a term in excess of two (2) years and must permit termination by either party without cause and without termination fee on ninety (90) days or less written notice.

ARTICLE VII. AMENDMENT OF CODE OF REGULATIONS

7.1 This Code of Regulations may be amended or modified at any time, or from time to time, by action or approval of Sublots owners exercising seventy five percent (75%) or more of the voting power of the Homeowners' Association; provided, however, that the provisions of this Code of Regulations affecting the rights or interests of the Grantor shall not be amended or modified without the prior written consent Grantor.

IN WITNESS WHEREOF, the Grantor, acting through two of its Members and The Homeowners' Association, acting by and through its initial Board of Managers, has executed this Code of Regulations this 25 day of May, 1999.

In the Presence of:

The Homeowners' Association of Phase 3,
Highland Park Subdivision:

James Burgess

By: Gary J. Smitek, Manager/Member
Gary J. Smitek, Manager

Gary Smitek

By: Jon W. Smitek
Jon W. Smitek, Manager

Linda Brown

By: James Burgess
James Burgess, Manager

GRANTOR: Central South, LTD.

James Burgess

By: Gary J. Smitek, Manager/Member
Gary J. Smitek, Member

Gary Smitek

By: Jon W. Smitek
Jon W. Smitek, Member

Linda Brown

Pulte Homes of Ohio Corporation

Gary Smitek

By: James Burgess

Linda Brown

By: _____

STATE OF OHIO }
- Cuyahoga SS }
COUNTY OF LORAIN }

BEFORE ME, a Notary Public in and for said County and State, personally appeared the Grantor, Central South, LTD., by Gary J. Smitek and Jon W. Smitek, two of its members and the above-named Homeowners' Association by Gary J. Smitek, Jon W. Smitek and James Burgess, its initial Managers, who acknowledged the signing of the foregoing instrument to be their free act and deed as such Members and Managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year above written.

Linda M. Budd UKA
Notary Public

LINDA M. BUDD, Notary Public
STATE OF OHIO
My Commission Expires July 17, 1999

STATE OF OHIO }
Cuyahoga SS }
COUNTY OF LORAIN }

Before me, a Notary Public in and for said County and State, personally appeared Pulte Homes of Ohio Corporation, by James Burgess, its Operations Manager and _____, its _____, who acknowledged that they, being duly authorized so to do, executed the foregoing instrument as an owner of sublots, and that the same is the free act and deed of such corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year above written.

Linda M. Budd UKA
Notary Public

LINDA M. BUDD, Notary Public
STATE OF OHIO
My Commission Expires July 17, 1999

This Instrument Prepared by:
Timothy S. Triglio
Triglio, Stephenson & Januzzi, P.L.L.
5750 Cooper Foster Park Rd. Suite 102
Lorain, Ohio 44053
(440) 988-9500

RESTRICTIONS TO BE PLACED IN DEEDS FOR HIGHLAND PARK PHASE 3

Central South Ltd., an Ohio Limited Liability Company and Pulte Homes of Ohio Corporation, owners of Sublots Nos. 45 through 101 in the Highland Park Subdivision ("Grantors") deeming it necessary for the best interest of the purchasers of said sublots and for the orderly development of said subdivision, does hereby declare that all Grantees of said sublots own and hold said sublots subject to the Restrictive Covenants hereinafter set forth and that as a part of the consideration for each deed of one or more said sublots in said Subdivision, the Grantee or Grantees therein agree to be bound by said Restrictive Covenants which shall run with the land and shall inure to the benefit of the Grantors, its successors and assigns, and to the owners of all said sublots in The Highland Park Subdivision and its Homeowners Association (to be formed) until January 1, 2050 at which time said Restrictive Covenants shall be automatically extended for a period of fifty (50) years unless terminated by the vote of a two-thirds majority of the then owners of said sublots in said Subdivision who shall file an instrument in the office of the Recorder of Lorain County, Ohio, showing the termination thereof (one vote per subplot owned), which instrument shall be signed, witnessed and notarized.

Restrictions

1. These restrictions are part of a general plan for the benefit of the improvement of the entire Subdivision, each subplot therein, and that any variations between sublots are in accordance with and are a part of such general plan.
2. Only one private single family residence shall be erected on each said subplot in said Subdivision and said premises shall not be used for trade or business purposes. No advertising sign or billboard shall be placed thereon except those for the disposition of real estate, excepting and reserving the right of the Grantor, its successors and assigns, to have such structures as are necessary to conduct its business as a contractor during the period of construction of improvements and sale of sublots and houses in said Subdivision.
3. All residences shall have the following minimum square feet of finished livable floor space exclusive of any garage, breezeway, porch or basement:
 - Standard Sublots – nos. 45 through 67:
2,200 Sq. Ft. with minimum 6/12 roof pitch over main body of house
(Ranches must have minimum 8/12 roof pitch over main body of house)
 - Cluster Sublots – nos. 68 through 101:
1,500 Sq. Ft with minimum 6/12 roof pitch over main body of house
(Ranches must have minimum 8/12 roof pitch over main body of house). No more than 10% of Cluster homes built can be 1,500 to 1,650 Sq. Ft.
4. Finished square feet shall, for purposes of these Restrictive Covenants, be defined as having a finished wearing surface such as carpeted floors and finished plastered walls and ceilings.

5. The exterior of the residences shall be harmonious with the exteriors of the then existing residences of said Subdivision and the front elevation must be approved by the Architectural Review Board "ARB" (to be formed by Grantors) with said approval not to be unreasonably withheld. In no case shall the same floor plan be built on an adjacent lot on the same street. At least 33% of all homes built on the Standard Sublots (i.e. nos. 45 through 67) must have a rear or side entry car garage. Homes built on Cluster Sublots (i.e. nos. 68 through 101) do not need to have side entry garage but ARB will view this positively when approving front elevations. The grading of the Sublots shall be in conformity with the overall-grading plan as approved and on file in the office of the City Engineer.
6. The exterior front elevation of all homes built in this Phase of said Subdivision must be primarily composed of brick or stone. In no case may brick or stone be halfway up a front wall unless broken up by an offset. All mailboxes will be of a uniform design, which are white in color and match the design of the chosen mailbox in Highland Park Phases 1 and 2. Landscaping and seeded yards must be completed within nine months of occupancy.
7. Vinyl/aluminum exterior siding cannot be bright colors. All colors must be approved in writing by ARB.
8. The minimum front yard setback of the residence or any part of the structure shall be in compliance with the recorded plat.
9. At no time shall concrete block or poured concrete walls be used in the exterior design of the residence excepting and limited to that portion of a basement structure that will be exposed above grade but at no time shall said exposure be more than 18 inches.
10. Rear yard fences are permitted but cannot exceed 5 feet in height, must be at least 50% open to light, must be an earth tone color and cannot be cyclone (chain link) fencing. This restriction does not apply to fences required for in-ground swimming pools. In that case, the fences must also be to the rear of the back line of the house and conditioned further on meeting the requirements of the codified ordinances of the City of Avon but cannot be cyclone (chain link) fencing. Privacy fences surrounding patios and decks will be allowed with no restrictions as to height. No material or other unsightly matter shall be stored outside of the houses on said premises and the yards and lawns shall be kept in a neat and orderly manner at all times. Neither unlicensed vehicles nor a vehicle larger than a 3/4 ton pick up truck or panel truck shall be kept outside. No repairs of vehicles shall be performed outside of garages.
11. No boat, trailer, tent, garage or other outbuilding erected or placed upon the premises shall be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence. No boat, trailer or camper shall be

*Highland Park
Deed Restrictions
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permitted to be parked outside of the garage for a period of more than one week in any one year.

12. In no case shall there be a utility building, pole barn, storage shed, outbuilding, pavilion, unattached and/or non-footered attached garage on any subplot.
13. Utilities, including but not limited to sanitary sewer, storm and water are for the use and benefit of each subplot, the structures thereupon and the inhabitants thereof. No owner of any sublots subsequent to the Grantor shall allow, permit or suffer the use of any subplot, whether by assessment or otherwise, for utility purposes of any property, land or sublots outside the geographic boundaries of said Subdivision.
14. Invalidation of any one of these restrictions or covenants by judgment or court of law shall in no way affect the other provisions, which shall remain in full force and effect. The laws of the State of Ohio shall apply.
15. Each Grantee shall fully and completely abide by the By-Laws applicable to the sublots, which By-Laws shall continue for the term mentioned therein. A copy of such By-Laws is attached hereto and made a part hereof.

Owners: Central South, LTD.

James Burgess

By: Gary Smitek, Member/Manager
Gary Smitek, Member/Manager

Gary Smitek
Linda Brown

By: Jon W. Smitek member/manager
Jon Smitek, Member/Manager

Pulte Homes of Ohio Corporation

Jon W. Smitek

By: James Burgess
James Burgess, Officer

STATE OF OHIO
CUYAHOGA COUNTY

Before me, a Notary Public in and for said County, personally appeared the above named Gary Smitek and Jon Smitek who acknowledged that they are members of Central South, LTD., an Ohio Limited Liability Company, and James Burgess an officer of Pulte Homes of Ohio Corporation, and they did sign the foregoing instrument and that the same is the free act and deed of said limited liability company, and Pulte Homes of Ohio Corporation, and the free act and deed of them as members and/or officers.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, at Solon, Ohio this 25 day of May, 1999.

Inda M. Budd, NKA Linda M. Seitelend
Notary Public

INDA M. BUDD, Notary Public
STATE OF OHIO
My Commission Expires July 17, 1999

ARTICLES OF INCORPORATION
OF
THE HOMEOWNERS' ASSOCIATION OF PHASE 3,
HIGHLAND PARK SUBDIVISION, INC.

RECEIVED

JAN 15 1999

J. KENNETH BLACKWELL
SECRETARY OF STATE

The undersigned, desiring to form a non-profit corporation pursuant to the provisions of Chapter 1702, Ohio Revised Code, hereby certifies as follows:

ARTICLE I - NAME

The name of the Corporation shall be The Homeowners' Association of Phase 3, Highland Park Subdivision, Inc.

ARTICLE II - PRINCIPAL OFFICE

The place in Ohio where the principal office of the Corporation is to be located is the City of Avon, County of Lorain.

ARTICLE III - PURPOSES

The purposes for which the Corporation is formed are to be and to act as a homeowners' association and to provide for the maintenance, repair and improvements to the property of the homeowners' association and to exercise all powers and privileges and perform all duties and obligations as provided in the By-Laws of the homeowners' association and to have and exercise all powers, rights and privileges which a corporation organized under Chapter 1702 may now or hereafter have or exercise by law and to do anything necessary and proper for the accomplishment and in furtherance of any of these purposes.

ARTICLE IV - POWERS

In furtherance of the purposes described above, the Corporation will have the power, insofar as not limited by law, to make and perform contracts for any lawful purpose, to engage in any lawful activity and to acquire, own, hold, operate and maintain property to effectuate its purposes.

ARTICLE V - TRUSTEES (MANAGERS)

The following is a list of the names and addresses of the persons who shall serve as the initial Trustees or Managers of the Corporation:

<u>NAME</u>	<u>ADDRESS</u>
Gary Smitek	3320 Stoney Ridge Rd., Avon, Ohio 44001
Jon W. Smitek	3320 Stoney Ridge Rd., Avon, Ohio 44011
John Smitek	3320 Stoney Ridge Rd., Avon, Ohio 44011